

# **Risk Management Plan for The Gryphon Trust**

## **1.0 Risk Management Overview**

1.1 The objectives for managing risk across the Trust are:

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

1.2 Management of risk shall include contingency and business continuity planning.

1.3. The Risk Management Process

## **2.0 The Risk Management Plan**

### **2.1 General Aims**

2.1.1 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.

### **2.2 Roles and Responsibilities**

2.2.1 The Chief Executive Officer (CEO) has lead responsibility for the risk management processes and maintaining the Risk Registers for the Trust and each Academy.

This responsibility includes:

- monitoring the performance of risk management processes;
- ensuring that appropriate controls are in place to identify and manage risks;
- preparation of periodic reports to the Finance, Audit and Compliance Committee (FACC) and BoD.

- 2.2.2. The CEO has overall responsibility for corporate risk management for the Trust.
- 2.2.3 Each Academy's Local Governing Body (LGB) has overall responsibility for risk management for their Academy.
- 2.2.4 The Chief Financial Officer (CFO) shall evaluate financial risks and advise the CEO promptly. The CFO shall periodically review any evaluation and advise the CEO immediately upon becoming aware of any significant variation.
- 2.2.5 The CFO shall ensure that the Trust maintains adequate insurance cover in compliance with its legal obligations and as additionally directed by the BoD.
- 2.2.6 The CEO shall review all Risk Registers before each BoD meeting and recommend any significant changes required at that BoD meeting.
- 2.2.7 The FACC shall monitor risk management in accordance with its Terms of Reference, reporting to the BoD as required.

## **2.3 Identification of Risks**

- 2.3.1 The Risk Management Standard (ISO 31000 2018) states that risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined.
- 2.3.2 The Trust's approach to risk management has been set and agreed with the BoD and is categorised as follows:
- Governance
  - Political
  - Economic
  - Social
  - Technological
  - Legislative
  - Environmental
  - Personnel
  - Freedom of Information
  - Safeguarding Information
- 2.3.3 The structure and organisation of the Trust's Risk Registers follows the above structure to ensure that the risks associated with each area have been identified.
- 2.3.4 In addition, risk is a standing item on the agenda for each meeting of the BoD and LGBs.
- 2.3.5 The Risk Registers for each Academy will be incorporated by reference into the Trust's Corporate Risk Register.

## 2.4 Evaluation of Risks

- 2.4.1 The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.
- 2.4.2 The Trust uses a 3x3 Matrix to assess impact and probability as high, medium or low, as illustrated in the diagram below:

		PROBABILITY		
IMPACT		HIGH	MEDIUM	LOW
	HIGH	High (9)	High (6)	Medium (3)
	MEDIUM	High (6)	Medium (4)	Low (2)
	LOW	Medium (3)	Low (2)	Low (1)

- 2.4.3 The descriptors for high, medium and low impact and probability can be expanded as follows:

### Impact of Risk Occurring

#### Impact Description

- High - Has significant financial impact  
Has a significant impact on the Academy's strategy or on teaching and learning  
Has significant stakeholder concern
- Medium - Has moderate financial impact  
Has no more than a moderate impact on strategy or on teaching and learning  
Moderate stakeholder concern
- Low - Has low financial impact  
Has a low impact on strategy or on teaching and learning  
Low stakeholder concern

The BoD for the Trust and the LGB for each academy shall set the parameters for high, medium and low financial risk. These parameters shall

be shown alongside the Impact/Probability Matrix at the end of the Risk Register.

### Probability of Risk Occurring

#### Probability Description Indicator

- High - Likely to occur each year, or more than 25% chance of occurrence within the next 12 months  
Potential of it occurring several times within a 4 year period.  
Has occurred recently
- Medium - Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months  
Could occur more than once within a 4 year period.  
Some history of occurrence
- Low - Not likely to occur within a 4 year time period or less than 5% chance of occurrence  
Has not occurred  
Is not likely to occur

## **2.5 Risk Appetite**

- 2.5.1 The term risk appetite describes the Trust's readiness to accept risks and those risks it would seek to reduce.
- 2.5.2 The Trust's risk threshold is the boundary delineated by the red shaded area (represented by scores of 6 and above) in the risk Matrix above. Above this threshold, the Trust will actively seek to manage risks and will prioritise time and resources to transfer, avoid or mitigate these risks.

## **2.6 Addressing Risks**

- 2.6.1 When responding to risks, the Trust will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.
- 2.6.2 The Trust will adopt one of the 4 risk responses outlined below:
  - Avoid - Counter measures 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
  - Mitigate - The response actions either reduce the likelihood of a risk developing, or limit the impact on the Trust to acceptable levels.
  - Accept - We accept the possibility that the event might occur, for example because the cost of the counter measures will outweigh the possible downside, or we believe there is only a remote probability of the event occurring.

2.6.3 The CEO shall develop a separate Specific Risk Management Strategy for all Risks on the Trust's Corporate Risk Register that fall at or above the Trust's risk threshold as set out in 2.5.2 hereof.

2.6.4 The respective LGB, with the support of the CEO, shall develop a separate Specific Risk Management Strategy for all Risks on an Academy's Risk Register that fall at or above the Trust's risk threshold as set out in 2.5.2 hereof.

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## **2.7 Risk Reporting and Communication**

2.7.1 The aim of reporting risk is to provide assurance to the Members, the BoD, LGBs and the ESFA that the Trust is effectively managing its risks and has a robust system of internal controls.

2.7.2 The reporting mechanism will be the Trust's Corporate Risk Register, Academies' Risk Registers and any respective Risk Management Strategy. LGBs will report through the CEO to the BoD. This will highlight the key risks facing the Trust, as well as each key strategic response.

2.7.3 Any significant changes in risk impact or probability or the occurrence of an event which raises the profile of a risk will be re-evaluated and amended on the appropriate Risk Register as it occurs by the responsible person(s).

2.7.4 Any new risks identified or raised will be evaluated and, if appropriate, recorded in the Risk Register as it occurs by the responsible person(s).

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2.7.5 The CEO and the Academies' LGBs and Senior Leadership Teams will raise awareness that risk management is a part of the Trust's culture and will seek to ensure that:

- members of staff are aware of their accountability for individual risks
- individuals report promptly to senior management any perceived new risks or failure of existing control measures.

## **2.8 Risk review and assessment**

2.8.1 The Responsible Officer review provides an annual assessment of the effectiveness of the Trust's management of risk.

2.8.2 The CEO will assist the FACC so that it can:

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- Report to the Board on the effectiveness of the risk management processes;
- Confirm to the Board that the Trust has published a risk management policy covering risk management philosophy and responsibilities.

### **3.0 Review of Risk Management Plan**

- 3.1 The Risk Management Plan shall be reviewed at the first BoD meeting of the school year or sooner if significant deficiency has been highlighted by the FACC or CEO.

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