Castle Phoenix Trust

Risk Management Policy

Trust Level Policy

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Committee approved by	Trust Board
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Date	Notes

RISK MANAGEMENT POLICY

Introduction

An effective Risk Management Policy seeks to remove or limit the impact of material risks on the strategic aims and objectives of the Castle Phoenix Trust (CPT).

The Risk Management Process adopted by the CPT consists of five key steps:

- identify, assess and evaluate material risks
- determine an appropriate response to risks, consistent with the Trust's risk appetite
- assess existing controls and determine appropriate improvement actions, if any
- allocate responsibility and timescales for any actions
- monitor and report on risks and the progress made in managing them

This policy should be read in conjunction with the Castle Phoenix Trust Risk Register.

Identify, assess and evaluate material risks

The identification, assessment and evaluation of risks is done in a methodical manner by means of using a risk register to ensure that all strategic aims and objectives and core school activities have been considered and the material risks associated with each area have been identified. The CPT Risk Register template is shown at Appendix 1.

A 4x4 matrix is used to assess the likelihood and impact of a risk occurring with 'very high' being 4 and 'low' being 1, as illustrated in the diagram below:

RISK SCORING MATRIX

LIKELIHOOD					
Very High >80%	4	4	8	12	16
High 40-80%	3	3	6	9	12
Medium 5-40%	2	2	4	6	8
Low <5%	1	1	2	3	4
		1	2	3	4
				IMPACT	

The impact of the risk occurring

4	Very High	An event, or series of events, that causes severe damage or harm to service provision, widespread reputation impact (national press and TV coverage), severe regulatory breach and severe financial impact
3	High	An event, or series of events, that causes major damage or harm to service provision, extensive reputation impact (regional press coverage), major regulatory breach and major financial impact
2	Medium	An event, or series of events, that causes noticeable damage or harm to service provision, moderate reputation impact (local press coverage) and moderate financial impact
1	Low	An event, or series of events, that causes limited damage or harm to service provision, negligible reputation impact and minor financial impact

The likelihood of the risk occurring

4	Very High	Highly likely: Event is highly likely to occur and/or has occurred recently
3	High	Likely: Event is likely to occur and/or has a history of occurrence
2	Medium	Unlikely: Event is unlikely to occur and/or has occurred only rarely in the past
1	Low	Remote: Event is only going to occur in remote circumstances and/or has not occurred before

Risk Appetite

- Risk appetite is the amount of risk to which the CPT is prepared to be exposed before it judges action to be necessary.
- Risk appetite is also about comparing the cost (financial or otherwise) of constraining the risk with the cost of exposure should the risk become a reality, and finding an acceptable balance.
- Some risk is unavoidable, and not within the ability of the organisation to completely manage down to a tolerable level.

Response to *Risks*

When responding to risks, the CPT will seek to ensure they are managed in an appropriate, proportionate and consistent way by adopting one of the 4 responses below:

Transfer: For some risks the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks to assets.

Tolerate: The exposure may be tolerable without any further action being taken. Even if it is not tolerable, the CPT's ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that may arise if the risk is realised.

Treat: By far the greater number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk, but more likely to take control action to contain the risk to an acceptable level.

Terminate: Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector; a number of activities are conducted in the public sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved.

Risk monitoring and reporting

The CPT Risk Register, and the associated risk graphic or 'heat map', serves as the main reporting mechanism for risk. The Register is split into three levels – Trust, Operational and School. The registers should be seen as 'live' documents and should be updated as risks appear, evolve and change in response to internal and external events and factors.

Trust Risk Register

The Trust Risk Register is strategic in nature and highlights the key risks facing the Trust. Each risk is allocated to the Trust Board itself and every improvement action is allocated to the Trust CEO or a member of her SLT, with agreed completion timescales.

The Register is considered at every Audit & Risk Committee. Any new or altered risks identified in Committee meetings will be evaluated and, if appropriate, recorded in the Risk Register.

The Risk Register will be kept as a standing agenda item at Board level and will focus on critical risks, including any new or emerging risks. The Trust Board will review the risks frequently and will review and ratify the profile annually.

Operational and School Risk Registers

Operational and School Risk Registers are predominantly tactical in nature. Operational Risk Registers (Appendix 1) are maintained by the Functional Heads with input sought from the Trust SLT as appropriate. School Risk Registers (Appendix 2) are maintained by each School Headteacher, with input sought from the SLT and Trust Risk Leaders on a regular basis.

If a risk rating has changed that is judged to have an impact at Trust level, this must be notified to the Trust CEO who will then consider the matter and amend the Trust Risk Register and notify the Audit & Risk Committee, as appropriate.

An up to date copy of each School Risk Register should be made available to the Trust CEO at all times.

Provision of Assurance

Regular monitoring of the Registers, and of progress made in delivering agreed improvement actions in a timely manner, provides the Trust with considerable assurance that key risks are being managed effectively. This assurance is augmented by the input provided by external Challenge Partners, Internal and External Audit and other external assurance providers such as Health & Safety Inspectors, the DfE and Ofsted. A summary of assurance at Trust level is presented in the CPT Risk Assurance overview.

Risk Assurance Key

Substantial	There is a **very good level of assurance** that the risks identified are managed very effectively leading to **achievement of intended outcomes**. **Controls are** being **applied consistently**.
Good	There is a **good level of assurance** that the risks identified are managed effectively. There is evidence that **the action being taken (controls) is leading to some improvement** in intended outcomes. **Controls are generally being applied consistently.**
Moderate	There is a **moderate level of assurance** that the risks identified are managed effectively. **There are areas for improvement and some controls may need revisiting** to ensure they are consistently applied and/or having the desired impact.
Limited	There **is limited assurance** that the risks identified are managed effectively. There are **weaknesses in the school's risk management process that will or could result in failure to achieve intended outcomes**.

School Three lines of defence

- **1st line of defence** – Headteacher and SLT who own and manage risk on a day-to-day basis.
- **2nd line of defence** – Trust Ambition links and CEO where appropriate
- **3rd line of defence** – School improvement Link Trustees as a result of the internal scrutiny function (School Improvement Advisory Panel and external challenge partners) who provide independent assurance on the overall effectiveness of risk management and controls.

Trust Three lines of defence

- **1st line of defence** – Operational Leads who manage operational risks
- **2nd line of defence** – CEO/ Deputy CEO
- **3rd line of defence** – Audit and Risk Committee and assurance from external independent bodies such as the external auditors and other external bodies.

Roles and responsibilities

- Trust Senior Leadership Team (SLT) and Executive Leadership Team– overall shared responsibility for the oversight of risk in their particular areas; Professional Lead for Governance (Head of Central Operations), Finance and Operations Director, Lead for People, Head of Estates and Compliance, CEO and Headteachers
- Head of Central Operations - lead responsibility for risk management processes; ensuring appropriate controls are in place; maintenance of the Risk Register; reporting to the CEO and the Board
- The Audit and Risk Committee (A&RC) considers and comments on the Trust's risk profile, as depicted in the Trust Risk Register and associated "Heat Map", and summarises for the Board the key changes and areas of exposure.
- The Board receives guidance from the A&RC to enable it to gain a good overview of the key risks faced by the Trust. It has overall responsibility for ensuring that the Risk Management Policy and all associated procedures are in place and for approving the Trust's risk profile and overall level of risk exposure.

Appendix 1

CASTLE PHOENIX TRUST RISKS 2025/26

Trust Risk Title and Success Factor	Description of risk	Expected controls *Please highlight in yellow the controls that are in place*	Additional controls and new improvement actions	L	I	Score	Target Date	Action owner / Committee	Status of action plans *In progress / on track /behind schedule*	Risk increasing, decreasing or static
	•	•								

Appendix 2

SUMMARY OF SCHOOL RISKS

For each objective, discuss the factors that will decrease your chance of success. Identify the key barriers that you will address and the action you will take to overcome this barrier.

STRATEGIC AIM THEME	SCHOOL OBJECTIVE 1
QUALITY OF EDUCATION	To ensure that our **classrooms are inclusive**, with a particular focus on **SEND** pupils, so that pupils develop as confident learners, value their learning and make good progress
RISK DESCRIPTION	**DUE TO: KEY BARRIERS TO SUCCESS (factors that may decrease the chance of the objective being met)**
There is a risk that classrooms are not inclusive	•

RISK ASSESSMENT				
TERM	**LIKELIHOOD**	**IMPACT**	**SCORE**	**LEVEL OF ASSURANCE**
SEPT 2025				
END OF TERM 1				
END OF TERM 2				
END OF TERM 3				

	RISK EXPOSURE STATUS	RISK EXPLANATION
END OF TERM 1		
END OF TERM 2		
END OF TERM 3		

ACTION PLAN **New Improvement actions** /Next Steps *The following new improvement actions will be implemented to further improve the control framework and/or reduce the level of risk exposure*	MEASURE OF SUCCESS DATE	ACTION OWNER	STATUS ON TRACK/BEHIND SCHEDULE/SIGNIFICANTLY DELAYED/ COMPLETED
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