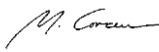


The Good Shepherd Catholic Trust



Risk Management Policy

Date Agreed	September 2026
Review Date	September 2027
Trust Chair Signature	
CAO Signature	



RISK MANAGEMENT POLICY

1. Background

The Risk Management Strategy aims to ensure that the Trust complies with risk management best practice and sets out the current processes and responsibilities for risk management in the Trust.

1.1 The requirements of the strategy can be summarised as:

- Directors, Governors and Headteachers acknowledge responsibility for the system of internal control
- An ongoing process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the annual report and accounts

1.2 In assessing what constitutes a sound system of internal control, consideration should be given to:

- The nature and extent of the risks facing the organisation
- The extent and categories of risk which it regards as acceptable, known as then "risk appetite".
- The likelihood of the risks concerned materialising
- The organisation's ability to reduce the incidence and impact of the risks that do materialise

2. Risk Management objectives

The objectives for managing risk across the Trust are:

- To safeguard high quality and effective education of the young people in our Academies;
- To safeguard the reputation and ethos of the Trust and the Academies and the principles upon which the Trust was founded;
- To recognise the common good in terms of the interests of the families in the communities served by the Academies and the pupils of the future inline with Diocesan Protocols
- To comply with risk management best practice;
- To ensure risks facing the Trust are identified and appropriately documented;
- To provide assurance to the Trust 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; and
- To prioritise and protect the Scheme of Delegation and the balance struck between central management and local responsibility.



3. Risk Management strategy

The 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 and its Academies.

The RM policy strategy is based around two themes, risks posed to the Academies and associated to the Trust itself. While there is much in common between the two areas of activity splitting them into two unique areas of focus allows threats and risks exclusive to one area to be managed more effectively.

3.1. Roles and responsibilities

The Trust will use the overarching risk principle known as “lines of defence” to ensure the appropriate levels of risk management are conducted at the appropriate levels of oversight.

- 1st line of defence – school management and staff who own and manage risk on a day-to-day basis.
- 2nd line of defence – the Trust who oversee the effectiveness of the risk management framework.
- 3rd line of defence - the internal scrutiny function who provide independent assurance on the overall effectiveness of risk management and controls.
- 4th line of defence - assurance from external independent bodies such as the external auditors and other external bodies.

The Local Governing Committees of each Academy have the responsibility to implement, monitor and verify such policies and procedures to facilitate an annual statement of compliance on those risks identified by the Trust Board. The Headteacher with school leadership team have overall responsibility for managing risk in their Academies. The Trust Board has primary responsibility for risk management processes and has responsibility for maintaining the Trust-wide Risk Register. This responsibility includes:

- Monitoring the performance of risk management processes
- Ensuring that appropriate controls are in place to manage identified risks
- Preparation of periodic reports to both the Finance & Audit Committee
- Preparation of periodic reports to the trust Finance, Audit and Risk Committee
- Prompt reporting to the central trust regarding any ‘significant events’ which take place on site and pose a significant risk to health, safety, financial resources or reputation.

3.2. Identification of risks



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.

The structure and organisation of the Trust's risk register seeks to ensure that all significant objectives and activities have been identified and the risks associated with each area have been identified.

The Risk Register is formally reviewed each term by the Trust Board with a full review in the autumn term. The Risk Register is a standing item on the Trust Board's agenda and the Directors will monitor the identification and mitigation of risk within the Trust. The Local Governing Committee will review the individual Academy's Risk Register on an annual basis as a minimum (summer term) and this will form part of reporting to the Trust Board.

3.3. Evaluation of risks

Risks will be assessed on two core criteria:

- Probability: the likelihood of the risk occurring
- Impact: the positive or negative consequences of the risk coming to fruition



Risk profile

Both criteria will be scored on the risk register, between 1 (the lowest) and 5 (the highest). When multiplied together, the total provides a quantifiable risk score. The risk score will then determine the severity of the risk through a simple Red, Amber, Green framework (severity)

The Trust uses a 5x5 matrix to assess impact and likelihood as illustrated in the diagram below. The inherent risk (prior to any actions being taken) and residual risk (once actions are taken to control the risk) are both assessed.



Inherent risk

Use the matrix below to calculate the inherent risk score

Probability	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Severity					

Risk severity table

Severity of threat	Description
Critical (5)	The financial impact will be highly significant in excess of: Primary School Level - £50,000 Secondary School Level £100,000 Major disaster. Could seriously undermine the standing and position of the organisation. Has a significant impact on both strategy and on safeguarding, teaching and learning with possible full closure of the school site Has significant stakeholder concern Can cause significant reputational damage to the Academy/Trust
Very High (4)	The financial impact will be significant between: Primary school - £27,000 and £49,999 Secondary School - £80,000 and £100,000 Very serious. Would hinder the achievement of our strategic objectives and/or would take up considerable time and resources. Has a significant impact on strategy or on safeguarding, teaching and learning with partial closure of the school site Has significant stakeholder concern



	Can cause significant reputational damage to the Academy/Trust
High (3)	The financial impact will be more than moderate between: Primary School - £17,000 and £26,999 Secondary School - £50,00 and £80,000 Serious. A Threat, which could casue us reasonable problems and would definitely take up time and resources. Has more than a moderate impact on strategy or on safeguarding, teaching and learning with significant school disruption Moderate to significant stakeholder concern Can cause reputational damage to the Academy/Trust
Medium (2)	The financial impact will be moderate between: Primary School - £10,000 and £16,999 Secondary School - £25,000 and £50,000 Fairly serious. Possibly important, but can be managed although it would take up some time and resources. Has no more than a moderate impact on strategy or on safeguarding, teaching and learning with school disruption Moderate stakeholder concern Can cause moderate reputational damage to the Academy/Trust
Low (1)	The financial impact is likely to be low below: Primary School - £10,000 Secondary School - £25,000 Insignificant. Might only cause minimal reputational damage. Has a low impact on strategy or on safeguarding, teaching and learning Low stakeholder concern Is unlikely to cause any reputational damage to the Academy/Trust



Probability of threat occurring

Probability	Indicator
5	Potential of it occurring several times within a year period. Has occurred recently Imminent - 75% chance of occurring in the year – about to happen
4	Potential of it occurring several times within a 2 year period. Some history of occurrence Probable - 51-75% chance of occurring – May occur within the year
3	Could occur more than once within a 3 year period. Possible - 26-50% chance of occurring – May occur within next 3 years
2	Could occur but hasn't happened within the last 4 years Unlikely - 10-25% chance of occurring – May occur within next 5 years
1	Is not likely to occur Very Unlikely - Under 10% chance of occurring – May occur within the next 10 years

3.4. Risk appetite & Risk Capacity

The term risk appetite describes the Trust's readiness to accept risks and those risks it would seek to reduce. The Trust's risk threshold is the boundary delineated by the amber shaded area (represented by scores of 8 and above) in the risk matrix in paragraph 3.3. Above this threshold, the Trust will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks. This will depend on the finite amount of scuh resources and is known as the risk capacity.

3.5. Addressing risks

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.

The Academy will adopt one of the 4 risk responses outlined below:



Treat	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.
Terminate	The response actions either reduce the likelihood of a risk developing, or limit the impact on the Trust to acceptable levels.
Tolerate	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.

4. Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Directors, Governors, Headteachers and Auditors that the Trust is effectively managing its risks and has a robust system of internal controls.

4.1. Risk register

The reporting mechanism will be the Trust's Risk Register. This will highlight the key risks facing the Trust, as well as a breakdown for each key strategic aim and individual academies contexts. The Risk Register will be monitored by the Trust Board on a termly basis.

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified by Directors, Governors, Headteachers or raised by any other member of staff will be evaluated and, if appropriate, recorded in the Risk Register.

See appendix 1 for the 14 risk categories.

4.2 Communicating Risks

The Trust executive team monitors the risk register each term. The Headteacher and their strategic senior team will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Trust Board (or an officer designated by the Trust Board, such as a member of the Trust's Executive Team) (and if appropriate any Audit and Risk Committee) along with a summary of actions taken.

trustees (or any designated officer) will endeavour to raise awareness that risk management is a part of the Trust's culture and seek to ensure that:

- individual 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.

4.3 Annual risk review and assessment

The Headteachers will review the risk reports and provide an assessment of the effectiveness of each Academy's management of risk, reporting this to the local governors/committee on an annual basis.

The Executive Team (CAO/CFO) will prepare an annual review of risk for the Trust Board annually. This will enable the Trust Board to consider:

- The significant risks facing the Trust holistically and each individual Academy
- The effectiveness of the risk management processes



- That the Trust has published a risk management strategy covering risk management philosophy and responsibilities

5. Areas for improvement

Any areas identified as being in need of improvement will be discussed and agreed each term at the Trust Board meeting. Normally such discussions will be based upon the results of the risk registers completed by the academies and the Trust itself but should also take into account any other risks that were not identified by the risk register process.

Appendix 1 – Academy and Trust Risk Categories

	Academy and Trust Risk Categories
1	Compliance
2	Educational
3	Financial
4	Governance
5	Health and Safety
6	IT
7	Operational
8	Reputational
9	Safeguarding
10	School specific <i>(Only relevant to individual academies)</i>
11	Staffing
12	Strategic
13	HR
14	Estates

Appendix 2 – The Good Shepherd Catholic Trust Risk Report





Risks vs Category per site

Total Risks - 118

