



**Wessex**  
Learning Trust  
We Learn Together!

# Risk Management Policy

**Date approved by Trust Board: January 2025**

**Review Date: January 2028**


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**Wessex Learning Trust**  
**Risk Management Policy**

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This policy will be reviewed by the Board of Directors every three years.

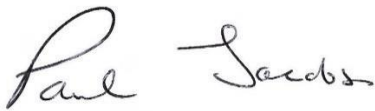


Signature:

Name: Mr Gavin Ball

Date: 23/01/2025

Position: Chief Executive



Signature:

Name: Mr Paul Jacobs

Date: 23/01/2025

Position: Chair of the Board

## **1. Definition**

- 1.1 Risk may be defined as an event/s or cause leading to uncertainty in the outcome of the Trust's operations. A risk may also prevent an organisation from achieving its planned objectives, in part or in full. It is also the failure to take advantage of opportunities to promote and develop the organisation to achieve its objectives.
- 1.2 Risk appetite is usually defined as "the amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time".
- 1.3 The Trust's risk appetite will not be static, and nor will it be the same in all areas of its activity, but it will be directly linked to the Trust Strategic Plan.
- 1.4 The Trust's risk appetite will vary depending on circumstances at the time.
- 1.5 The Trust will want to ensure that its overall level of risk is balanced, sustainable and appropriate and this balance is likely to be achieved with varying degrees of risk in different areas of Trust activities.

## **2. Introduction**

2.1 The risk management policy forms part of the Trust's internal control and governance arrangement. The policy explains the Trust's underlying approach to risk management. It gives key aspects of the risk management process, and identifies the main reporting procedures. It describes the process the Trust uses to evaluate the effectiveness of the Trust's internal control procedures.

### **3. Why we need to manage risk**

3.1 Through effective risk management we can identify and mitigate issues that could prevent us from achieving our educational and organisational aims. Daily we manage risk without describing this as “risk management”. We consider what might go wrong and take steps to reduce the impact if things do go wrong. However, the Trust cannot rely on informal processes. Also, as a public body, we must provide assurance to the Department of Education, Ofsted, auditors, and Trustees that we are managing risk correctly. Therefore we need to formally identify corporate risks and mitigating actions.

### **4. Risk Management Objectives**

4.1 The objectives for managing risk across the Trust are:

- To comply with risk management best practice.
- To ensure risks facing the Trust are identified and appropriately documented.
- To provide assurance to the Board that risks are being adequately controlled, or identify areas for improvement.
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks.

### **5. Risk Management Strategy**

5.1 This strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored.
- Ensure appropriate levels of awareness throughout the Trust.

### **6. Approach to Risk Management**

6.1 The following key principles outline the Trust's approach to risk management:

- as the principal executive and policy-making body of the Trust, the Trust Board is responsible for risk management.
- the Trust is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives.
- there should be an open and receptive approach to mitigating risk.
- the Risk Strategy and Audit Committee advises the Trust Board on risk management.
- the Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- the Local Partnership Boards are responsible for encouraging and implementing good risk management practice throughout the Trust and within the schools.
- Headteachers and Leadership teams of each school within the Trust are responsible for encouraging and implementing good risk management practice within their areas of responsibility.
- Each school in the Trust will adhere to the Trust's Risk Policy and maintain their own Risk Register.
- Early warning mechanisms will be put in place and monitored to alert the Trust so that remedial action can be taken to manage any potential hazards.
- The Executive Leadership Team has a moderation role and should discuss key risks at each school with the Executive Headteacher/Headteacher or other school representatives where appropriate and report outcomes of these discussions to the Board. Identified risks must be controlled and monitored by risk.

## 7. Identification of Risks

7.1 Risk identification should be approached in a methodical way, consistent across all schools in the Trust, to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined. However, it is recognised that no process is capable of identifying all possible risks. Therefore the process can only provide a 'reasonable' assurance that all relevant risks have been identified.

## 8. Evaluation of Risks

8.1 Risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation. The Trust uses a scoring system based on Impact and Likelihood of Occurrence.

### **Impact**

<b>Descriptor</b>	<b>Score</b>	<b>Impact on service and reputation</b>
Minimal	1	no impact on service no impact on reputation complaint unlikely litigation risk remote
Minor	2	slight impact on service slight impact on reputation complaint possible litigation possible
Moderate	3	some service disruption potential for adverse publicity avoidable with careful handling complaint probable litigation probable
Major	4	service disrupted adverse publicity not avoidable (local media) complaint probable litigation probable
Critical	5	service interrupted for significant time major adverse publicity not avoidable (national media) major litigation expected resignation of senior management and board loss of beneficiary confidence

### **Likelihood**

<b>Descriptor</b>	<b>Score</b>	<b>Impact on service and reputation</b>
Remote	1	may only occur in exceptional circumstances
Rare	2	expected to occur in a few circumstances
Possible	3	expected to occur in some circumstances
Probable	4	expected to occur in many circumstances
Inevitable	5	expected to occur frequently and in most circumstances

8.2 The risk score is arrived at by multiplying the score in the 'x' column (Impact) by the score in the 'y' column (Likelihood x Controls) . The effect is to give extra emphasis to impact when assessing risk.

8.3 This policy reminds those directly involved in assessing risk that risk scoring often involves a degree of judgement or subjectivity. Where data or information on past events or patterns is available, it will be helpful in enabling more evidence-based judgements.

## 9. Heat Map

9.1 The risk score will provide a colour coded figure. Colour codes are:

- Red - major or extreme/catastrophic risks that score 45 or more
- Yellow - moderate or major risks that score between 15 and 44
- Green - minor or insignificant risks scoring 12 or less.

<b>Likelihood x Controls</b>	<b>25</b>	25	50	75	100	125
	<b>20</b>	20	40	60	80	100
	<b>16</b>	16	32	48	64	80
	<b>15</b>	15	30	45	60	75
	<b>12</b>	12	24	36	48	60
	<b>10</b>	10	20	30	40	50
	<b>9</b>	9	18	27	36	45
	<b>8</b>	8	16	24	32	40
	<b>6</b>	6	12	18	24	30
	<b>5</b>	5	10	15	20	25
	<b>4</b>	4	8	12	16	20
	<b>3</b>	3	6	9	12	15
	<b>2</b>	2	4	6	8	10
	<b>1</b>	1	2	3	4	5
	<b>Impact</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	

## 10. Addressing Risks

10.1 When responding to risks, the Trust will seek to ensure that it is managed. The Trust will adopt one or more risk responses outlined below:

- Terminate: Countermeasures are put in place that will either stop a problem or threat occurring or prevent it from having an impact on the business.
- Transfer: The risk is transferred to a third party, for example through an insurance policy.

- Treat: The response actions either reduce the likelihood of a risk developing or limit the impact on the Academy to acceptable levels.
- Tolerate: We accept the possibility that the event might occur, for example because the cost of countermeasures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring.

## **11. Risk Register**

11.1 Identified risks will be included in a Risk Register which will include the gross risk score, the risk identified, potential damage, existing mitigating actions and ongoing action required to further mitigate risk. Each risk is also allocated a Risk ID, a person responsible / risk owner, and review date.

11.2 Those risks identified as 'red' in the risk score should be reviewed by the Board at least half-yearly and all other risks should be reviewed at least annually. The Risk Strategy and Audit Committee should review the whole register half-yearly and all red coloured risks at each meeting.

11.3 Any significant changes in risk, impact or likelihood, or the occurrence of an event which raises the profile of a risk will be recorded in the Risk Register as it occurs. Any new or increased risks identified will be evaluated and, if appropriate, recorded in the Risk Register.

## **12. Trust's Annual Review of Effectiveness**

12.1 The top three risks for each school and for the Trust overall, as identified by the school and agreed by the RSA Committee, will be reported to the Board of Trustees on an annual basis. In addition, the Trust, as advised by the RSA Committee, will undertake an annual review to consider:

- whether risk management continues to be linked to the achievement of the Trust's objectives.
- whether each Local Partnership Board risk register is appropriate and consistent.
- whether risk review procedures cover fundamental reputational, governance, staff, teaching, operational, compliance, student, estates, financial and other risks to achieving the Trust's objectives.
- whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture.
- changes in the nature and extent of fundamental risks and the Trust's 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 internal audit and other assurance functions.
- the extent and frequency of reports on internal control to the Board and whether this is sufficient for the Trustees to build up a cumulative assessment of the state of control and effectiveness of risk management.
- the incidence of any fundamental control failings or weaknesses identified at any point within the year and the impact that they have had or could have on financial results.
- the effectiveness of the Trust's 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.

## **13. Review**

13.1 This policy will be reviewed by the Wessex Learning Trust Board every three years or earlier if there are any changes to legislation.

## **14.0 Additional Information**

14.1 This policy also applies to Kings Fitness and Leisure and The Mid Somerset Consortium (MSC). Where a Headteacher is specified in the content above, this should be replaced by the Manager of Kings Fitness and Leisure and The Mid Somerset Consortium.