



**SPARK**

**RISK MANAGEMENT POLICY**

**MARCH 2025**

**Policy Date: March 2025**  
**Review Cycle: Annually**  
**Responsible Body: Trust Board**

**Version Control**

<b>Review Date</b>	<b>Updates</b>
V1 March 2025	Updated to reflect individual school risk registers

**1. Purpose**

1.1 The purpose of this policy and procedure is to outline Spark Education Trust’s risk management strategy.

1.2 The Trust sets out strategic and business objectives and risk management is the discipline by which risks that threaten the achievement of those objectives are identified and managed as part of the planning process.

1.3 “Risk” is used in this policy and procedure to describe the uncertainty surrounding events and their outcomes that might have a significant effect, either enhancing or inhibiting: operational performance; achievement of aims and objectives; or meeting the expectations of stakeholders.

1.4 “Major risks” are those risks that have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives, or could damage the reputation of The Academy Trust.

## 2. Scope

2.1 This policy and procedure applies to the risk management strategy for the Trust as a whole and individual schools/academies. The Trust Board will maintain a Trustwide risk register and individual school LGBs will maintain school level risk registers. Where schools do not currently maintain formal risk registers this will be put in place before the next school year with support from their Director of Education and the central team.

## 3. Principles

3.1 The following key principles outline the Trust's approach to risk management and internal control in pursuing the aims set out above:

1. The Trust Board has responsibility for overseeing risk management and carries out this responsibility through its Trust Board and Audit & Finance Committee;
2. An open and receptive approach to solving risk problems is adopted by the Trust Board;
3. Key risk indicators are identified and closely monitored on a regular basis by the Trust Board and Audit & Finance Committee;
4. The Trust Board uses a weighted scoring system for all identified risks;
5. All colleagues within the Trust are encouraged to be involved in the risk management process by the reporting of risks to the Trust Executive Team;
6. The Trust aims to ensure that its Risk Management Policy is fully embedded trust wide.

## 4. Policy

4.1 The Trust's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

4.2 The Trust Board is responsible for making a statement on risk management in the annual accounts of The Trust. In order to be able to make the required statement with reasonable confidence the trustees should ensure that:

The identification, assessment and mitigation of risk is linked to the achievement of The Academy Trust's vision and strategic goals as set out in the Development Plan:

- The process covers all areas of risk, e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;

- The process produces a risk exposure profile that reflects the trustees views as to levels of acceptable risk, based on their risk appetite;
- The principal results of risk identification are reviewed, evaluated and managed; and ensure that risk management is ongoing and embedded in management and operation procedure.

4.3 The Trust Board is responsible for overseeing the development and implementation of the risk management strategy.

4.4 Each School Senior Leadership Teams (SLT) and LGBs have responsibility for ensuring that the risk management policy is implemented and for coordinating risk management activity across each school.

4.5 The Head Teacher and the SLT are responsible for ensuring that they take personal responsibility for championing risk management across the Trust and for reinforcing risk-aware attitudes and responses. Their role is to provide objective assurance to the Local Governing Committee and in turn the Trust Board that:

- Risks are correctly evaluated
- Key risks are being managed appropriately including the effectiveness of the controls and other responses to them
- The risk management framework and internal control framework is operating effectively
- Management is properly reporting the status of key risks and controls.

## 5. Procedure

### 5.1 Risk Identification

The process of risk identification will involve Trustees, Governors and the SLT.

Consideration will be given to the following factors:

- The vision, beliefs, values and strategic goals;
- The nature and scale of the School's activities, both current and planned;
- External factors that may affect the school such as legislation and regulation
- The Trust's reputation with its key stakeholders;
- The operating structure, e.g. functions and issues that the Trust may face due to transition to Academy status.

See Appendix 1 - Typical Categories of Risk

## 5.2 Risk Assessment and Risk Management Appetite

Spark Education Trust undertakes regular reviews of our risk management to ensure that it is fit for purpose and that the Trust’s objectives are achievable. The Trust use a detailed risk register to record and manage risks effectively. The Trust will:

- Discuss and agree that all involved are satisfied with the list of risks;
- Determine the appropriate response to each risk;
- Assess existing controls and determine appropriate action;
- Allocate responsibility for action; and
- Agree future reporting and review procedures.
- Taking each of the risks in turn, discuss and rate them in terms of likelihood e.g. 1 = Very Low 5 = Very High and impact, e.g. 1 = Insignificant to 5 = Catastrophic.

A risk matrix (see Appendix 2) will be used to plot each risk.

In determining what is the best action to take consideration will be given to the risk appetite of the Trust. The Trust will determine whether there is a low, medium, or high appetite and depending on this appetite what technique will be adopted to address the risk i.e. the higher the appetite, the more risk the Trust will take whereas the lower the appetite the more risks the Trust will avoid.

Risk Category	Risk Appetite
Financial	Low
IT and Information Security	Low
Legal and Regulatory	Low
Corporate, Strategic and Governance	Low
Academic and Pupil Support	Medium
Physical and Health and Safety	Low

5.3 The assessment of each risk will take into consideration the control measures currently in place to manage the risk. The controls identified will be assessed to determine whether they are an appropriate mitigation of the risks identified. The value for money of the chosen responses needs to be considered, i.e. it is as important to avoid over-control of minor risks as under- control of serious risks.

## 6. Action Planning/Risk Register

6.1 Any risks requiring treatment should be recorded in a risk register (see Appendix 3). The actions required to produce an acceptable control system will be identified and documented. Actions should be SMART – Specific, Measurable, Achievable, Relevant and Time-bound.

Clear responsibilities should be allocated to these actions along with a deadline for the action to be completed and a scheduled date for review.

A final version of the register will be circulated to all senior members of the Trust so that they are aware of the risk management policy and the controls in place to limit exposure to risk.

## 7. Monitoring and Review

7.1 The risk register will be reviewed regularly by SLT and the Governing Bodies to ensure that risks are identified and that appropriate controls and responses are in place and to ensure that;

- New risks/escalating risks are identified;
- Planned actions are carried out in line agreed timescales;
- Updating of the risk register as risks change over time;
- Early signs of developing risks are identified.

### Trust Risk Management Policy

**V1 March 2025**

**Ratified by Trust Board**

**Reviewed Annually**

## Appendix 1 Typical Risks in an Academy Trust

### Corporate/Strategic

- Lack of strategic planning, no link to financial planning
- Reputation

### Governance

- Responsibilities not defined
- Too much/little delegated to Head Teacher and Finance Director
- Unable to attract Trustees / Governors
- Nonattendance at meetings by Trustees / Governors

### Academic

- Unable to achieve targets
- Staff recruitment and retention

### Pupil Support

- Welfare of pupils
- Safety of pupils

### Contractual/partnership

- Over-dependency on a relationship, liabilities arising

### Financial

- Changes in funding
- Changes in pupil numbers
- Internal control breakdown/Fraud
- Inaccurate financial reporting

### IT

- Security risks
- Business continuity
- Obsolescence of current systems

### Physical

- Legislation- DDA, fire safety etc.
- Loss, damage or theft of assets

### Commercial

- VAT/taxation exposure

### Political

- Failure to maximise opportunities

### Legal

- Child Protection
- Admissions
- Employment Legislation,
- Data Protection, FOI etc.
- Contracts etc.

## Appendix 2 Risk Management Procedure and Matrix

<b>Likelihood</b>	5	Very High	There is little doubt that it will happen soon
	4	High	Strong chance it will happen in the next year
	3	Significant	50/50 chance this will happen in the next year
	2	Low	Not expected to happen in the next year
	1	Very Low	Almost impossible

<b>Impact</b>	5	Catastrophic	Loss of operations for more than a week; severe injuries or loss of life; gross failure to meet national/professional standards; major long term consequences; extensive coverage in press; major financial loss then threatens existence
	4	Major	Loss of operations for up to a week; severe injuries; severe financial loss with impact on operations; damage to reputation, local press coverage
	3	Moderate	Some disruption to operations for 48 hours; short term illness/injuries; some damage to reputation; financial loss than can be managed within budget
	2	Minor	Limited short-term disruption to operations; minor injuries/illness; small financial loss
	1	Insignificant	Not a noticeable effect on the school; no injuries; no damage to reputation

**Risk Matrix**

LIKELIHOOD	5 Very High	5	10	15	20	25
	4 High	4	8	12	16	20
	3 Significant	3	6	9	12	15
	2 Low	2	4	6	8	10
	1 Very Low	1	2	3	4	5
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
		IMPACT				