Policy:		Risk Management Policy

Approved by:		UR 2020#04

Approval date:		30 September 2020

Version:		1.0

Next Review Date:		June 2021

Document	Version	Reviewed / Approved	By Whom	Date
Risk Management Policy	1.0	Reviewed by	Audit and Risk Committee	27 May 2020
Risk Management Policy	1.0	Reviewed by	Executive Team	17 September 2020
Risk Management Policy	1.0	Approved by	*An tÚdarás Rialaithe*	30.09.2020 UR 2020#04

Contents

1. Introduction

1.1   Mary Immaculate College (hereinafter referred to as the 'College or MIC') is committed to establishing and maintaining a systematic approach for the management of risk including the identification, assessment, treatment and monitoring of risk.

1.2   This Risk Management Policy formally establishes the College's Risk Management Framework for the effective management of risk in the College.

1.3   In developing this Risk Management Policy, the College has taken into account the guidelines set out in the following documents:
- ISO 31000 Risk Management Principles and Guidelines;
- COSO Enterprise Risk Management Integrating with Strategy and Performance (2017); and the
- IUA Code of Governance for Irish Universities (as current).

Further details on the implementation of the Risk Management Framework is contained in the Risk Management Procedure.

2. Purpose of MIC Risk Management Policy

2.1   The purpose of this policy is to:
- Establish the MIC policy statements that shall drive risk management in the College;
- Provide a framework that shall support College staff in formally identifying, assessing, managing, reporting and monitoring risk;
- Provide a framework that shall facilitate College staff to measure the likelihood and impact of risks;
- Establish and assign responsibilities for managing and participating in the formal risk management processes; and
- Establish and assign responsibilities for overseeing the effectiveness of risk management.

2.2   It is intended that the ongoing and consistent implementation of the College Risk Management framework shall:
- Facilitate the achievement of the College's Strategic Plan;
- Encourage a high standard of accountability at all levels of the College;
- Increase quality and efficiency in processes;
- Support effective decision-making through better understanding of risk exposures;
- Safeguarding of assets – staff, students, property and reputation;
- Safeguard the financial sustainability of the College; and
- Conform to good governance practices, specifically, the IUA Code of Governance for Irish Universities.

2.3   This is achieved by establishing a Risk Management Framework for the effective management of risk within the College through an approach that is understood and consistently applied by all staff in their day to day duties and activities.

3. Risk Management Framework

Risk management is the systematic application of management policies, procedures and practices to identify, assess and manage risk effectively while reporting to the relevant stakeholders of the College. The Risk Management Framework of MIC is made up of the following:

- The Risk Management Policy
- MIC Risk Appetite (Appendix 1)
- Risk Management Procedure outlining:

    - The Risk Management Process including:
    - Risk identification;
    - Risk assessment;
    - Risk mitigation;
    - Risk monitoring;
    - Risk review; and
    - Risk Management Roles and Responsibilities.

4. Risk Management Policy

4.1 *An tÚdarás Rialaithe*, through its Audit & Risk Committee, shall have overall responsibility for risk management within the College. *An tÚdarás Rialaithe* will set 'the tone from the top' by embedding and leading risk management in its operation and by providing direction to management on the importance of risk management and risk culture. This Policy supports *An tÚdarás Rialaithe* in meeting its responsibilities in this regard (refer to *Section 7.1 IUA Code of Governance for Irish Universities*).

4.2 The Executive Team shall be responsible for coordinating the development and maintenance of MIC's risk management process. The Executive Team shall continually monitor the way in which risk is considered and addressed within the College.

4.3 The President shall be responsible for College-wide communications on risk matters.

4.4 The Risk Management Framework shall address top-down strategic and institution level risks commencing with the Fundamental Risk Register (FRR) before cascading down further within the College. Once the FRR is collated, risk management should then cascade down to the areas of responsibility under direct management of Executive Team members (e.g. Vice President and Dean) level. The Executive Team level shall determine further cascading of the risk management function, in alignment with the key organisational structures that are current.

4.5 A Fundamental Risk Register (FRR) shall be collated and maintained by the Vice-President of Governance and Strategy with input from the Executive Team. The FRR shall be prepared by the Office of the Vice-President of Governance and Strategy and reviewed at least annually (refer to *Section 7 IUA Code of Governance for Irish Universities*). This register shall contain risks which either have the potential to affect the College as a whole or to be of a significantly serious degree, at both a local unit level and at an institution level, to merit their inclusion. Potential risks for inclusion in the FRR shall be reviewed by the Executive Team and the Audit & Risk Committee (ARC as the formal Sub-Committee of *An tÚdarás Rialaithe* with responsibility for monitoring the College's risk management processes). Final approval of the FRR is the responsibility of *An tÚdarás Rialaithe* (refer to *Section 7 IUA Code of Governance for Irish Universities*).

4.6 The Executive Team shall develop procedures to ensure that risk management is implemented across all decision-making functions of the College.

4.7   Heads of Unit shall be responsible for the day-to-day management of risks under their control. They shall be assisted in this role by senior management as necessary and will cooperate with the Executive Team.

4.8   Aside from the FRR, creation of Local Risk Registers (LRRs) shall apply at full unit level within the professional service structures and at Faculty and/or School level within academic structures. The College's organisational structures, including its academic structures, are subject to change in accordance with its successive strategic and academic plans. Heads of Units and Deans / Assistant Deans / Heads of School, respectively, shall ensure that risk assessments are performed regularly in respect of their areas of responsibility and shall be accountable to the Executive Team, Strategic Implementation Group, the Audit & Risk Committee and *An tÚdarás Rialaithe* for reporting on the implementation of mitigating actions, internal controls. Heads of Units and Deans / Assistant Deans / Heads of School shall incorporate risks into the LRRs for which they are responsible at the direction of these bodies.

4.9   Emerging risks shall also be evaluated as part of MIC's risk management process.

4.10   A register of risk incidents and near misses shall be maintained and reported to the Executive Team and the Audit & Risk Committee in a timely fashion.

4.11   An annual Risk Appetite Statement shall be developed as part of MIC's Risk Management Framework (refer to *Section 7 IUA Code of Governance for Irish Universities*).

4.12   Risk management and oversight is a College-wide responsibility that calls for, and requires, the active involvement and cooperation of both management and staff.

5. Scope/Applicability

This policy, approved by *An tÚdarás Rialaithe*, shall apply to the whole College, including academic faculties and faculty members, schools, departments and professional services. The Risk Management Framework shall apply to subsidiary companies of MIC as indicated in the *Code of Governance for Irish Universities*.

6. Implementation

The policy shall be communicated to and available to all employees. All employees shall be responsible for familiarising themselves with and adhering to the requirements of this policy, assisted by an appropriate level of risk training and awareness. Compliance with this policy is mandatory.

The detailed implementation of this policy is outlined in the Risk Management Procedure.

7. Risk Appetite

Risk appetite is a conceptual precept used to steer organisations as to the amount of risk that they are prepared to accept based on the expected outcome of the activity in question.

Risks arising from proposed or current activities may fall into two categories:

1. Risks that are acceptable and will need to be managed; and
2. Risks that are unacceptable and therefore the activity should not proceed or requires remedial action prior to the commencement of the risk related activity.

The MIC Risk Appetite is set out in *Appendix 1* of this policy document. It is the responsibility of the Executive Team to ascertain if specific activities present an unacceptable level of risk to MIC and if so, to determine what actions need to be taken to mitigate that risk to an acceptable risk level in accordance with the MIC Risk Appetite.

The Risk Appetite and accompanying Risk Appetite Statement shall be reviewed by *An tÚdarás Rialaithe* on an annual basis as an appendix to this policy (refer to *Section 7 IUA Code of Governance for Irish Universities*).

8. Policy Review

This policy is maintained by the President and shall be reviewed on an annual basis, in accordance with the *IUA Code of Governance for Irish Universities*. The President, with support of the Vice President Governance and Strategy, shall review the Policy and make updates where required. In the event that no changes are required, the Policy should record the fact that the review was undertaken as part of its formal version control.

The President shall submit the policy to the Executive Team for its review. The Executive Team shall review and submit the policy to the Strategic Implementation Group (SIG) and once SIG is satisfied the policy shall be provided to the ARC for review and approval.

An tÚdarás Rialaithe is ultimately responsible for the final approval of the policy via the ARC.

Appendices

Appendix 1 – Risk Appetite Statement

To determine risk appetite, management, with *An tÚdarás Rialaithe* review and concurrence, shall take three steps in documenting and applying the risk appetite of MIC.

1. Develop risk appetite: management and *An tÚdarás Rialaithe* must make choices in setting risk appetite, understanding the trade-offs involved in having higher or lower risk appetites.

2. Communicate risk appetite: Risk appetite must be communicated and aligned to the categories of risk (Strategic, Reputational, Financial and Operational).

3. Monitor and update risk appetite: Once risk appetite is communicated as above, management, with *An tÚdarás Rialaithe* support, needs to revisit and reinforce the selected risk appetite. Risk appetite cannot be set once and then left alone. This should be reinforced by a risk aware culture.

When we consider risk appetite, we typically consider it in four levels. Zero risk appetite, low risk appetite, medium risk appetite or high risk appetite.

An explanation for each of these are:

- Zero where there is no tolerance for risk
- Low where the approach to seeking a return or achieving an objective e.g. moving all delivery online is a guarded one.
- Medium risk appetite is where the approach is measured
- High is where the approach is fast paced and assertive

The risk appetite for each category of risk is set out below:

Category	Risk Appetite
Strategic risk	In developing the MIC strategy, the college accepts that this strategy will involve a degree of risk to achieve the objectives set out. There will be a number of factors which may impact on MIC achieving this strategy each with its own unique risks. In order to achieve the pillars outlined in the strategy, the College accepts that there will be times where it must take and accepts risk to achieve objectives, therefore MIC accepts a **medium risk appetite** in pursuit of its strategic pillars and overall strategic objectives.
Reputational risk	MIC has a reputation for high class education with a focus on care for our students' well-being and this remains the core principle and makes a unique and significant educational, social and cultural contribution to all aspects of society. MIC is committed to maintaining its reputation as a value based institution, with a focus on the highest standards of integrity, compliance with legislation and **low risk appetite** for any breaches in statute, regulation, professional standards, research or ethics including systems and processes.

Category	Risk Appetite
	The College has a **low risk appetite** for risk which would impact the reputation of the College, its values and ethical principles which could lead to reputational damage.
Financial risk	MIC has an effective system of financial controls and in order to maintain its financial position and achieve the strategic goals of the College, it has a **low risk appetite** for any activity or risks which impact upon the achievement of its financial goals. The College will ensure that the risks and any potential benefits are understood before making any decisions that may impact the financial viability of the College.
Operational risk	The College is committed to maintaining its operation in line with its core values and has **a low risk appetite** for any risk, incident or event which could impact upon MIC's normal operations of teaching, learning and research.
Health & Safety Risk	The College has **zero risk appetite** in regard to the health and welfare of staff and students.

Appendix 2 - Key Definitions

Term	Description
Financial Risk	Exposure to losses arising as a result of the need to improve the management of the College's financial assets.
Fundamental Risk Register	The Fundamental Risk Register focuses on those risks that are either strategic in their nature, impact the College as a whole or are risks on the Local Risk Registers that are so significant that need to be recognised at the organisation's level.
Incident	Is an event that occurred that caused disruption or harm to the institution.
Near Miss	A near miss is an undesired event or sequence of events with potential to cause serious disruption or harm to the institution, but is avoided. Also referred to as a "close call". Reporting and reviewing near misses, can help highlight key risks to an organisation and if dealt with properly, should prevent similar risk event.
Operational Risk	The inability to prevent a loss resulting from inadequate internal processes and systems.
Reputational Risk	Exposure to losses arising as a result of negative publicity or public image and failure to manage stakeholder relationships effectively.
Risk	Risk may be defined as MIC not benefiting from opportunities available or not achieving its objectives due to an internal or external event.
Risk Appetite	Risk Appetite is the amount, type, severity and financial accumulation of risk that the organisation is prepared to accept, tolerate or be exposed to at any point of time.
Strategic Risk	The inability to achieve the College's strategic and operational objectives as set out in the Strategic Plan and also, fail to exploit strategic opportunities when they arise.