



# Waterford and Wexford Education and Training Board

## Risk Management Policy

<b>Document reference number</b>	AA17:00	<b>Next Revision Date</b>	1 year thereafter Every 3 Years
<b>Document Approved By</b>	SMT	<b>Document approved by</b>	Board of WWETB
<b>Approval Date</b>	10/09/2019	<b>Document developed by</b>	WWETB SMT as per Circular 002/2019
<b>Responsibility for Implementation</b>	Senior Management Team	<b>Responsibility for Review and Audit</b>	SMT

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## Title

## RISK MANAGEMENT POLICY

### 1. Policy Statement

In accordance with the Code of Practice for the Governance of Education and Training Boards, Waterford and Wexford Education and Training Board (WWETB) is committed to identifying risks that have the potential to disrupt achievement of the ETB's strategic and operational objectives. Through effective management WWETB 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. WWETB is committed to supporting and empowering all employees in their work to manage risk.

This policy should be read in conjunction with the Code of Practice for the Governance of Education and Training Boards (CI 0002/2019).

### 2. Purpose

The purpose of the Risk Management Policy is to achieve the following:

- 2.1. To support WWETB'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 WWETB employees to comply with this policy and procedure so as to support the management of risk at WWETB.
- 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 WWETB, 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 WWETB that where it engages with third parties such as contractors providing services on behalf of WWETB, that confirmation is sought that Risk Management systems and structures are in place; the objective being to ensure that WWETB will not be adversely impacted by third party activities.



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### 4. Legislation, Codes 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 2015  
(Circular Letter 0002/2019) Department of Education and Skills
- 4.3. ISO 31000:2009 Risk Management Standard
- 4.4. Code of Conduct for Staff
- 4.5. Government Department Circulars
- 4.6. Further Education and Training Act, 2013
- 4.7. Protected Disclosures Act, 2015
- 4.8. Data Protection, 1998 - 2003
- 4.9. Freedom of Information, 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 WWETB 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:

*"... an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes."*

The following principles apply to risk management in WWETB:

5.1 The Board should have formal and transparent arrangements for governance, risk management and internal control and for maintaining an appropriate relationship with the Internal Audit Unit and the Comptroller & Auditor General.

5.2 Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes.

5.3 Advising on key risk is a matter for the Board. The Audit and Risk Committee should support the Board in this role.



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### 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 The Board of WWETB shall ensure that appropriate systems and structures are implemented, monitored, and controlled to support and manage risk. The Board of WWETB is responsible for the following:
  - 7.2 Approving the risk management framework and monitor its effectiveness
  - 7.3 Reviewing material risk incidents and note or approve management's actions, as appropriate
  - 7.4 Reviewing the risks identified and the related internal controls to ensure risk is being reasonably managed
  - 7.5 Setting the Risk Appetite for the entity<sup>1</sup>
  - 7.6 Establishing an Audit and Risk Committee to give an independent view in relation to risks and risk management systems
  - 7.7 Making risk management a standing item on the Board meeting agenda and monitor changes in risk ratings at board meetings
  - 7.8 Seeking expert advice from time to time, as required
  - 7.9 Appointing a Chief Risk Officer or empower a suitable management alternative, to identify, measure and manage risk and promote a risk management culture in the organisation.

Approving the risk management policy, and approving the risk management plan and risk register at least annually.

- 7.11 Reviewing management reporting on risk management and note/approve actions as appropriate
- 7.12 Arranging external review of effectiveness of risk management framework on a periodic basis
- 7.13 Confirming in the annual report that the Board has carried out an assessment of WWETB's principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies

<sup>1</sup> In the case of an ETB, the setting of the Risk Appetite in respect of activities applies largely to Agency programmes, Self-financing Projects and/or new school provision as in the case of core programmes the level of service to be provided, the programme rules and related funds are determined by the DES and/or by SOLAS and other programme funders.



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7.14 The Audit Committee shall undertake its role in compliance with relevant legislation:

7.14.1 supporting the Board in its role as set out in 7.1 above

7.15 The Chief Executive shall ensure that:

- 7.15.1 The Board is supported in carrying out its functions as described in 7.1 above
- 7.15.2 Risk categories and their components are identified
- 7.15.3 Necessary controls are implemented to ensure that there is compliance with the requirements across all categories (as set out in Section 7.2, Code of Practice)
- 7.15.4 the management of high level risk is a standing meeting agenda item
- 7.15.5 Risk Management Policy is developed
- 7.15.6 Risk Register is compiled
- 7.15.7 Risk Management Business Plan is developed annually
- 7.15.8 Reported non-conformances are appropriately investigated and that preventative or corrective actions are implemented
- 7.15.9 Risk incidents are recorded and reported and appropriate actions are taken.

7.16 The Directors<sup>1</sup> shall ensure that this policy and procedure is implemented

7.17 The Principals/Line Managers/Centre Managers shall ensure that:

This policy and procedure is implemented and that :

- 7.17.1 They notify change in the level of risk to the Chief Risk Officer
- 7.17.2 They provide appropriate support to their staff to manage risk
- 7.17.3 They support systems for the investigation of incidents that may give rise to reports of risk

7.18 The Chief Risk Officer shall coordinate all functions to support the WWETB risk management system

7.19 The Internal Audit Unit shall:

- 7.19.1 Undertake audits of compliance with required legislation, codes of practice, guidance, standards, and policies, procedures and Department circulars
- 7.19.2 Provide reports to the Chief Executive and Audit and Risk Committee for corrective and preventive action to be taken

7.20 The Comptroller and Auditor General shall:

- 7.20.1 Audit compliance in respect of legislation, codes, of practice, standards, guidance and policies and procedures
- 7.20.2 Provide reports to the Chief Executive and Audit and Risk Committee for corrective and preventive action to be taken

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



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7.21 Employees shall comply with this policy and all instruction issued by their supervisor/line manager.

This policy and procedure is implemented and that:

7.21.1 They notify change in the level of risk to the Chief Risk Officer

7.21.2 They provide appropriate support to their staff to manage risk

7.21.3 They support systems for the investigation of incidents that may give rise to reports of risk

7.22 The Chief Risk Officer shall coordinate all functions to support the WWETB risk management system

7.23 The Internal Audit Unit shall:

7.23.1 Undertake audits of compliance with required legislation, codes of practice, guidance, standards, and policies, procedures and Department circulars

7.23.2 Provide reports to the Chief Executive and Audit and Risk Committee for corrective and preventive action to be taken

7.24 The Comptroller and Auditor General shall:

7.24.1 Audit compliance in respect of legislation, codes, of practice, standards, guidance and policies and procedures

7.24.2 Provide reports to the Chief Executive and Audit and Risk Committee for corrective and preventive action to be taken

7.25 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 WWETB's 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 WWETB 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.



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8.3 Nine 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 WWETB, for example social risks, or they may be risks associated with demands made by learners. 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 WWETB activities:

	<b>Risk Category</b>	<b>Examples of Risk</b>
1	Professional/ Managerial	Failure to implement organisation and staff development
2	Student/Adult Learner	Failure to meet the growing expectations of students
3	Contractual	Failure to fulfil the terms of any contract entered into by WWETB such as construction projects
4	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
5	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 WWETB
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 WWETB by staff, learners, members of the public and others
8	Social	Changes in demographic trends impacting on the WWETB's ability to deliver its service and meet its statutory obligations
9	Financial	Failure to meet prescribed accounting standards

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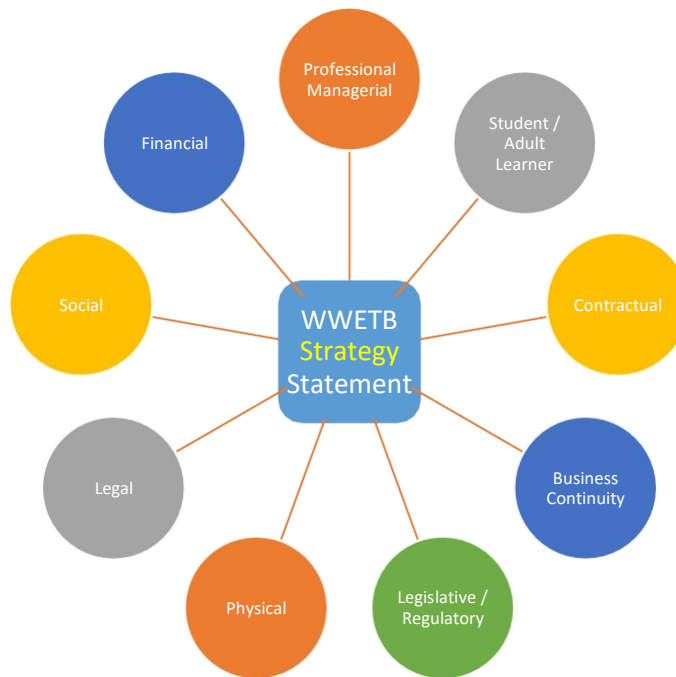


Figure 1 Risk Categories

## 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 A framework is provided 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 WWETB

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- 9.4.3 Reduces volatility in the non-essential areas of the activities of WWETB
- 9.4.4 Protects and enhances assets and WWETB's image and reputation
- 9.4.5 Develops and supports people and WWETB'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 WWETB 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:
  - 10.4.2 Structured one-to-one interviews
  - 10.4.3 Structured group interviews
  - 10.4.4 Use of questionnaire/checklists
  - 10.4.5 Facilitated workshops, focus groups or round table discussions
  - 10.5.6 A combination of these techniques can be used.
  - 10.5.7 The identified risks and relevant control measures will be managed through WWETB's Risk Register.
  - 10.5.8 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



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assessment of the risk with judgement about the acceptability of the risk.

10.6 Assessing risk involves two key steps:

10.6.1 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 WWETB if the risk actually happens – how significant might the consequences be? (See Graphic at Appendix 1)

10.6.2 Prioritisation and Monitoring:

10.6.2.1 Risk management needs to be seen as a continuous process. As the activities of the WWETB 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.

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

10.6.2.3 These risks (new, re-categorised, and terminated) should be reported to the Chief Risk Officer or nominee for inclusion/deletion on the Risk Register.

10.6.2.4 New risks should only be added to the Corporate Risk Register by the Chief Risk Officer.

## 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

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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 1*)

11.5.5 The effectiveness of management controls shall be reported on at predetermined intervals to the Senior Management Team and the Audit and Risk Committee:

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 WWETB Risk Management Business Plan shall be formulated by the Chief Risk Officer 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 and Risk 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 the Code of Practice for the Governance of ETBs.

## 14. Training

14.1 Risk Management Training shall be provided as and when a request is made to the Chief Risk Officer.

14.2 The Chief Risk Officer 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 Chief Risk Officer.

15.1.2 Internal Auditor, who shall undertake audit of the risk management system at pre-determined intervals.

15.1.3 Comptroller and Auditor General (C&AG), who shall be facilitated to undertake audit of the risk management system.



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## 16. Policy Implementation and Review

The date of implementation of this policy is 10 September 2019, which is the date of adoption by Waterford and Wexford Education and Training Board.

This policy shall be reviewed and approved by the Board of WWETB on an annual basis and thereafter every 3 years.



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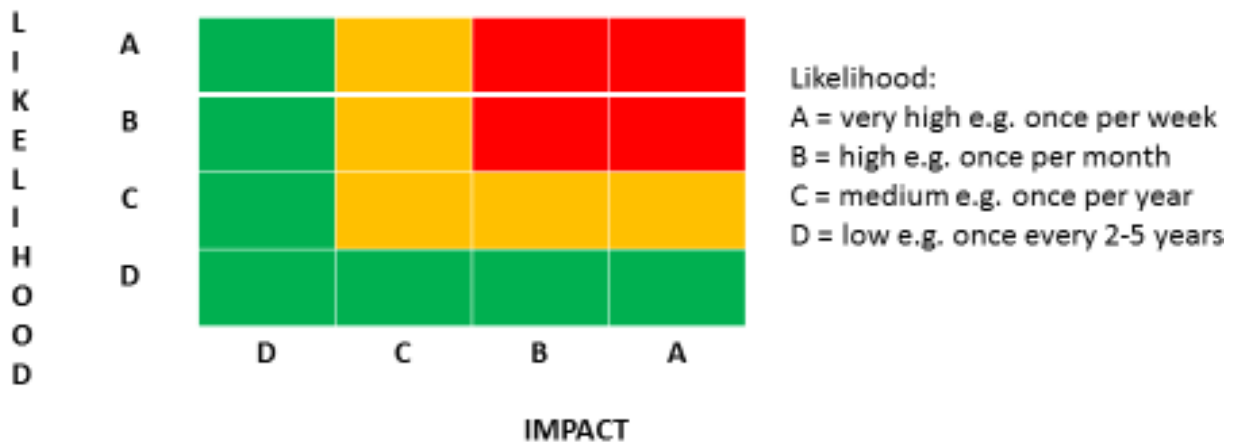
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## Appendix 1

### Assessment of risk (qualitative matrix)

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

### ASSESS THE RISKS



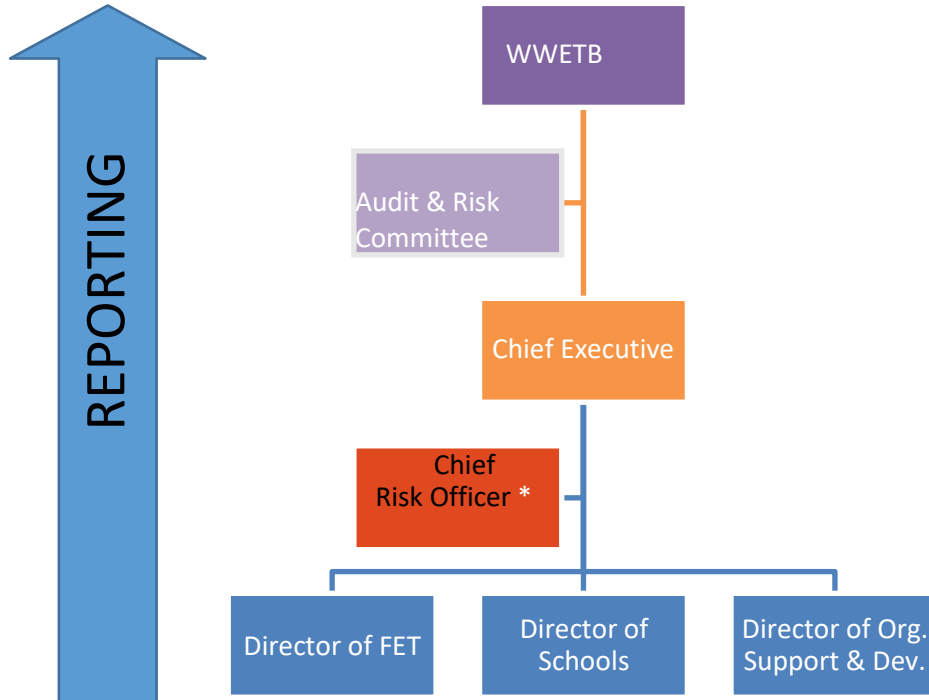
**Impact:**

- 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

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## Appendix 2

### Risk Management Workflow



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

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

**Red** - every quarter

**Amber** - six monthly

**Green** – annually

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