



# **Risk Management Policy**

**Version 2.0**

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## **1. Policy statement**

Donegal Education and Training Board (ETB) is committed to identifying risks that have the potential to disrupt achievement of Donegal ETB's strategic and operational objectives. Through effective management, Donegal ETB is committed to the elimination of risks that may impact on its activities and will ensure a robust documented system is available as evidence of its accountability.

All employees are mandated to comply with this Policy.

Donegal ETB is committed to supporting and empowering all employees in their work to manage risk.

This policy should be read in conjunction with the Excellence in Governance Through Best Practice Risk Management Guidelines and the Code of Practice for the Governance of Education and Training Boards (Circular 0002/2019).

## **2. Purpose**

- 2.1. The purpose of the Risk Management Policy is to support Donegal ETB's ability to deliver on its strategic and operational objectives, to ensure that every effort is made to manage risk appropriately, to maximise potential opportunities and to minimise the adverse effects of risk.
- 2.2. To support all Donegal ETB employees to comply with this policy and procedure so as to support the management of risk in Donegal ETB.
- 2.3. To provide a standardised policy for all ETBs in the management of risk.

## **3. Scope**

- 3.1. This policy and procedure applies to all employees of Donegal ETB, whether permanent, temporary, whole-time or part-time or temporary agency staff.
- 3.2. Effective risk management depends on the commitment and co-operation of all staff and contractors, students and learners. All staff have a significant role to play in the management of risk, particularly within their own areas of control. Consequently, all staff are responsible for and have accountability for adherence to the principles outlined in this policy.
- 3.3. It is a requirement of Donegal ETB that where it engages with third parties, such as contractors providing services on behalf of Donegal ETB, that confirmation is sought that Risk Management systems and structures are in place; the objective being to ensure that Donegal ETB will not be adversely impacted by third party activities.

## **4. Legislation, Code of Practice, Standards, Guidance**

- 4.1. Education and Training Boards Act, 2013

- 4.2. Code of Practice for the Governance of Education and Training Boards 2019 (Circular Letter 0002/2019) Department of Education and Skills
- 4.3. ISO 31000:2009 Risk Management Standard
- 4.4. Code of Conduct for Employees
- 4.5. ETB Risk – Excellence in Governance through Best Practice Risk Management (IPB Insurance 2009-16)
- 4.6. Government Department Circulars
- 4.7. Further Education and Training Act, 2013
- 4.8. Protected Disclosures Act, 2015
- 4.9. Protected Disclosures (Amendment) Act 2022
- 4.10. Data Protection Acts, 1998 - 2003
- 4.10 Freedom of Information Act, 2014

## 5. Governance

Corporate Governance comprises the systems, structures and procedures by which entities are directed and controlled. In the interests of transparency and accountability, it is important that Corporate Governance of Donegal ETB should operate to the highest standards applicable and operates in an effective, efficient and economic manner.

The Code of Practice for the Governance of ETBs defines Risk Management as:

*“... a planned and systematic approach to identifying, evaluating and responding to these risks and providing assurances that responses are effective.”*

The Code outlines the ETB’s obligations as follows:

### ***“Section 13: Risk Management***

*13.1 The Chief Executive should appoint a member of staff with overall responsibility for Risk Management.*

*13.2 Each ETB should develop a Risk Management Policy and the Board should approve that policy, the related framework and monitor their effectiveness. The Risk Management Policy should take account of the risks to the ETB that would significantly obstruct or undermine the achievement of its objectives as set out in the Strategy Statement.*

*13.3 Key elements of the Board’s oversight of Risk Management would include:*

- *making the management of high level risk a standing meeting agenda item;*
- *providing for the overview of risk in the terms of reference of the Audit Committee or a separate Committee;*
- *seeking expert advice externally, if risk management experience/ expertise is not in the competencies of at least one member;*

- *approving the Chief Executive's Risk Management Policy and approve the risk management business plan and Risk Register at least annually;*
- *requiring external review of effectiveness of the risk management framework on a periodic basis;*
- *ensuring that the CE has appointed a member of staff with overall responsibility for Risk Management;*
- *reviewing material risk incidents and noting or approving management's actions, as appropriate.*

## **6. Objectives of this Policy**

- 6.1. Support compliance with legislation, codes of practice, standards, guidance, and Department Circulars
- 6.2. Support implementation of management controls to mitigate risks
- 6.3. Support delivery of the Strategic Statement
- 6.4. Empower all employees to take ownership of risk within their scope of work
- 6.5. Demonstrate support for good governance
- 6.6. Improve business performance
- 6.7. Develop an enhanced awareness of risk
- 6.8. Encourage innovation and improvement
- 6.9. Promote an integrated approach to the management of risk

## **7 Roles and responsibilities**

- 7.1 Board of Donegal ETB shall ensure that appropriate systems and structures are implemented, monitored and controlled to support and manage risk
- 7.2 Audit Committee shall undertake its role in compliance with relevant legislation
  - 7.2.1 approve the Chief Executive's Risk Management Policy
  - 7.2.2 approve the risk management business Template
  - 7.2.3 review and approve the Risk Register at least annually
- 7.3 Chief Executive shall ensure that a:
  - 7.3.1 member of staff is appointed/identified who will have overall responsibility for risk management
  - 7.3.2 the management of high level risk is a standing meeting agenda item
  - 7.3.3 Risk Management Policy is developed
  - 7.3.4 Risk Register is compiled
  - 7.3.5 Risk Management Business Plan is developed annually
  - 7.3.6 Reported non-conformances are appropriately investigated and that preventative or corrective actions are implemented
- 7.4 Directors<sup>1</sup> shall ensure that this policy and procedure is implemented

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<sup>1</sup> Directors: Director of Further Education and Training, Director of Schools, Director of Organisation Support and Development

- 7.5 Principals / Line Managers / Centre Managers / shall ensure that:
  - 7.5.1 This policy and procedure is implemented
  - 7.5.2 They notify change in the level of risk to the Risk Management Coordinator
  - 7.5.3 They provide appropriate support to their staff to manage risk
  - 7.5.4 They support systems for the investigation of incidents that may give rise to reports of risk
- 7.6 Risk Management Coordinator shall coordinate all functions to support Donegal ETB Risk Management system
- 7.7 Internal Audit Unit shall:
  - 7.7.1 Undertake audits of compliance with required legislation, codes of practice, guidance, standards, policies, procedures and Department Circulars
  - 7.7.2 Provides reports to the Chief Executive and Audit Committee for corrective and preventive action to be taken
- 7.8 Comptroller and Auditor General shall:
  - 7.8.1 Audit compliance in respect of legislation, codes of practice, standards, guidance and policies and procedures
  - 7.8.2 Provide reports to the Chief Executive and Audit Committee for corrective and preventive action to be taken
- 7.9 Employees shall comply with this policy and all instruction issued by their supervisor/line manager.

## **8 Process**

- 8.1 What is risk?
 

Risk can be thought of as a possible loss or other adverse consequence that has the potential to impact on Donegal ETBs ability to achieve its objectives and fulfil its mission.
- 8.2 Risks to the achievement of the objectives of the Strategy Statement can be due to both internal and external events. Effective management of risks offers Donegal ETB the means of improving its strategic, operational and financial management. Managing risk can also help to minimise financial losses, service disruption, adverse publicity and compensation claims. It is important to understand that risk is a broader concept than the traditional view of merely a threat. It also recognises the risks of taking or not taking opportunities. This is described further in the DETB Risk Appetite Statement
- 8.3 Ten categories of risks have emerged that relate specifically to the education sector. Consideration should be given to the key risks that may present as obstacles to the achievement of the Strategy Statement objectives. They include risks which may be external to Donegal ETB, for example legislative and regulatory risks. It is important that all possible risks to the achievement of the

Strategy Statement are assessed and managed so as to contribute to a culture of embedding the management of risk in all Donegal ETB activities:

	<b>Risk Category</b>	<b>Examples of Risk</b>
1	Professional/ Managerial	Failure to implement organisation and staff development
2	Contractual	Failure to fulfil the terms of any contract entered into by Donegal ETB such as construction projects
3	Business Continuity	Failure to provide required services in the event of fire, flood or major utility failure including technological failures e.g. financial management systems or student application/admission systems
4	Physical (safety, health and welfare, built environment, fire, security)	Failure of systems to protect against fire, security breaches, accidents, staff health and safety incidents, harm to students, visitors and others affected by the activities of the Donegal ETB
5	Information Security	Risks of cyber attack, of data breach or loss of, or otherwise unauthorised or accidental disclosure of, sensitive information
6	Legislative/Regulatory	Failure to comply with legislation such as Freedom of Information, Data Protection, building standards, waste management, employment legislation, education legislation.
7	Legal	Negligence claims against the Donegal ETB by staff, learners, members of the public and others
8	Claims Liability	Failure to adequately manage risk and insure against possible claims against the ETB
9	Financial	Failure to meet financial obligations
10	Environmental	Failure to meet environmental targets set out in the national Climate Action Plan 2021



Figure 1 Risk Categories

## 9 Managing risk

- 9.1 The management of risk increases the probability of success and reduces the possibility of failure.
- 9.2 Managing risk does not mean avoidance of risk, what it does mean is effective and successful management. The management of risk is an integrated activity of clearly defined steps, which supports better decision making by contributing a greater insight into risks and their impacts.
- 9.3 The benefits of managing risk provide assurance that:
- 9.3.1 Objectives are more likely to be achieved
  - 9.3.2 Adverse events will not happen or are less likely to happen
  - 9.3.3 Beneficial outcomes will be or are more likely to be achieved
  - 9.3.4 Awareness of managing risk becomes embedded in strategic thought and structure
  - 9.3.5 Provides a framework that enables future activity to take place in a consistent and controlled manner.
- 9.4 Risk management:
- 9.4.1 Improves decision-making, planning and prioritisation by comprehensive and structured understanding of business activity, volatility and project opportunity/threat
  - 9.4.2 Contributes to more efficient use/allocation of capital and resources within the ETB
  - 9.4.3 Reduces volatility in the non-essential areas of the activities of the ETB



- 9.4.4 Protects and enhances assets and Donegal ETB's image and reputation
- 9.4.5 Develops and supports people and the Donegal ETB's knowledge base
- 9.4.6 Optimises operational efficiency
- 9.4.7 Enhances outputs.

The management of risk shall become an integral part of strategic policy decisions and inform the decision-making process.

## **10 Identifying and Assessing Risk**

- 10.1 Identifying risk flows from the objectives of Donegal ETB as described in the Strategy Statement.
- 10.2 Where a strategic decision is taken or activity undertaken, then the major risks associated with that decision or activity should be added to the Risk Register.
- 10.3 In identifying risks the following questions need to be asked:
  - 10.3.1 What could go wrong
  - 10.3.2 How likely is it to happen
  - 10.3.3 What would the impact be if it happened (rating the risk)
  - 10.3.4 What can be done to reduce the risk
  - 10.3.5 Who has responsibility for the risk
  - 10.3.6 Can the risks identified be reduced
- 10.4 Techniques for identifying risk
  - 10.4.1 A number of different techniques can be used to assist staff in identifying risks:
    - 10.4.1.1 Structured one-to-one interviews
    - 10.4.1.2 Structured group interviews
    - 10.4.1.3 Use of questionnaire/checklists
    - 10.4.1.4 Facilitated workshops, focus groups or round table discussions
    - 10.4.1.5 A combination of these techniques can be used.
  - 10.4.2 The identified risks and relevant control measures will be managed through the Donegal ETB's Risk Registers.
  - 10.4.3 The assessment of risk should draw as much as possible on unbiased independent evidence, consider the perspectives of the whole range of stakeholders affected by the risk and avoid confusing objective assessment of the risk with judgement about the acceptability of the risk.
- 10.5 Assessing risk involves two key steps
  - 10.5.1 Putting in place a structured approach where both the likelihood and impact of each risk are considered

There are two main parameters for rating the risk:

- **Likelihood:** representing the possibility that a given event will occur – how likely is it to happen/what is the frequency?
- **Impact:** the impact or effect on the Donegal ETB if the risk actually happens – how significant might the consequences be?

**See Graphic at Appendix 2**

#### 10.5.2 Prioritisation and Monitoring:

10.5.2.1 Risk management needs to be seen as a continuous process. As the activities of Donegal ETB evolve, new risks may emerge or the potential impact of existing risks may change. It is important that the incidence of risk be reviewed to see whether it has changed over time. Some risks will be terminated and control measures will need to be updated in response to changing internal and external events.

10.5.2.2 Risk management should be a standing meeting agenda item at all meetings.

10.5.2.3 These risks (new, re-categorised, and terminated) should be reported to Corporate Affairs/Coordinator for Risk for inclusion/deletion on the Risk Register

10.5.2.4 New risks should only be added to the Corporate Risk Register by the Coordinator for Risk.

## 11 Risk Management Steps

11.1 Identifying the risk to achieving strategic and operational objectives:

11.1.1 Determining the owner of the risk

11.1.2 Determining and assessing the existing controls in place

11.2 Assessing the impact and likelihood of the risk after taking account of existing controls to derive the net risk

11.3 Management of the risk i.e. Terminate, Treat, Tolerate or Transfer risk

11.4 Review and reporting – ongoing cycle of monitoring, reviewing and reporting on the management of risk and updating the Risk Register (Appendix 1 Risk Reporting Template).



Figure 2 Risk Management Process

Once risks have been identified and recorded on the Risk Register they should be reviewed by management as follows:

**Red** - every quarter

**Amber** - six monthly

**Green** – annually

11.5 The risks to the successful achievement of the Strategy Statement shall be identified, assessed, managed and monitored on a predetermined basis:

11.5.1 New Risks shall be identified, assessed, managed and monitored

11.5.2 New risks shall be identified arising from:

11.5.2.1 Non-conformances

11.5.2.2 Incidents

11.5.2.3 Near misses

11.5.2.4 Complaints

11.5.2.5 Claims

11.5.2.6 New Activities / Programmes

11.5.2.7 Audit Reports

11.5.3 All risks shall be reassessed on a predetermined basis so that an up-to-date risk assessment is available to support the management of risk

- 11.5.4 Risks shall be assessed using a qualitative approach (see appendix 2)
- 11.5.5 The effectiveness of management controls shall be reported on at predetermined intervals to the Executive Forum and the Audit Committee (see appendix 1 for report template):
  - 11.5.5.1 High level risks every three months
  - 11.5.5.2 Medium level risks every six months
  - 11.5.5.3 Low level risks on an annual basis or more frequently if circumstances change
- 11.5.6 Line management shall facilitate audit of the risk management system
- 11.5.7 Line management shall implement corrective and preventive action identified as necessary from monitoring and audit exercises.

## **12 Risk Management Business Plan**

- 12.1 The ETB Risk Management Business Plan shall be formulated by the Risk Management Coordinator on an annual basis
- 12.2 The Plan shall set out the Risk Management Actions, timelines and Key Performance Indicators for the year
- 12.3 The Plan shall be approved by the Chief Executive
- 12.4 The Plan shall be presented to the Audit Committee for approval at the beginning of each year/academic year
- 12.5 Progress on the Plan shall be monitored throughout the year.

## **13 References**

Reference should be made to ETB Risk excellence in governance through best practice risk management (IPB 2009-2016) and the Code of Practice for the Governance of ETBs

## **14 Training**

- 14.1 Risk Management Training shall be provided as and when requested to the Risk Management Coordinator.
- 14.2 The Risk Management Coordinator shall coordinate all requests for risk management training from staff members

## **15 Monitoring and audit**

- 15.1 Monitoring and audit shall be undertaken by:
  - 15.1.1 Line management with the support of the Risk Management Coordinator
  - 15.1.2 Internal Auditor shall undertake audit of the Risk Management System at pre-determined intervals

15.1.3 Comptroller and Auditor General (C&AG) shall be facilitated to undertake audit of the Risk Management System.

## **16 Policy Implementation and Review**

The date of implementation of this Policy is \_\_\_\_\_ 2022, which is the date of approval by Donegal Education and Training Board.

This Policy shall be reviewed every 2 years or earlier in light of changes in legislation and guidance from sources such as the Internal Audit Unit, the C & AG, the Department of Education, the Department of Further and Higher Education, Innovation and Science, the Department of Finance and the Department of Public Expenditure and Reform or the ETB's Insurers.



**etb**

Bord Oideachais agus  
Oiliúna Dhún na nGall  
*Donegal Education and  
Training Board*

**Appendix 1: Risk Reporting Template**

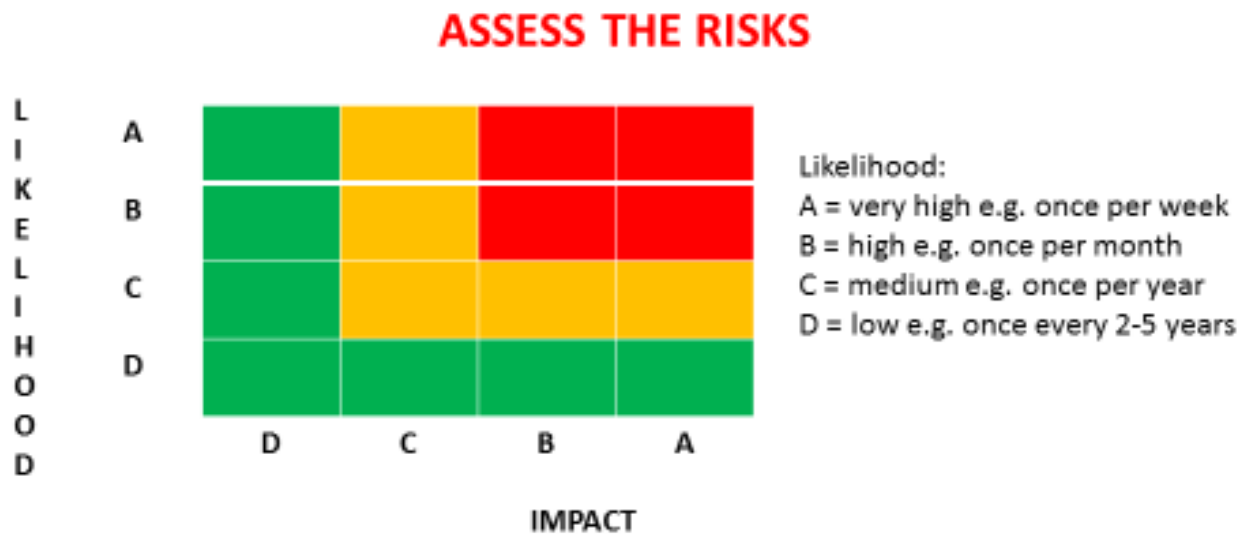
<b>Risk grouping</b>	<b>Risk description</b>	<b>Risk rating before new controls implemented</b>	<b>Risk rating after new controls implemented</b>
<b>Description of actions undertaken since last report</b>	<b>New actions to be undertaken in the next 3/6/12 months</b>	<b>Identified challenges that could prevent success</b>	
<b>Signature</b>	<b>Title</b>	<b>Date</b>	

Please return to the Risk Management Coordinator (Name) by / / 2018

## Appendix 2

### Assessment of risk (qualitative matrix)

All risks shall be identified using a qualitative approach as shown in the matrix below.



Impact:

A = very high e.g. death of an employees or other person; serious threat to business

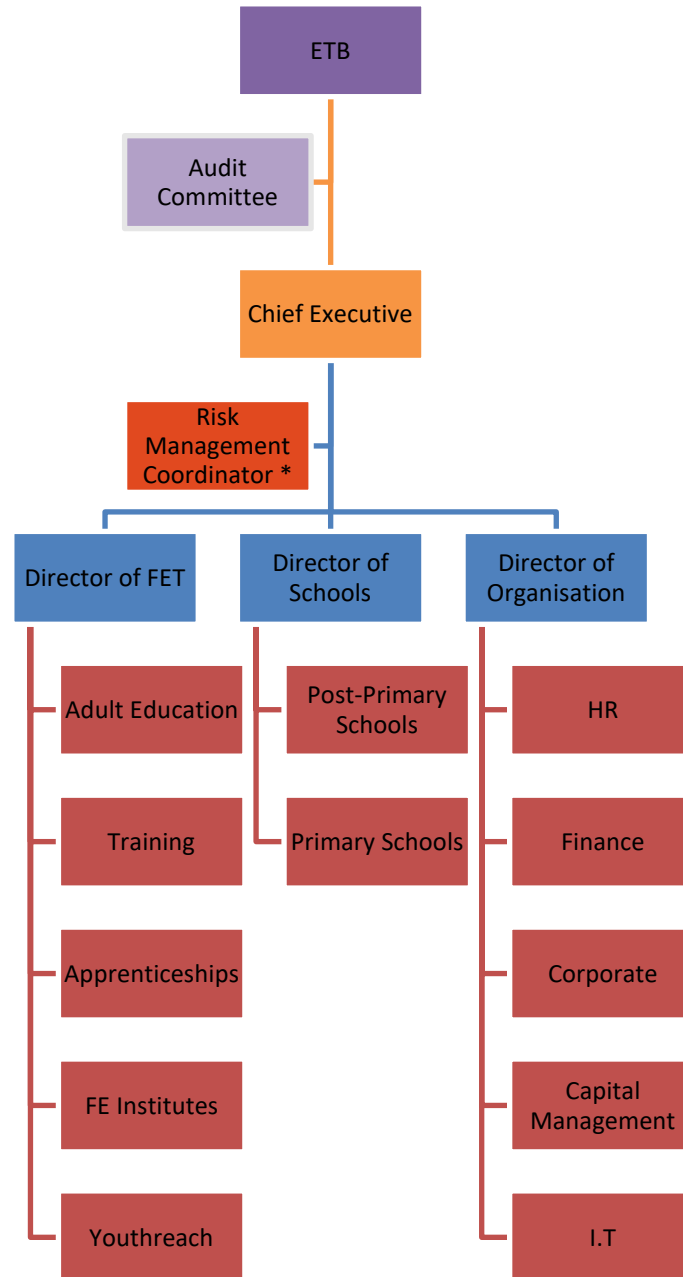
B = high e.g. damage resulting in long-term disability; or loss of a valuable asset

C = moderate e.g. damage resulting in absence from work; or impact on finances

D = low e.g. incident occurred but no harm/damage resulted

Appendix 3

**Risk Management Workflow**



\* The role of Risk Management Coordinator may be undertaken by the Director of Organisation Support and Development or another member of the SMT delegated by the Chief Executive

**Risk Owners** Report to **Directors** on identified risks as follows:

**Red** - every quarter      **Amber** - six monthly

**Green** – annually



