

Risk Management Policy

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Author	N McDermott	Approved By	Trust Board
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V1.0	27 Mar 2018	First published version	
V2.1	19 Dec 2019	Complete revision. Addition of Section 2. Expansion to Risk Management section. Update to Risk categories. Update to Risk Measurement section from 4x4 to 5x5 with detailed descriptors. Addition of Risk Reporting. Expansion of Responsibilities section.	

1 Introduction

- 1.1 Dartmoor Multi Academy Trust aims to provide the highest possible quality of education for all local children, in order to ensure pupils from all backgrounds are able to succeed. This statement informs our approach to policy and practice.
- 1.2 The Dartmoor Multi Academy Trust ('the Trust') is committed to minimising risk through a framework of integrated governance and a proactive risk management culture and practical policy.
- 1.3 Risk management is recognised as a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities. The focus of good risk management is the identification and treatment of these risks.
- 1.4 Employees at all levels throughout the Trust should consider risk management and awareness of risk as a key element of their job description. This supports accountability, performance measurement and reward, thus promoting proactivity.

2 Background

- 2.1 It is a requirement:
 - 2.1.1 of the Academies Financial Handbook that the Trust has sound internal controls and risk management processes in place.
 - 2.1.2 to follow guidance as set out in the Charities and Risk Management (CC26) document.
 - 2.1.3 to include a section in the Trust's annual report on principal risks and uncertainties, which are derived from the Trust's Risk register.
- 2.2 Risk Management best practice for public organisations is encapsulated in the following documents, which have been adopted by several academies and the Dartmoor MAT:
 - 2.2.1 Risk Management Standard published jointly by the major risk management organisations in the UK: The Institute of Risk Management (IRM); The Association of Insurance and Risk Managers (AIRMIC); and ALARM, The National Forum for Risk Management in the Public Sector
https://www.theirm.org/media/4709/arms_2002_irm.pdf
 - 2.2.2 HM Treasury's "Management of Risk – Principles and Concepts" ("The Orange Book") that provides guidance on developing a strategic framework for the organisational consideration of risk.
<https://www.gov.uk/government/publications/orange-book>

3 Risk Management

- 3.1 The objectives for managing risk across the MAT are:
- To comply with risk management best practice;
 - To ensure risks facing the MAT are identified and appropriately documented;
 - To provide assurance to the trustees 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.
- 3.2 The Chief Finance and Operations Officer (CFOO) is responsible for the coordination and management of the risk management process and the risk register.
- 3.3 Risks will be categorised to reflect the strategic focus of the Trust. The risk categories are:
- School Improvement
 - Finance
 - Safeguarding
 - Human Resources
 - Compliance
 - Data Protection
 - Premises
 - Health and Safety
- 3.4 The categories are overseen by the Executive Team and supported by Portfolio Leads whose role is to:
- identify and measure risk and risk ownership
 - provide policy and guidance to minimise risk and maximise benefit for the Trust
 - have oversight of risk monitoring
 - create clear lines of sight of accountability for managing risk at school level
 - ensure appropriate reporting to Trustees.
- 3.5 The risk assessment process will be effectively managed through the use of risk management software ('Every') and the risk register contained therein. The register coordinates the key aspects of the risk management process above.

4 Evaluation of Risks

- 4.1 The Risk Management Standard states that risks should be evaluated against agreed criteria to make decisions about the significance of risks to the organisation. Schools rank each risk from 5 (highest) to 1 (lowest) to assess impact and probability. The descriptors for impact and probability can be expanded as follows:

Impact	Description	Value
Insignificant	The financial impact is likely to be low below £1,000. Has no impact on teaching and learning. No stakeholder concern. No injury.	1
Minor	Financial impact likely to be under £5,000. Low impact on strategy or teaching and learning. Low stakeholder concern. H&S may require first aid.	2
Moderate	Moderate financial impact between £5,000 and £25,000. Moderate impact on strategy or teaching and learning. Moderate stakeholder concern. May result in H&S related absence upto 3 days.	3

Impact	Description	Value
Major	Financial impact between £25,000 and £50,000. Major impact on strategy or on teaching and learning. High stakeholder concern. May result in H&S related absence over 3 days.	4
Critical	Significant financial impact in excess of £50,000. Significant impact on the MAT's strategy or on teaching and learning. Has significant stakeholder concern. Catastrophic impact on life.	5

Likelihood	Description	Value
Very Unlikely	Not likely to occur within a 4 year period or less than 5% chance of occurrence. <i>Indicator:</i> Has not occurred/ Is not likely to occur	1
Unlikely	Unlikely to occur within a 4 year period or less than 10% chance of occurring within the next 12 months. <i>Indicator:</i> Unlikely to occur more than once in a 4-year period. Has occurred but not in last 4 years	2
Fairly Likely	Likely to occur within a 4 year period or less than 25% chance of occurring within the next 12 months. <i>Indicator:</i> Some history of occurrence. Could occur more than once within a 4 year period.	3
Likely	Likely to occur within a 2 year period or less than 50% chance it will occur in the next 12 months. <i>Indicator:</i> Potential of it occurring more than once within a 4-year period or has occurred in last 2 years.	4
Very Likely	Likely to occur each year, or more than 50% chance of occurrence within the next 12 months. <i>Indicator:</i> Potential of it occurring several times within a 4-year period or has occurred recently.	5

5 Risk Tolerance and Appetite

- 5.1 Risks are evaluated by determining the risk magnitude, which is the product of the likelihood and consequence based on the above criteria.
- 5.2 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 red shaded area (represented by scores of 15 and above) in the risk matrix below. Above this threshold, the Trust will actively seek to manage risks and will prioritise time and resources to reducing, avoiding or mitigating these risks.

Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
Likelihood						

5.3 The overall level of risk or 'exposure' that will be tolerated is determined by the Audit, Finance and Resources Committee and will be reviewed annually to ensure that it remains within tolerance.

6 Risk Control

6.1 Actions to control risk will reflect the exposure determined above using the "4 T's" approach:

Transfer	Risk is transferred to a third party, for example through an insurance policy.
Treat	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.
Terminate	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

6.2 Depending on the response above, identified risks will be linked to 'Activities' within the Every system, which seek to mitigate the risk and reduce exposure. The allocation of a risk activity confers the responsibility of 'Risk Owner' to the individual.

6.3 Activities may be linked to one or multiple risk 'owners' for individual sites. Risk activities may be outsourced to a third party specialist e.g. Legionella testing, but the responsibility for the activity is not 'transferred' and the risk remains with the school and Estates portfolio.

7 Risk Reporting

7.1 The aim of reporting risk is to provide assurance to the trustees, governors, senior leadership teams and auditors that the Trust is effectively managing its risks and has a robust system of internal controls. The Every Risk Management system will produce dashboard reports at school and trust level. Risk registers will be monitored by local

academy committees on a termly basis. Consolidated reports will be presented to Audit committee meetings.

8 Responsibilities

8.1 The Trust Audit, Finance and Resources Committee is responsible for

- a) understanding the most significant risks facing the organisation;
- b) providing strategic leadership, review and challenge to the Executive Team
- c) reviewing the Strategic Risk register at every meeting;
- d) overseeing the completion of the section regarding risk management within the annual report.

8.2 The Executive Leadership Team is responsible for:

- a) deciding upon the strategic risks to be reported to Trustees.
- b) managing the risk register, ensuring it is regularly reviewed and updated;
- c) ensuring risk owners reassess and update their risks at appropriate intervals.
- d) ensuring that allocated leads complete the further actions required;
- e) for those risks for which they act as lead, ensuring controls are monitored and managed;

8.3 Portfolio leads will assist in determining risks, policy, procedure and guidance to schools as required to minimise risk and maximise benefit for the Trust and its members.

8.4 Local Academy Committees will:

- a) know about the most significant risks facing the schools within the cluster
- b) ensure appropriate levels of awareness throughout the cluster;
- c) confirm completion of activities to manage risks that are assigned to them
- d) know how each school will manage a crisis;

8.5 Schools' Leadership (Principals, Executive Heads, Headteachers, Heads of School) will:

- a) be aware of risks within their schools, the possible impacts these may have on other areas and the consequences other areas may have on them;
- b) ensure risk treatment is effective and compliant
- c) confirm completion of activities to manage risks that are assigned to them
- d) report systematically and promptly to the Portfolio leads and Local Academy Committees any perceived new risks or failures of existing control measures identified.

8.6 Risk Owners will:

- a) ensure risk activities assigned to them are completed
- b) record completion in the Every risk management software
- c) review outstanding risks on a termly basis and flag barriers to managing risk in their report to Schools' Leadership, Local Academy Committees or Trustees as appropriate.

8.7 Individuals must:

- a) understand their accountability for individual risks;
- b) understand how they can enable continuous improvement of risk management response;
- c) understand that risk management and risk awareness are a key part of our culture; and
- d) report systematically and promptly to senior management any perceived new risks or failures of existing control measures.

9 Review

9.1 This policy will be reviewed annually.