Risk Management Policy and Procedure

"Every child matters and no child is ever left behind..."

"Let the little children come to me, and do not stop them;
for it is to such as these that the kingdom of God belongs."
Luke 18:15-17

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Responsible Officer: COO

Vision Statement:

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the DNDLT's distinctive mission. This vision statement will be taken into account in all of our policies and their implementation.

Purpose

The DNDLT recognises the importance of DNDLT progression; however, it is important that we recognise change and development does not come without its risks. The DNDLT's top priority is offering its pupils the best possible education to maximise their potential. To do this, it is necessary to progress, make changes and ultimately create risk; therefore, the DNDLT will always take a proactive approach towards risk management.

The capitulation of a risk could result in the DNDLT being negatively impacted in a way which may jeopardise the achievement of objectives and the maintenance of priorities, such as:

• Safeguarding

• Health and safety

• Finances

• Reputation

• Data protection

• Quality of teaching

• Staff retention

• New projects

The DNDLT is committed to minimising risk through effectively identifying, categorising, measuring, managing, monitoring and reporting risk. This means managing the likelihood of an unwanted event happening, assessing the consequences of this, and ultimately assessing the benefits and threats to focus mitigating and preventing harm in all areas of the DNDLT's operations.

1. Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- Academies Act 2010

- Companies Act 2006

- The UK General Data Protection Regulation (GDPR)

- Data Protection Act 2018

- Health and Safety at Work etc. Act 1974

- ESFA (2023) 'Academy DNDLT handbook 2023'

- ESFA (2024) 'Academy DNDLT risk management'

This policy operates in conjunction with the following school policies:

- Health and Safety Policy

- Data Protection Policy

- Child Protection and Safeguarding Policy

- DNDLT Finance Policy

- Freedom of Information Policy

- Conflicts of Interest Policy

- Risk Register

2. Definitions

A "risk" in this context is the identification of anything which may be likely to negatively impact the DNDLT's aims and objectives. Risks can arise from within the DNDLT as a result of decision making, which are generally easier to control, or they can come from outside the DNDLT and tend to be harder to control. The Identifying and categorising risks section of this policy provides more information on identifying and categorising risks.

The word "capitulation" is used throughout this policy to differentiate between the presence of risk and what the consequences of this risk will be. In the context of this policy, 'capitulate' means the risk fails to resist and the consequences materialise.

A "risk appetite" is the level of risk the DNDLT is willing to accept in the pursuit of achieving its goals. Minimising safeguarding, compliance, reputational and financial risk is important; however, it is often necessary to take other risks to achieve strategic goals. A risk appetite gives an idea of whether the risk is worthwhile and justifiable.

3. Roles and responsibilities

The Trust board of DNDLT will be responsible for:

• The overall approach to risk management in the DNDLT, including ultimate oversight of the DNDLT's Risk Register.

• Drawing on advice provided to it by the Finance, Audit and Risk committee.

• Reviewing the Risk Register annually.

• Ensuring risks are identified, managed, measured and reported appropriately by the correct people.

• Delegating responsibility to manage areas of risk, where applicable.

The Finance, Audit and Risk committee will be responsible for:

• Carrying out functions in relation to risk management as delegated by the board of Trustees.

The CFO (in discussion with the CEO and wider central team) will be responsible for:

• Overseeing the effective use of the DNDLT's resources and assessing where investment might be required.

• Arranging for mitigation or prevention measures to be put in place where financial investment creates a risk.

• Approving and creating budgets.

The Head Teachers will be responsible for:

• Ensuring the effective and consistent implementation of the DNDLT's approach to risk management in their academy.

• Reporting to the board of Trustees and audit and risk committee, as required.

• In consultation with the DNDLT health and safety advisors, acknowledging, mitigating and preventing risks which endanger the safety of pupils, staff and visitors.

• Ensuring risk-taking does not conflict with the DNDLT's Health and Safety Policy.

• Communicating with the site manager/caretaker (and discussing with the CEO) to ensure the site is safe to attend in the event of adverse weather.

The DPO will be responsible for:

• Ensuring risk-taking does not conflict with the DNDLT's Data Protection Policy.

4. Risk appetite statement

The DNDLT will not take unnecessary risks unless they are justifiable. If taking a risk indicates that the DNDLT's reputation and operation could be jeopardised, the DNDLT will always consider the likelihood of this happening and how the risk will be controlled.

The DNDLT accepts that risk is inevitable and is part of improvement, development and implementation; however, risk taking will be subject to the satisfactory completion of assessment and due diligence.

Where the cost or consequence of the risk and its likelihood of capitulating is deemed too high, and the methods involved which create the risk cannot be amended or removed to decrease the probability of severe consequence, the action will not take place as long as the DNDLT can control this.

The risk appetite will be informed by an understanding of the DNDLT's capacity, such as finances and staff availability, to mitigate the risk and secure positive outcomes.

5. Identifying and categorising risk

It is the responsibility of the board of directors, finance, audit and risk committee and staff members in the DNDLT to identify and categorise the risks involved in decision making, operations and changes which come about as a result of an internal, external, strategic or project variable. For all risk categories, the DNDLT will refer to mitigation or contingency plans which will help to minimise the impact of risks.

Internal risks – These risks will be, to some extent, under the control and responsibility of the DNDLT and are a consequence of the decisions which it makes and events arising from within the DNDLT. The DNDLT will take the following actions to manage internal risks:

• The DNDLT will conduct risk assessments for all activities related to internal risks, e.g. managing health and safety in line with the DNDLT's Health and Safety Policy and data protection in line with the Data Protection Policy

• The DNDLT will maintain full control and responsibility for internal risks and assessing the risks associated with these

• Communication with decision makers and stakeholders will be prioritised when identifying internal risks

• Everyone who is impacted by the capitulation of an identified risk will be fully informed and made aware of what could happen

External risks – The DNDLT will prepare for external events, e.g. a pandemic or extreme weather, and considers how to make the DNDLT more resilient to such events. The DNDLT will take the following actions to manage external risks:

• The DNDLT will take all necessary action to avoid negative impacts associated with the capitulation of external risks, including the implementation of contingency planning for unpredictable events

- As part of contingency planning, consideration will be given to reserves being made available to aid the recovery from unexpected events which negatively impact the DNDLT's finances

- Policies and procedures will be under constant review to ensure they are compliant with changes in statutory requirements.

- The site will be made safe to attend and the DNDLT will take the appropriate action if extreme weather threatens the safety of any pupils, staff or visitors

- To protect the DNDLT's staff, pupils and assets, security measures will be in place and unauthorised visitors will not be permitted on the school site

Strategic risks – Risks involved in the achievement of the DNDLT's core objectives will be considered and identified. The DNDLT will take the following actions to manage strategic risks:

- The DNDLT will take steps to communicate and listen to all staff members to limit staff turnover and ensure quality of provision

- The DNDLT's decision making, planning and prioritisation will be continually monitored by maintaining a structured understanding of the wider environment

- Efficient allocation and use of resources within the DNDLT will be supported

- The DNDLT will constantly review sector guidance and ensure its strategy is always compliant and in line with this

- Core decisions will be made by the Trust board and action will only take place where there is the required level of agreement

- The DNDLT will seek to find positive solutions for all stakeholders

Project risks – The DNDLT's involvement in critical projects, e.g. new buildings, will be subject to an assessment of how the project will be completed, what the benefits will be and whether the risk involved will benefit the DNDLT to a satisfactory standard. The DNDLT will take the following actions to manage project risks:

- To avoid harm to individuals or damage to assets, risk assessments will always be carried out before any building work takes place

- The DNDLT will ensure all projects are affordable, beneficial, and within the limits of financial constraints and budgets

6. Measuring risk

Having identified any risks, e.g. via risk assessments, the DNDLT will measure and rank them to help assess whether the risk is worthwhile and if the risk is likely to be detrimental to the DNDLT's aims and objectives. Guidance on the risk management procedure and matrix is at appendix 2.

The DNDLT will assess all instances of risk by estimating the probability and severity of the risk and how it could negatively impact the DNDLT's objectives. The DNDLT will identify whether risks have minimal, minor, significant or major impact on its aims and objectives, and will take all the necessary steps to mitigate consequences.

The DNDLT's risk appetite will always be adhered to and, where the likelihood of a risk capitulating and the impact of this is very high, the DNDLT will not tolerate the risk and will prioritise risks which are less likely to have a negative impact on the DNDLT's objectives. Where an activity is too perilous, actions will be taken to reduce the risk score in an attempt to mitigate this risk and minimise the impact or likelihood of capitulation. Risks which are deemed low level may be accepted, while medium level risks will be monitored with mitigation plans in place should the impact and likelihood of capitulation increase for any reason.

7. Managing risk

After assessing, evaluating and ranking the risks, the DNDLT will implement preventative controls, such as contingency planning and strictly adhering to the DNDLT's risk appetite and risk capacity. The DNDLT's risk appetite and capacity to take risks will inform how risks will be managed, mitigated or prevented. The DNDLT will discuss and challenge the effectiveness of these controls and determine if they are appropriate.

The DNDLT will hold discussions to ensure stakeholders are comfortable with the control measures in place to minimise risks having a negative impact.

The DNDLT understands that good methods for risk prevention and mitigation will give greater control of the risk and consider the capacity of the DNDLT's resources to deal with mitigating or preventing the risk. To manage risks, the DNDLT will:

• Tolerate risk and take no action to control the risks if control measures are deemed unnecessary for the level of risk or impact.

• Treat the risk through contingency planning and preparation to minimise the likelihood of occurrence and impact.

• Transfer risk by taking out insurance or carrying out strategic risks through third parties and mitigate any negative impact risk occurrence would have on the DNDLT.

• Terminate risk by altering and removing potential risks, making rational decisions, and deciding when the risk is too high to perform an action.

The DNDLT will take this approach in order to ensure that taking risks is an opportunity rather than a rudimentary threat to aims and objectives.

8. Monitoring risk

The DNDLT will monitor its risk profile continuously and recognise the changing landscape of this.

The DNDLT will cooperate with risk management auditors and implement reasonable risk management audit recommendations made to them.

A Risk Register will be maintained to identify and document risks and control measures. This will include the following elements:

• **Risk category –** Identified risks will be categorised under the appropriate categorisation – this makes it clear which department and who would be impacted as the result of a risk capitulating, and who is responsible for managing the mitigation and prevention controls. Examples of typical risks are attached at appendix 1.

• **Risk description –** A short description will follow the risk category in order to provide more clarity as to what the risk is, who needs to take action and what the consequences **are.**

• **The gross risk score** – This will be the estimated likelihood that the risk will occur and the level of impact this will have. Once the risk has been identified and measured, the appropriate risk level will be stated with reference to how high the likelihood and impact is.

• **Control measures** – This section will be informed by the gross risk score, meaning that, having measured the risk, the DNDLT will know whether the risk will be tolerated, treated, transferred or terminated.

• **The residual risk score –** After putting control measures in place, the DNDLT will reassess the level of risk and give an honest reflection of how effective the mitigation processes are. The net risk score is a revised version of the gross risk score.

• **Risk ranking** – This section will indicate which risks are deemed to be of a high priority and require further interventions.

• **Additional control measures–** This will be completed where it has been deemed necessary to implement one. This will outline the action required to reduce or eliminate the detriment that a risk's capitulation would have otherwise caused, and what would happen without contingency plans in place.

• **Risk owner** – An identifiable individual will be established who decides if control measures are needed.

• **Date of Action/Review**– Risks will be clearly dated on the register whenever they are reviewed or added. There may be risks which are reoccurring or ongoing, meaning that they will be reviewed regularly to ensure mitigation implementation is suitable.

The Risk Register will be reviewed by the Trust board on an annual basis and by other relevant committees, such as the finance, audit and risk committee, as appropriate.

9. Reporting risk

The Trust board and the Finance, audit and risk committee will set out when and what information regarding risks should be received. This information will be clear and offer important information on the DNDLT's risks. The information reported to the Trust Board and the finance, audit and risk committee will help decide whether risks are being performed within the DNDLT's risk appetite and being thoroughly mitigated. The number of risks reported and assessed will be a manageable number in order to ensure the DNDLT's quality control and understanding of risks is not diminished.

Early warning signs that a risk carries will be reported to senior management so that action can be taken promptly. All staff will report new risks or failing control measures as soon as possible.

The appropriate person responsible for the objective which is subject to risk will be aware of the risk and how to manage it. For example, the CEO (as lead for safeguarding) is responsible for upholding the DNDLT's Child Protection and Safeguarding Policy and will manage any issues related to safeguarding, whereas the CFO will be aware of and plan for mitigating risks which impact the DNDLT financially.

The DNDLT will update Head Teachers and Academy Councils regarding its risk register and its risk management processes on an annual basis.

The Trust Board ensures that the DNDLT does not report too many overlapping risks and that the DNDLT makes attempts to ensure risks are only being reported where they are significant. The DNDLT will ensure communication is clear on all levels and the organisational politics allow for transparency so that all risks can be easily reported by all stakeholders.

10.   Insurance

The DNDLT is a member of the risk protection arrangement (RPA). The DNDLT will cooperate with risk management auditors and risk managers and will implement reasonable risk management audit recommendations that are made.

The DNDLT will consider whether it needs commercial insurance in addition to RPA cover as required.

11.   Monitoring and review

This policy will be reviewed by the Trust Board on an annual basis.

Changes to this policy will be communicated with the DNDLT schools and Academy Councils.

Appendix 1 - Typical Risks in an Academy DNDLT

Corporate/Strategic
- Lack of strategic planning, no link to financial planning
- Reputation

Governance
- Responsibilities not defined
- Too much/little delegated to Headteacher and CEO
- Unable to attract Directors/Academy Councillors
- Non-attendance at meetings by Directors/Academy Councillors

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

Guidance on the Definition of Likelihood and Impact

Likelihood

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

Impact

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–High

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*					
	4 *High*					
	3 **Significant**					
	2 *Low*					
	1 *Very Low*					
		1 **Insignificant**	2 *Minor*	3 **Moderate**	4 **High**	5 **Catastrophic**
		IMPACT				