



The Rosary Trust

A Catholic Education Trust

Risk Management Policy

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Summary of Changes October 2023

Section	Summary of Change
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1. Introduction

- 1.1 The Risk Management Policy explains The Rosary Trust's (The Trust) underlying approach to risk management. It sets out the key aspects of the risk management process and identifies the main reporting procedures. The policy is reviewed and amended, if appropriate, on an annual basis by the Board of Trustees.

2. Purpose

- 2.1 This Risk Management Policy forms part of The Trust's internal control and governance arrangements.
- 2.2 The policy explains The Trust's underlying approach to risk management. It sets out key aspects of the risk management process and identifies the main reporting procedures.
- 2.3 It describes the process the Board of Trustees will use to evaluate the effectiveness of the Academy's internal control procedures.

3. Approach to Risk Management

- 3.1 The following key principles outline The Trust's approach to risk management:
- As the principal executive and policy-making body, the Board of Trustees is responsible for risk management.
 - The Board of Trustees is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the Funding Agreement and the Academies Financial Handbook issued by the Department for Education.
 - There should be an open and receptive approach to resolving risk issues.
 - The Trust committees, and Local Governing Bodies will have risk management as a standard agenda item and will escalate any risk management issues to the Board of Trustees as required.
 - The Trust makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
 - All members of the Board of Trustees, Local Governing Bodies and Academy Leadership & Management Teams are responsible for encouraging and implementing good risk management practice within their establishments.
 - Early warning mechanisms will be put in place and monitored to alert the Board of Trustees to any risk events or near misses so that suitable remedial action can be taken to manage such risk positions.

4. Role of the Board of Trustees

4.1 The Board of Trustees has a significant role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within The Trust. This includes:
 - Determining whether The Trust is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue.
 - Determining what types of risk are acceptable and which are not.
 - Setting the standards and expectations of employees with respect to conduct and probity through defined policies and procedures.
- Determine the appropriate risk appetite or level of exposure for The Trust.
- Determine The Trust's risk prioritisation protocol through the application of risk assessment criteria by review of the key risk report/grid.
- Approve major decisions affecting The Trust's risk profile or exposure.
- Monitor the management of key risks.
- To be satisfied that other risks are being actively managed, with the appropriate level of controls in place and operating effectively.
- Review annually the Academy Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

5. Role of Local Governing Bodies

5.1 Key roles of the Local Governing Bodies are to;

- Implement policies on risk management and internal control.
- Identify, evaluate and mitigate the key risks faced by each Academy.
- Provide adequate information in a timely manner to the Board of Trustees on the status of risks and controls.
- Assist the Board of Trustees to undertake an annual review of risk management and the effectiveness of the system of internal control.
- Embed risk management as part of the system of internal control.

6. System of Internal Control

6.1 The system of internal control incorporates risk management. It encompasses a number of elements that together facilitate an effective and efficient operation, enabling The Trust to respond to a variety of risks. These elements include:

- **Policies and Procedures**

To enable management of key risks there are a series of policies that underpin the internal control process. These policies are set by the Board of Trustees. Written procedures support the policies where appropriate.

- **Development Planning and Budgeting**

The development planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting development plan objectives is monitored regularly.

- **Risk & Control Reporting**

Key risk reporting is compiled and helps to identify, assess and monitor risks significant to The Trust. The Key Risk Report is formally reviewed as a minimum termly but emerging risks are added as required and improvement actions are monitored regularly.

- **External Audit**

External audit informs the Finance, Risk and Audit Committee on the operation of the internal financial controls reviewed as part of the annual audit.

- **Internal Audit**

The Board of Trustees will ensure that internal audit work is carried out every year. The programme of works will be agreed by the Finance, Risk and Audit Committee and will be informed by external audit reports, the risk register, other external consultant reports and information from the Chief Finance Officer.

7. The Board of Trustees Annual Review of Effectiveness

7.1 The Board of Trustees will undertake an Annual Review to consider:

- Whether risk management continues to be linked to the achievement of The Trust's objectives;
- The appropriate risk appetite or level of exposure for The Trust as a whole;
- Whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving The Trust's objectives;
- Whether risk assessment and risk-based internal control are embedded in ongoing operations and form part of its culture;
- Changes in the nature and extent of fundamental risks and The Trust's ability to respond to changes in its internal and external environment since the last assessment;
- The scope and quality of management's on-going process of monitoring the system of internal control including such elements as the effectiveness of assurance functions;

- The extent and frequency of reports on internal control to the Board of Trustees and whether this is sufficient for the Trust Board to build up a cumulative assessment of the state of control and effectiveness of risk management;
- The incidence of any fundamental control failings (risk events) or weaknesses identified at any point within the year (near misses) and the impact that they have had or could have on financial results;
- The effectiveness of The Trust's public reporting processes;
- The effectiveness of the overall approach and policy to risk management and whether changes or improvements to processes and procedures are necessary.