

The Auriga Academy Trust

Risk Management Policy

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Introduction

This risk management policy sets out how the Auriga Academy Trust recognises and manages current and potential future risks to ensure the safe, effective and continued operation of our schools and to enable us to best meet our aims and objectives.

Risk can be defined as 'uncertainty' which manifests in (often unforeseen) events and threats which can impact an organisation's ability to carry out its core functions, meet its strategic aims and jeopardise its long-term survival. All organisations are exposed to risk, which can never be wholly eliminated. Through embedding the use of the Trust risk registers and policies, together with programmes of training and development, the trust ensures that an awareness of risk and the importance of its management exists throughout the organisation.

This policy forms part of the trust's governance arrangements and system of internal controls. The policy incorporates the roles and responsibilities of the Board of Trustees, Local Governing Bodies, Senior Leadership and other employees; the Trust's risk management methodology; risk exposure reporting and the systems in place to evaluate the effectiveness of the internal controls.

1. Aims

Our trust aims to:

- Identify, measure and monitor all threats to the Trust's business objectives
- Manage the risks appropriately and in line with the risk appetite expressed by the board of Trustees
- Develop and implement contingency and business continuity plans.
- Embed risk management processes in both day-to-day operations and strategic governance
- Provide assurance of the effectiveness of the risk management framework and internal controls via an annual programme of internal scrutiny.

2. Legislation

This policy is based on the following statutory and non-statutory guidance from the Department for Education (DfE):

- [Academy Trust Handbook](#)
- [Academy trust risk management](#)

This plan also complies with the Trust's funding agreement and articles of association.

3. Role and responsibilities

All the Trust's employees are expected to be aware of the need for risk identification and mitigation and to participate in risk management as part of their day-to-day duties.

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

3.1 Trust board

The trust board will:

- determine the trust's approach to risk management
- articulate the trust's risk appetite to guide the management of risk
- be the owner of the risk register
- periodically review the risk register including, at minimum, a full review annually
- establish and review policies for mitigating critical risks including business continuity plans
- appoint an Audit and Risk committee in accordance with the Academy Trust Handbook

3.2 Audit and risk committee

The Audit and Risk committee will:

- report to the trust board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks
- review the central Trust risk register and those for each school to ensure that risks are being identified and appropriately addressed.
- direct the trust's programme of internal scrutiny to provide independent assurance of the risk management controls. The annual programme of work will consider issues identified in the risk register as requiring active monitoring.
- provide advice to the trust board relating to its risk management policy and its annual review of the risk register.
- provide details for inclusion in the Trust Annual Report of the risk management framework and programme of work undertaken in the previous academic year.

3.3 Chief Executive Officer

The CEO will:

- assist the compilation of the Risk Register by identifying key risks across Trust whether they arise from individual schools or are central to the Trust.
- assign an 'owner' to each key risk who will oversee its operational management and provide updates to the CEO and Trust Board of its status. The 'owner' will receive updates from the CEO on the Trust's appetite for the risk area under their management and any mitigation strategies suggested by the CEO or Trust Board.
- determine a classification/ranking of each key risk according to its likelihood and impact.
- direct operational work throughout the trust as needed to achieve the risk profile set by the Trustees.
- report to the trust board any significant events requiring an urgent re-assessment of the key risks
- inform the Audit and Risk committee of the status and evolution of the risk register
- contribute to the annual Risk Register review leading to the adoption of a new version at the start of each academic year.

3.4 School Committees

School Committees and Senior Leadership will:

- implement this risk management policy and any procedures and mitigating strategies as directed by the Board of Trustees.
- identify and evaluate the significant risks faced by the school for consideration by the CEO and the Board of Trustees.
- provide adequate information through the Risk Register and its supporting Appendices in a timely manner to the Board of Trustees and its committees on the status of risks and controls.

3.5 Headteachers

Within their own schools, headteachers/heads of schools will:

- Take ownership and be accountable for the day-to-day management of risk in their school.
- With the CEO, identify strategic risks within their school that fall under the Trust Risk Headings
- implement risk management policy, procedures and mitigating strategies as directed by the Board of Trustees.
- identify and evaluate the significant risks faced by the school for consideration by the School Committee and the Board of Trustees.
- provide adequate information through the Risk Register and its supporting Appendices in a timely manner to the Board of Trustees and its committees on the status of risks and controls.
- Assess operational risks

4. The Trust Risk Appetite

The Trust Board articulates its appetite for risk to provide a guide for the treatment of the individual key risks in the risk register. The appetite statement records the Trust Board's view on areas of its operation rather than on individual specific risks. The Trust Board will review its risk appetite statement at least once annually.

The Trust Board has identified four groups, or categories of risks:

- **Core Function** – delivery of the trust's objects, i.e. advancing education for the public benefit.
- **Property and Security** – ensuring that the trust complies with all regulations when managing its estate, IT systems and all personal data.
- **Finance and Operations** – the trust is financially viable, deters fraud and ensures value for money. The trust must be resilient to external issues which might affect the delivery of its service.
- **Governance, People and Strategy** – the trust must have the leadership and staffing capability to deliver its objectives and provide strategic planning for the future.

Against each of the four categories, the Trust Board selects a descriptor for the level of risk (the appetite) it is willing to accept while pursuing its objects. The Trust has adopted the descriptors included in the Good Practice Guide: Risk Reporting "Orange Book".

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

As detailed in later sections, individual key risks are identified from across the Trust and compiled to form the Risk Register. Each key risk is given an identifier (e.g. AURxx) and is placed within a single appetite category, assuming the appetite descriptor expressed for that category. At the time of publication, the board recorded its risk appetite as below:

Trust Board Appetite Statement for the 2024/25 Academic Year

Group	Risks	Appetite	Comments
Core Function	AUR 1 AUR 2 AUR 6	Cautious	Provides limited scope for some innovation but delivery of Trust's objectives must be prioritised
Property Security	Property + H&S: AUR 3, Security: AUR 4	Averse	Obligation to comply with strict policies for purchase, rental, disposal, construction and refurbishment that ensures producing good value for money

Finance and Operations	Finance: AUR 9, AUR 10	Minimalist	Only prepared to accept the possibility of very limited financial impact if essential to delivery
	Operations: AUR 7,	Open	Innovation supported, with clear demonstration of benefit/ improvement in management control. Responsibility for non-critical decisions may be devolved
Governance, People and Strategy	AUR 5, AUR 8, AUR 11	Open	Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.

Risk Register Key Risks for the 2024/25 Academic Year

AUR 1.	Unable to ensure quality of provision
AUR 2.	Significant safeguarding failure
AUR 3.	Significant health, safety and well – being failure
AUR 4.	Significant Cyber Security failure/breach of confidentiality
AUR 5.	Unable to ensure quality of Leadership & Governance
AUR 6.	Unable to meet pupils' Therapeutic needs
AUR 7.	Ineffective service continuity planning
AUR 8.	Unable to maintain and build staffing capacity and capability and their skills to deliver strategic priorities
AUR 9.	Significant fraud occurs
AUR 10.	Unable to maintain financial viability
AUR 11.	Ineffective and inadequate engagement with stakeholders

5. Risk Identification and measurement

The CEO will identify risks using a range of internal and external data including, but not limited to, internal and external reviews and inspections, audits, reports, data analysis, feedback from key stakeholders, scenario planning and compliance checks.

Risk measurement leads to better understanding of each specific instance of risk, and how it could affect the Trust's business objectives. Risk measurement consists of assessment, evaluation and ranking. This ensures all identified risks are compared according to a consistent standard.

5.1 Assessment

When assessing and monitoring risk the following definitions apply:

Risk appetite - the level of risk that the Trustees and / or School LGB is prepared to accept in pursuit of its objectives before action is deemed necessary to reduce the risk.

Inherent risk - the level of risk that exists in the absence of controls and describes the 'worst case scenario'.

Current Risk - the perceived current level of risk. This is known as the "Residual Risk"

Target Risk - the level of risk the Trust and/or School wishes to reduce the risk to. This will typically be the same as the appetite level but may be higher or lower depending on factors such as the practicality or cost.

The inherent and current risk levels are suggested by the Risk Owner and moderated by the CEO. The risk levels (including the target risk level) are reviewed and approved by the Trust Board.

The owner will estimate:

- The probability (or likelihood) of it occurring, and
- The severity (or impact) if it did occur

Both above risk factors are assessed using a simple 5-point scale: 5 (very high), 4 (high), 3 (medium), 2 (low), and 1 (very low).

5.2 Evaluation

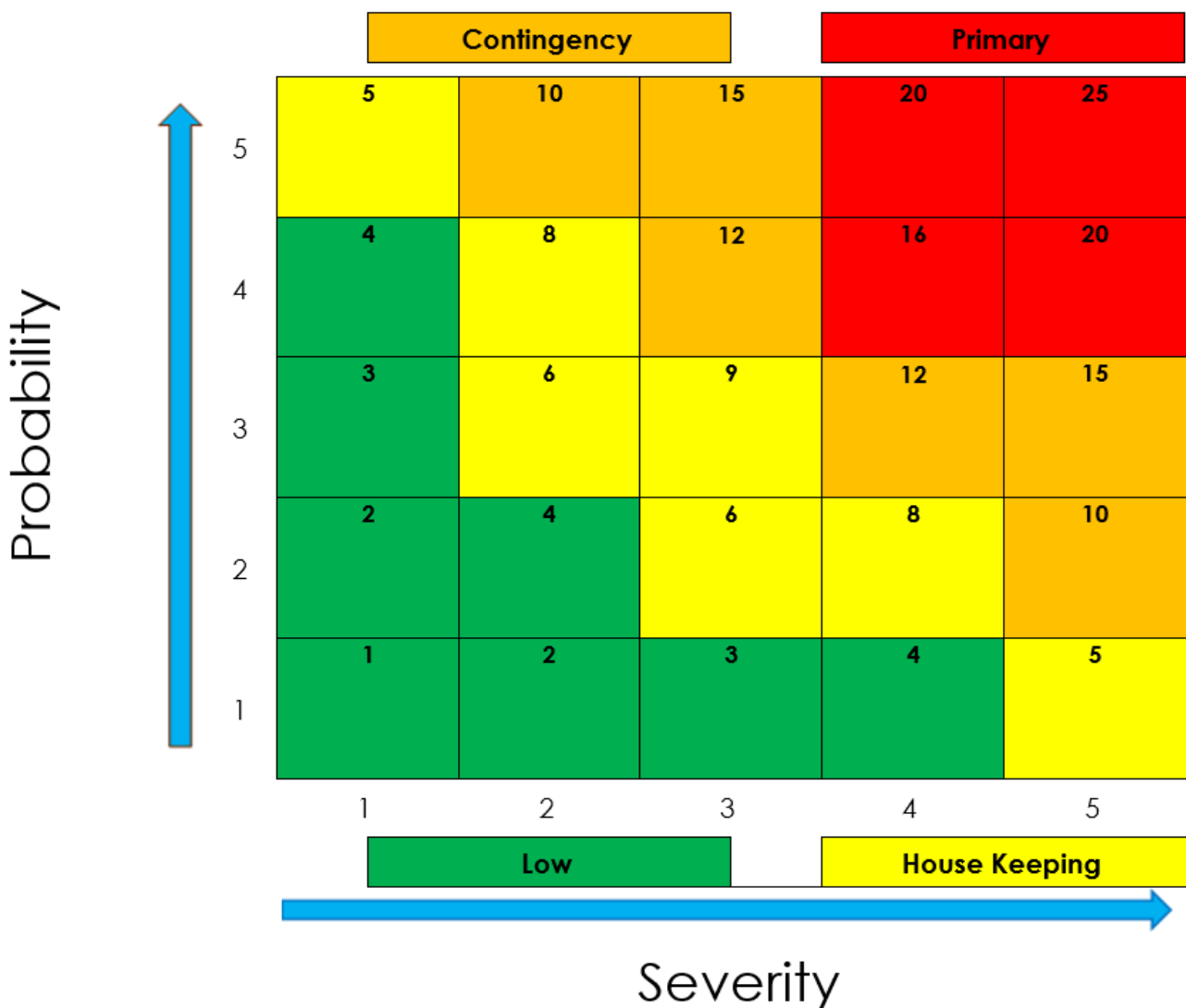
The 'Residual Score' for each risk's likelihood and impact are combined to derive a single risk score reflecting its overall level of threat. For example, Probability 4 x Severity 3 = Residual Score 12.

Where risks are deemed to be difficult to assess, highly variable, or it is thought that the worst-case severity threatens the survival of the trust, this indicates a higher degree of uncertainty, and therefore a greater degree of risk.

5.3 Ranking

Once the scores for likelihood and impact have been combined into a single risk score, they will be plotted on a risk matrix (below) to determine a RAG rating for the risk. This rating determines the level of priority for risk mitigation.

The trust will prioritise risks that are very low likelihood and very high impact over risks with very high likelihood and very low impact, as the former could be catastrophic for the trust.



6. Risk tolerance and control

In reviewing plans for responding to the risks in the Risk Register, the Trust Board will first compare the residual risk scores against the agreed appetite and target risks scores.

The Trust Board will use the following when deciding the appropriate risk treatment option(s), balancing the potential benefits from the achievement of objectives against the costs, efforts, or disadvantages of proposed actions.

Action	Description
"Requires Attention"	This risk is highly likely and/or has a significant impact and one to which we are Averse or Minimalist . This risk requires action, or treatment to be reduced and will lead discussions at each meeting.
"Actively Monitor"	Whilst this risk may be of concern, we are Tolerant of the current score due to lack of mitigations available. This will be discussed at each meeting.
"Monitor"	This risk is Within Appetite . Meetings will confirm that the risk score is not rising and there is no need for discussion at meetings.

The Trust Board considers various factors when determining the appropriate treatment for a risk, including the financial cost of mitigation, the potential impact on pupils and staff, the likelihood of the risk materializing, and any regulatory or legal obligations. The Trust Board will regularly review the alignment of risk treatment actions with the agreed risk appetite. This ensures that mitigation efforts are not disproportionate or insufficient for the risks identified. The appetite statement helps guide which risks can be tolerated versus those that need immediate intervention.

Risks that exceed the agreed tolerance levels will be escalated to the Audit and Risk Committee or Trust Board for urgent review. A plan for immediate action or additional controls will be developed and monitored until the risk is reduced to an acceptable level.

7. Monitoring of risk

The Board acknowledges that risk tolerance may change over time, particularly in response to evolving external conditions or shifts in strategic objectives. As such, the Board will regularly revisit its risk appetite to ensure it remains relevant and appropriate for the Trust's objectives.

Monitoring is ongoing and continuous, as this supports the trust's understanding of whether and how the risk profile is changing. Monitoring also provides assurance on the extent to which the mitigating actions and controls are operating as intended and whether risks are being managed to an acceptable level.

The Risk Register is central to risk monitoring. As key risks are identified, they will be logged on the register and the associated control measures documented.

The CEO is responsible for ensuring the Risk Register is up to date so that it can be reviewed by the Board. The CEO will necessarily liaise with other members of staff, including the Finance Director and School Leaders, and require them to provide information to update the Register.

8. Reporting and scrutiny

The aim of reporting risk is to provide assurance to the Members, Trustees, Governors, Senior Leadership and Stakeholders that the Trust is effectively managing its risks and has a robust system of internal controls.

Risks are monitored by senior leaders through the Trust's Risk Register and emerging risks which become a cause for concern are reported to the either the Finance Committee, Standards & Effectiveness Committee, or the Audit & Risk Committee depending on their nature.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be reported to the CEO and recorded on the risk register as it occurs. Any new or

increased risks identified by Senior Leaders, Governors or raised by a member of staff will be evaluated and, if appropriate, recorded in the Risk Register having been raised with the Head Teacher and then the CEO.

The Risk Register details the principal perceived risks for The Auriga Academy Trust and its constituent schools in relation to its key delivery areas. This is actively maintained as a working document taking into account new opportunities, the emergence of new risks, the implementation of new strategies and learning from experience. In order for the Trust to understand the overall risk position, the Trust has one combined risk register that is stored centrally and updated on **Sypro Risk Manager platform**.

Ownership of Risk and Delegation of Responsibility

The Trust Board maintains ultimate ownership of the Trust Risk Register. The CEO is delegated the responsibility of managing and monitoring the Risk Register, ensuring accurate and timely reporting to the Trust Board.

Each School's Risk Register is managed by the Headteacher, who is responsible for ensuring that risks are monitored and updated. The Governing Body reviews the school's Risk Register regularly, but ultimate oversight remains with the Trust Board.

The CEO collaborates with Headteachers to ensure the accuracy and currency of each school's Risk Register, incorporating any changes into the overall Trust Risk Register.

While specific risks may be delegated to individuals (e.g., Health and Safety to the Estates Team), these individuals are referred to as "Risk Managers" rather than Risk Owners. Risk Managers are responsible for leading mitigation efforts and reporting on the status of their assigned risks. However, the ultimate ownership of the risk resides with the Trust Board, and all risk scores (inherent, current, and target) are moderated by the CEO and overseen by the Trust Board.

The Trust Board sets the risk appetite for each identified risk. Whether a risk is within this appetite is determined through ongoing review by the CEO and the Board, ensuring appropriate oversight.

The Audit & Risk Committee and the Trust Board will receive an update on the Risk Register at each meeting, presented by the CEO with a commentary on any changes or new risks.

The Trust Board will keep the trust's risk appetite under review and consider the ongoing appropriateness of the risk management policy. In the event of unforeseen circumstances, the board will consider the extent to which the risk was identified and measured and whether the selected control measure was appropriate.

The risk register will facilitate a rational risk-based approach for the internal scrutiny function's work programme. The audit and risk committee is responsible for directing the trust's programme of internal scrutiny, which will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls
- Ensuring all categories of risk are being adequately identified, reported and managed.

Internal Audit:

The Auriga Academy Trust initiates internal audit programmes for all financial (and related) matters, and the Trust Audit, Risk & Effectiveness Committee monitors the effectiveness of internal controls.

External Audit:

External audit of the financial statements provides feedback to the Board of Trustees on the operation of internal financial controls reviewed as part of the annual audit.

Other external audits (e.g. the health and safety inspections and visits from insurers, the ESFA and

Ofsted) may also be the subject of periodic reports to the Board of Trustees.

10. Annual review of effectiveness

The Board of Trustees is responsible for reviewing the effectiveness of internal control of the trust, based on information provided by the CEO, Head Teachers and School Leaders to the Finance, Standards & Effectiveness, and the Audit & Risk Committees.

The reports of the CEO, internal auditors, external auditors, insurance provider, and the risk register review will be considered and any required action will be minuted and communicated to LGBs and School Senior Leaders for implementation. The progress and outcome of this action must be reported to the Audit, Risk and Effectiveness Committee for discussion at the next meeting or sooner if necessary.

The board will review the Risks included in the register annually, as required by the Academy Trust Handbook. The risks will be reconsidered and, if appropriate, removed, merged or added.

11. Critical Incidents To Be Escalated To Trustees

Only principal risks are listed on the Risk Register. Escalation of 'critical incidents' will provide Trustees with sight of the major risks facing the trust and how these are being mitigated and managed by Senior Leaders. Critical incidents are key data points which can signal a need for further investigation or management action as a result of 'lessons learnt'. Critical incidents should be escalated to the Head Teacher in the first instance. The Head Teacher will assess the incident, in line with the criteria below, before deciding whether to escalate to the CEO. The CEO will raise any critical incident at the first Board of Trustees meeting following identification. Critical incidents are defined as follows:

- Business Interruptions where teaching and learning is interrupted for the majority of students for 3 hours or more.
- Incidents requiring Insurance Claims.
- Incidents which resulted in life threatening injury, loss of life or which could have endangered life.
- Incidents which are or are likely to attract negative media coverage (local and national press).
- Incidents with a potential financial impact of £100K or more.
- Incidents which are likely to result in court action against the Trust or one of its staff.
- Safeguarding incidents where school activity was outside nationally agreed practice or where school activity contributed in any way to the incident (e.g. by not following its own procedures).
- Any incident which has the potential for any school to be forcibly investigated by a 3rd party.
- Buildings Damage or Deterioration which impacts classroom / teaching space, or leads to significant health and safety concerns.

It is envisaged that these definitions should be revisited periodically to ensure that the balance of number and severity of incidents escalated to Trustees is appropriate.

12 Mitigation and Control

When considering the risks which threaten the Trust, Trustees, Governors and Senior Leadership will direct the implementation of risk management strategies which will be detailed by the Risk Owner in the Risk Register. Each strategy should attempt to mitigate some aspect of probability and or severity. Strategies may include:

Avoid - Counter measures are put in place that prevent a risk materialising.

Transfer - All or part of the exposure is transferred to a third party, for example via an insurance policy.

Mitigate - Interventions to reduce the probability of the risk materialising or limiting the impact to acceptable levels.

Accept - An acceptance that the risk exposure is "a cost of doing business" within defined tolerances or is entirely beyond the control of the academy (for example education funding) or that the costs of mitigation outweigh the reduction in exposure.

It is expected that more than one of strategy may be applied to some risks. All the Auriga Academy Trust schools will have in place:

- Business Continuity Planning – every school will have a plan based on the standard trust template.
- Adequate Insurance cover arranged by the trust and reflecting trust policy.
- Internal controls which mitigate risk within agreed tolerance.
- Provisions (financial contingency) where appropriate to cushion the impact of unexpected events.
- Investment in new and improved systems as directed by the Trust.
- Reducing or ceasing activities or practices which expose the trust to unacceptable levels of risk (as notified by Trustees).

Each mitigating action carries a degree of cost to the trust. The cost of risk management strategy should be weighed against the extent of risk exposure it mitigates.

13 Links to Other Policies and Documents

Risk register

Business continuity plans

Emergency/critical incident plans

Health & Safety Policy

Keeping Children Safe Policy

Data Management and GDPR Policy

Whistleblowing Policy

Business Continuity and Disaster Recovery Policy

Safer Recruitment Policy

Complaints Policy

Procurement Policy