



Special Partnership Trust



RISK MANAGEMENT STRATEGY

Date Last Reviewed: July 2023

Review Date: July 2025



Special Partnership Trust

Risk Management Strategy

Special Partnership Trust's (SPT) approach to risk management is based on the Trustees' strategic vision for the Trust.

1.0 Background

The risk management strategy aims to ensure that the SPT complies with risk management best practice and sets out the current processes and procedures, roles and responsibilities for risk management within the organisation.

1.1 The requirements can be summarised as:

- The Trustees acknowledge responsibility for the systems 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 systems of internal control together with the risks identified within its risk registers.
- There is a system in place to deal with internal control aspects of any significant issues disclosed in the organisation's annual reports and accounts.

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

- The nature and extent of the risks facing the organisation, both strategic and operational.
- The extent and categories of identified risk that it regards as acceptable.
- The likelihood of the risks concerned materialising.
- The impact of the risks concerned.
- The organisation's ability to reduce the likelihood and impact of identified risks through its systems of internal control.

2.0 Objectives

The decision by SPT's Trustees to adopt a risk management approach is to achieve the following objectives:

- To comply with risk management best practice.
- To ensure risks facing the Trust are identified and appropriately documented.
- To ensure Trustees identify, record and manage the organisation's strategic risks.
- To provide assurance to the Trustees that operational risks are being adequately controlled, or identify areas where internal controls require improvement.
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risk.

3.0 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 of risk are understood throughout the Trust.

3.1 Roles and responsibilities



The Leadership Team has overall management responsibility for managing risk. The Executive Director/CFO have the lead responsibility for managing the risk processes for the operational risk register. This includes:

- Monitoring the performance of the risk management processes.
- Ensuring that the appropriate controls are in place to manage identified risks.
- Prepare periodic committee reports for Trustees in relation to operational management of risk.

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. Our approach to risk management is linked to the Trustee’s principal objectives:

- To have outstanding staff, leadership and management
- To provide an outstanding offer to all learners
- To have outstanding infrastructure
- To have robust financial strength
- To inspire and maintain a supportive culture
- To build strong community partnerships

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

3.3. Evaluation of risks

The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation.

The SPT uses a 4x4 matrix to assess impact and probability as high, medium or low, as illustrated in the diagram below:

	4	4	8	12	16
	3	3	6	9	12
Impact	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Likelihood			

The descriptors for high, medium and low impact and likelihood can be expanded as follows:

Impact of risk occurring

Impact	Description
High - 4	The financial impact will be significant [in excess of £100,000] Has a significant impact on the Trust’s strategy or on teaching and learning h significant stakeholder concern
Medium 2-3	The financial impact will be moderate [between £25,000 and £100,000] Has no more than a moderate impact on strategy or on teaching and learning Moderate stakeholder concern
Low - 1	The financial impact is likely to be low [below £25,000] Has a low impact on strategy or on teaching and learning Low stakeholder concern

Likelihood of risk occurring

Probability	Description	Indicator
High - 4	Likely to occur each year, or more than 25% chance of occurrence within the next 12 months	Potential of it occurring several times within a 4 year period. Has occurred recently
Medium 2-3	Likely to occur within a 4 year time period or less than 25% chance of occurring within the next 12 months	Could occur more than once within a 4 year period. Some history of occurrence
Low - 1	Not likely to occur within a 4 year time period or less than 5% chance of occurrence	Has not occurred Is not likely to occur

3.4. Risk appetite

The term risk appetite describes the Trust’s readiness to accept risks and those risks it would seek to reduce or transfer. The Trust’s risk threshold is the boundary delineated by the red shaded area (represented by scores of 9 and above) in the risk matrix in paragraph

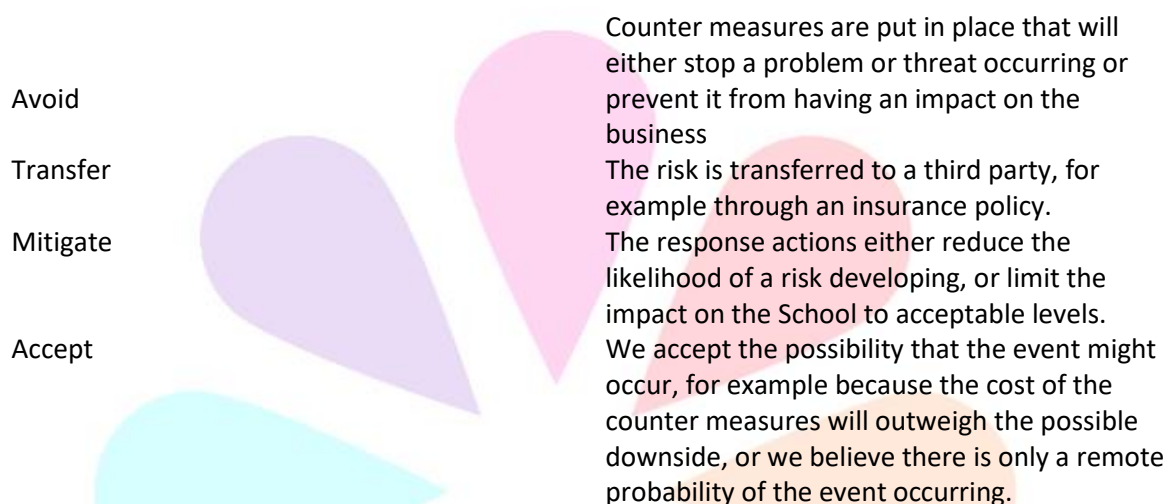


3.3. Above this threshold, the SPT will actively seek to manage risks and will prioritise time and resources to reducing, avoiding, mitigating or transferring these risks.

3.5. Addressing risks

When responding to risks, the SPT will seek to ensure that it is managed and does not develop into an issue where the potential threat materialises.

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



4. Risk Reporting and Communication

The aim of reporting risk is to provide assurance to the Trustees, Senior Management, Auditors and other external stakeholders that the SPT is effectively identifying and managing its risks through a robust system of internal controls.

4.1. Risk register

The reporting mechanism will be the SPT's risk register. This will highlight the key risks facing the SPT. The risk register will be reviewed by the Trustees on an annual basis.

Any significant changes in risk impact or probability, or the occurrence of an event that raises the profile of a risk will be recorded on the risk register as it occurs. Any new or increased risks identified by a senior leadership team, Trustee or raised by a member of staff will be evaluated and, if appropriate, recorded in the risk register.

4.2 Communicating Risks

The Resources, Estate & Audit Sub-Committee monitors the Trustees' risk register each term and receive a risk report that includes an update on operational risk. The Executive Director/CFO will ensure that any perceived new or increased risks or significant failure of risk management control measures are considered and reported to the Resources, Estate & Audit Sub-Committee, along with a summary of actions taken.

The Executive Director/CFO will endeavour to raise awareness that risk management is a part of the MAT'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 Executive Director/CFO will prepare an annual review of risk, in liaison with the responsible Trustee in the autumn term. This will enable the Resources, Estate & Audit Sub-Committee, as part of their audit responsibilities, to report to the Board on:

- The significant risks facing the SPT
- The effectiveness of the risk management processes
- Assurance that the SPT has a published 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 Resources, Estate & Audit Sub-Committee meeting/s. The Resource, Estate & Audit Sub-Committee, on behalf of the Board of Trustees, will monitor any improvements identified.

