



# **HCAT Risk Management Policy**

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Version Number	Version Description	Date of Revision
1	Original	September 2022
2	Reviewed and Rebranded	June 2024

The Risk Register is a 'working document' and will be regularly updated and monitored by the Academy Trust and the Board of Trustees.

The Risk Register has been devised using the following [HM Treasury guidance](#) as made mention to within the most recent letter from Eileen Milner to both Accounting Officers and Board of Trustees.

# HCAT Risk Management Policy

## 1. Introduction

Identifying and managing the possible and probable risks that our Trust may face is a key part of effective governance at HCAT. By managing risk effectively, trustees can help ensure that:

- Significant risks are known and monitored, enabling trustees and governors to make informed decisions and take timely action;
- The Trust makes the most of opportunities and develops them with the confidence that any risks will be managed;
- Forward and strategic planning are improved;
- The Trust's aims are achieved more successfully.
- Reporting in its annual report on the steps the Trust has taken to manage risk helps to demonstrate accountability to stakeholders including beneficiaries, funders, employees and the general public.

The Education Funding Agency (ESFA) also has a requirement for each single and multi-academy trust to exercise robust risk management.

The responsibility for the management and control of HCAT rests with the Trust Board and the Chief Executive Officer. Their involvement in the key aspects of the risk management process is therefore essential, particularly in setting the parameters of the process and reviewing and considering the results.

## 2. Responsibilities

### The Board of Trustees

The Board of Trustees is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding public funds and other funds and assets for which it is responsible. The Board of Trustees is advised and informed by the Senior Leadership Team.

The Board of Trustees fulfils its role by establishing the system of internal control:

- Approving and reviewing a series of policies that underpin the internal control process;
- Agreeing objectives, plans and resources by means of the budget and the annual School Improvement Plan;
- Approving this policy statement and the attached Risk Register and reviewing them carefully each year to identify risks, near misses and opportunities;
- Considering carefully the advice from the Responsible Officer and Auditor on internal financial controls, together with advice from any external consultants or inspectors.

### The Senior Leadership Team

The Senior Leadership Team fulfils its Risk Management role by:

- implementing Trustees' policies on risk management and internal control;
- advising the Board of the fundamental risks faced by the Academy and helping to evaluate them;
- providing timely and sufficient information to the Board of Trustees on the status of risks and controls;
- assisting the Finance and Resources Committee (where applicable) to draw up and revise the Risk Register;
- working to embed risk management and risk-based internal control in all aspects of school management.

## 3. Considerations

The Risk Register has been completed in the form recommended in the Academies Financial Handbook and it uses the terms listed there. It shall be revised annually.

In its annual consideration of the Risk Register the Trust Board should consider these issues:

- Whether risk management continues to be linked to the achievement of the Academies' objectives;
- The appropriate risk level of exposure for the Academy as a whole;
- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the Academies' objectives;
- Whether risk assessment and risk-based internal control are embedded in on-going operations and form part of its culture;
- Changes in the nature and extent of fundamental risks and the Academies' ability to respond to changes in its internal and external environment since the last assessment; the scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;
- The extent and frequency of reports on internal control to the Board of Trustees and whether this is sufficient for Board to build up a cumulative assessment of the state of control and effectiveness of risk management;
- The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- The effectiveness of the Academies' public reporting processes;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.

#### 4. Categories

The Risks to the Academy are divided into four sections:

- Strategic and Reputational Risks
- Operational Risks
- Compliance Risks
- Financial Risks

Notes about possible responses to Risks:

- TRANSFER - This may be done by conventional insurance or by paying a third party to take the risk in another way.
- TOLERATE - Exposure to risk may be tolerable without any further action. Alternatively, it may not be possible to do anything about the risk without a disproportionate cost.
- TREAT - This may not obviate the risk – it is more likely that the aim will be to contain it to an acceptable level.
- TERMINATE - This response is used when the only way to contain a risk to acceptable levels is to discontinue the activity that gives rise to the risk (not possible if there is a legal duty to engage in the activity).

The risks are on the [SYPRO Risk Management System - Risk Manager \(sypro.co.uk\)](https://www.sypro.co.uk/)