URDANG THEATRE AND DANCE SYLLABUS (DTDS)

RISK MANAGEMENT POLICY

Purpose of Policy

The risk management policy (the policy) forms part of the organisation's internal control and governance arrangements. The policy explains the organisation's underlying approach to risk management, documents the roles and responsibilities of the senior management team and other key parties. It outlines key aspects of the risk management process and identifies the main reporting procedure. Risk is inherent in every activity and this policy sets out how DTDS will manage these risks to ensure a balanced approach to opportunity and risk. Effective risk management involves evaluating the uncertainties and implications within options and managing impacts once choices are made. Risk management must be an integral part of all organisational activities to support decision-making in achieving objectives.

The policy explains the approach to risk management; defines risk and how it is assessed and escalated; and documents roles and responsibilities. DTDS uses risk management to identify, assess, rate, manage and review risk that might impact the operational aims. The risk management arrangements form part of the wider system of internal control and should be understood in that context.

Issue and review

The date of issue of this policy is January 2023. This policy will be reviewed annually in January of each preceding year.

Definition of risk

- Risk is the uncertainty surrounding events and their outcomes that may have a significant effect on DTDS. All our activities carry some risk, arising either from potential threats or the non-realisation of opportunities which may harm, prevent, hinder, or interfere with the achievement of business objectives.

- Risk assessment is a qualitative or quantitative evaluation of the nature and magnitude of risk to our objectives or planned activities. The evaluation is based upon known vulnerabilities and threats, as well as the likelihood of the threats being realised and the impact on our work.
- Risk management is the process of evaluating and responding to risks for the purpose of reducing these to acceptable levels. It seeks to manage the impact of uncertainty by increasing the probability of success and reducing the likelihood of failure.
- The process of identifying, assessing and managing risk is part of and complements the broader management process, which includes the risk management and quality assurance responsibilities of the Quality Committee.
- Like all organisations, DTDS faces risks, actual and theoretical that range from the trivial to the existential. This policy is intended to address the material risks that arise from the plans we put in place each year to manage and develop our business.

Categorising risks

The impact of risks is categorised as:

- **Low:** where there may be:
    - some impact on one or more budgets, manageable within the budget(s) concerned;
    - some changes to working practices or minor changes to staff roles; and,
    - minimal impact on the quality, timeliness, or utility of any outputs.
- **Moderate:** where there may be
    - material financial consequences for the budget or budgets directly concerned, which can be managed within the affected budget(s) or by the use of underspending in unaffected budgets;
    - material impact on the employment position of staff, which may need to be managed through formal change processes;
    - some impact on the quality, timeliness or utility of any outputs, which can be resolved before publication, and;
    - external criticism of the Institute's judgement, which can be met successfully, and which is unlikely to result in reputational damage.

- **High:** where there may be

  - material financial consequences, which can only be managed by the use of reserves and/or in year transfers from unaffected budgets, or exceptionally, transitional funding from the Department of Health and Social Care;

  - significant impact on the employment position of staff, which can only be managed by formal change processes, with risk of redeployment and, exceptionally redundancy;

  - significant impact on the quality, timeliness or utility of any outputs, which may require amendment, withdrawal and/or replacement post-publication;

  - external criticism of the Institute's judgement, which may result in substantial reputational damage.

  - In assessing the likelihood of risks arising, a judgement will be made as to whether the possibility of a risk realising is deemed to be low, moderate or high. An overall assessment of each risk is made according to its impact and likelihood of occurrence based on the current controls in place, examples of our risk register are outlined in Appendix A.

Risk appetite

- In developing and monitoring the implementation of our business plans, we need to assess the actions we intend to take, together with any known external circumstances that may have an impact on us, for the risks they may pose. This has to be done with an understanding of the extent to which we are prepared to accept the risks associated with the actions we plan to take. This is our 'risk appetite'; the extent to which we will tolerate known risks, in return for the benefits expected from a particular action or set of actions.

- With careful planning and management we aim to operate our programmes with a low level of risk wherever possible.

- However, there are circumstances where we incur moderate risk, for example if we are making significant changes to current programmes, taking on new activities or external pressures impact our work. We may also need to take account of risks that arise from the actions of other organisations that give rise to moderate risk for us. The Quality Committee will be made aware of the circumstances in which moderate risks are identified and will have the opportunity to comment and amend their underlying causes, where possible.

- We may also need to consider accepting high risks in certain circumstances. This may be in situations where the actions involved represent the single, or least unpalatable option to manage the issues involved, which may have been externally imposed, and therefore over which the Institute will have little or no direct control. In addition, it may be necessary to accept high risk if an activity is central to our strategic objectives, and the risks of not proceeding outweigh the risks of the activity. The Board will be asked to consider such risks in detail and will need to have reviewed and taken a position on alternative courses of action before the risk is accepted.
- The risk appetite is not therefore static and may need to vary according to the circumstances facing DTDS, which at times, may justify accepting a higher level of risk than would usually be the case.

Risk management

- Risk management provides a systematic process for identifying risks around new, proposed and current business activities. This process involves the categorisation and evaluation of each risk and the application of management controls to mitigate the risk based on a judgement of the likely impact if no further action is taken, combined with an assessment of the likelihood of the risk re-occurring.
- We need to ensure that there is sufficient flexibility to respond to risks and adequate resources to mitigate risks. Risks can be most effectively managed if their management is embedded within the culture of the organisation.
- The Director of Syllabus Development and Principal Examiners will ensure that fundamental risks in their department are identified,

assessed, and monitored and incorporated in the corporate risk register. Emerging risks will be added as required, and actions and controls put in place to mitigate them and provide assurance to the Board. Actions will also be identified to address any gaps in assurance as appropriate.

Identifying, evaluating and monitoring risks

- Risks are identified by the Director of Syllabus Development and then analysed at the Quality Committee. These are then critically analysed by the SMT and reviewed by the Audit and Risk Committee.

- The Quality Committee will review the nature and extent of the risks that face DTDS to determine the action to be taken. Options open to the Board include:

  - avoiding the risk, if feasible, by deciding not to start or continue with the activity that gives rise to the risk
  - taking or increasing the risk in order to pursue an opportunity
  - retaining the risk by informed decision
  - changing the likelihood, where possible
  - changing the consequences, including planning contingency activities
  - sharing the risk with another organisation (eg through a contract or partnership agreement)
  - escalating the risk as appropriate

- The principal document to facilitate the identification, assessment and recording of risks is the risk register.

- Each risk will be assigned an overall assessment depending on its impact and the likelihood of it occurring. This initial assessment takes account of mitigating controls and assurances already in place and provides a **current risk** rating. Any further planned actions to reduce the risk score are recorded, with the aim of reaching a **target risk** rating.

- Risk assessments/registers will be discussed at the Quality Committee on a yearly basis.

- The Director of Syllabus Development has overall responsibility of risk management and presents any strategic risks to the Directors of Urdang International at the Management committee on an annual basis.

Oversight

- The Quality Committee will determine the risk appetite and set the culture of risk management within DTDS with particular regard to new initiatives and emerging risks. The Management Committee has ultimate responsibility for risk management within DTDS including major decisions affecting DTDS's risk profile or exposure. It will periodically dedicate time specifically for horizon scanning in order to identify and consider the nature of emerging risks, sources of uncertainty, threats and trends, and also to reflect on any learning from DTDS's response to unforeseen events.

Annual report governance statement and role of audit

- Internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation. They will periodically review the arrangements for risk management and levels of assurance around the controls reported to the Quality and Management committees.

- External audit provides advice and feedback to the Quality Committee on the operation of the internal controls reviewed as part of the annual audit.

- The Quality and Management Committee will review the auditors' findings and management's response.

Appendix A: Risk register

Business risk	Mitigation and assurance	Current impact score	Current likelihood score	Actions to strengthen mitigation and assurance (include due dates)	Target impact score	Target likelihood score
Large Numbers of Appeals to examination results	• Examiner Recruitment • Training • Standardisation • Monitoring	Low	Moderate	• To be reviewed after the 1st round of examinations in Summer 2021	Low	Low
Financial risks of Development of new qualifications	• Market Research • Detailed budgets ahead of creative work	Low	Low	• Development of advisory committee • Clear outline of syllabus and presentation to Quality Committee for review	Low	Low
Examiner Misconduct	• Examiner Training • Sitting-In • Moderation and monitoring	Low	Low	• Annual Training • Initial monitoring to be within first few sessions for a new appointee	Low	Low
Examiner and application of standards	• Training and standardisation annually	Low	Moderate	• Annual review of examiner marks at Quality Committee	Low	Low
Malpractice (results and certification)	• All results are handled internally and not released to teachers until confirmed	Low	Low	• External awarding body to process certification	Low	Low