



Rainbow Education

Multi-Academy Trust

Risk Management Policy

The Trust is committed to providing a safe environment for all members of the Trust.

Risk is an inherent aspect of all academic, administrative and commercial business activities so sound risk management principles must become part of routine management activity.

The key objective of this policy is to ensure the Trust has a consistent basis for measuring, controlling, monitoring and reporting risk across the organisation at all levels. This policy explains the Trust's underlying approach to risk management and documents the roles and responsibilities of the Board, committee and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

Risk Management Process

The Trust is committed to providing a safe environment for all members of the school community. In order to do this, we consider:

- The nature and extent of risks that the Trust faces.
- The extent and categories of risks that are acceptable.
- The likelihood of the risks concerned materialising.
- Strategies for reducing the frequency and impact of risks that do materialise.

Assessing the risks

A risk register is compiled considering likely risks relating, but not exclusively, to:

- Strategic and Reputational Risk
- Economical/Financial/Market Risk
- Legal and Regulatory Risk
- Organisation/Management/Human Factors
- Political Risk
- Environmental Risk
- Technical/Operational/Infrastructure Risk

Evaluating the risks

Once a risk has been established, the Trust will assess whether:

- The risk of both likelihood and impact of the event is high.
- The risk of likelihood or impact of the event is high.
- The risk of neither the likelihood nor the impact is high.



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A point scoring system (as detailed in the matrix below) is used to assess the likelihood vs. the impact of the identified risk with greater emphasis directed towards those areas identified as higher risk marked in red.

Likelihood	Almost Certain	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Severity						

Addressing risks

When responding to risks, the Trust will ensure that the risk is well-managed so that the potential threat does not materialise.

The Trust will adopt one of the four risk responses outlined below:

- **Terminate** – Counter measures are put in place to either stop a problem or threat occurring, or prevent it having an impact on the organisation.
- **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 school to acceptable levels.
- **Tolerate** – The Trust accepts the possibility that the event may occur. This may be because the cost of the counter measures is too great and will outweigh the possible downside, or because the Trust believes there is only a remote possibility of the event occurring.

The risk register will be reviewed regularly. As new risks are identified throughout the year these will be added to the risk register and assessed using the scoring methodology.

The Role of the Board of Directors

The Board of Directors has responsibility for the total risk exposure of the Trust and will be responsible for:

- Approving major decisions affecting the Trust’s risk profile or exposure



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- Deciding on the Trust's appetite for risk
- Determining what types of risk are acceptable/not acceptable and monitoring significant risks and control improvements to mitigate risks
- Annually reviewing the Trust's approach to risk management and approving changes or improvements to key elements of the process and procedures

Monitoring & Review

The trust will identify and evaluate the significant risks:

- Compiling a risk register
- Providing adequate information in a timely manner to the Board on the status of risks and controls
- Participating in a risk review and reporting the outcomes to the Board
- Implementing policies on risk management and internal controls
- Reviewing all risks identified as "red" risks
- Satisfying itself that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively
- Reviewing all internal audit reports and monitoring the implementation of any recommendations
- Receiving an annual report from the external auditor on the effectiveness of the internal controls reviewed as part of the audit.
- Annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

The Trust will review this policy every three years and assess its implementation and effectiveness.