msletb

Bord Oideachais agus Oiliúna
Mhaigh Eo, Shligigh agus Liatroma
Mayo, Sligo and Leitrim
Education and Training Board

Mayo, Sligo, Leitrim Education and Training Board

Risk Management Policy

MSLETB,
Corporate Services,
Newtown,
Castlebar,
Co. Mayo
F23 DV78

V1 23rd June 2020

DOCUMENT CONTROL SHEET

Business Unit	Corporate Services, MSLETB
Work Category	Corporate Services
Document Title	MSLETB Risk Management Policy and Procedure
Document No.	V1

Rev (per footer)	Status	Author(s)	Reviewed By	Approved By	Office of Origin	Issue Date
V1	D01	EBTI	SMcH/MMcD/ OR/PH	SMT MSLETB Board	Corporate Services	23rd June 2020

Contents

1. Policy statement 4

2. Purpose 4

3. Scope 4

4. Legislation, codes of practice, standards, guidance 5

5. Governance 5

6. Objectives of this policy 7

7. Roles and responsibilities 7

8. Process 8

9. Managing risk 10

10. Identifying and Assessing Risk 11

11. Risk Management Steps 12

12 Risk Management Business Plan 14

13 References 14

14 Training 14

15 Monitoring and audit 15

16 Policy Implementation and Review 15

Appendix 1: Risk Reporting Template MSLETB 15

Appendix 2 Assessment of risk 17

Appendix 3 Risk Management Workflow 18

1. Policy statement

Mayo, Sligo, Leitrim Education and Training Board (MSLETB) is committed to identifying risks that have the potential to disrupt achievement of the ETB's strategic and operational objectives. Through effective management, MSLETB 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.

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

This policy should be read in conjunction with the Step by Step Guide to Managing ETB Risk (IPB Insurance) and the Code of Practice for the Governance of Education and Training Boards (ETB).

2. Purpose

2.1 The purpose of the Risk Management Policy is to support MSLETB'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 MSLETB employees to comply with this policy and procedure so as to support the management of risk in the ETB.

3. Scope

3.1 This policy and procedure applies to all employees of MSLETB, 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 MSLETB that where it engages with third parties such as contractors providing services on behalf of the ETB, that confirmation is sought that Risk Management systems and structures are in place; the objective being to ensure that MSLETB will not be adversely impacted by third party activities.

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 2019 (Circular Letter 02/2019) Department of Education and Skills

4.3 ISO 31000:2009 Risk Management Standard

4.4 Code of Conduct for Employees

4.5 ETB Risk – Step by Step Guide to Managing ETB Risk (IPB Insurance)

4.6 Government Department circulars

4.7 Further Education and Training Act, 2013

4.8 Protected Disclosures Act, 2015

4.9 Data Protection, 1998 – 2018

4.10 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 MSLETB should operate to the highest standards applicable and operates in an effective, efficient and economic manner.

The Code of Practice for The Governance of Education and Training Boards (circular 02/2019) ('the Code of Practice') defines Risk Management as follows:

'*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'.*

Section 7 of The Code of Practice outlines the ETB's obligations as follows:

5.1 Risk Management Policy
Each ETB should develop a Risk Management Policy and the Board should approve the risk management framework and monitor its effectiveness. The Board should review material risk incidents and note or approve management's actions, as appropriate.

5.2 Risk Management
The Executive, led by the Chief Executive, should identify the following risk categories and then list the component elements of each.

(a) The categories of non-compliance include;

I. Section 10 of the 2013 Act

II. The other sections of the 2013 Act

III. Other relevant legislation

IV. DES Circulars and Guidelines

V. Other Department Circulars and Guidelines

VI. Other Funders' Requirements and Guidelines

VII. Safeguarding of Assets, Integrity of transactions and Reliability of Records

VIII. Code of Practice for The Governance of Education and Training Boards (circular 02/2019)

(b) The Chief Executive will then implement the necessary Internal Controls to ensure that there is compliance with the requirements in (a).

(c) The Board will review the risks identified and the related internal controls to ensure risk is being reasonably managed. The Audit and Risk Committee can assist them in this task.

(d) Normally, the Board of an entity sets the Risk Appetite for the entity. Key elements of the Board's oversight of risk management include:

- establishing an Audit and Risk Committee to give an independent view in relation to risks and risk management systems;
- making risk management a standing item on the Board meeting agenda and monitor changes in risk ratings at board meetings; the composition of ETB Boards is set by the Education and Training Boards Act. Accordingly, expert advice may be required from time to time;
- appoint a Chief Risk Officer (Corporate Governance and Compliance Manager) or empower a suitable management alternative, to identify measure and manage risk and promote a risk management culture in the organisation;
- approve the risk management policy, set the ETB's risk appetite taking account of funding bodies' requirements, and approve the risk management plan and risk register at least annually;
- review management reporting on risk management and note/approve actions as appropriate;
- require external review of effectiveness of risk management framework on a periodic basis; and
- confirmation in the annual report that the Board has carried out an assessment of the ETB's principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.

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
6.10 Ensure reporting of risk failures

7. Roles and responsibilities

7.1 The Board of MSLETB shall ensure that appropriate systems and structures are implemented, monitored and controlled to support and manage risk

7.2 The Audit Committee shall undertake its role in compliance with relevant legislation
- approve the Chief Executive's Risk Management Policy annually
- approve the risk management business plan
- review and approve the risk register at least annually

7.3 Chief Executive shall ensure that a:
- member of staff is appointed/identified who will have overall responsibility for risk management
- the management of high level risk is a standing meeting agenda item
- Risk Management Policy is developed
- Risk Register is compiled
- Risk Management Business Plan is developed annually
- Reported non-conformances are appropriately investigated and that preventative or corrective actions are implemented

7.4 Directors [1]shall ensure that this policy and procedure is implemented

7.5 Principals / Line Managers / Centre Managers / shall ensure that:

- This policy and procedure is implemented
- They notify change in the level of risk to the Corporate Governance and Compliance Manager
- They provide appropriate support to their staff to manage risk

[1] Directors: Director of Further Education and Training, Director of Schools, Director of Organisation Support and Development

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

7.6 Corporate Governance and Compliance Manager shall coordinate all functions to support MSLETB risk management system

7.7 Internal Audit Unit shall:
- Undertake audits of compliance with required legislation, codes of practice, guidance, standards, and policies, procedures and Department circulars
- Provide reports to the Chief Executive and Audit Committee simultaneously for corrective and preventive action to be taken

7.8 Comptroller and Auditor General shall:
- Audit compliance in respect of legislation, codes, of practice, standards, guidance and policies and procedures
- 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 the MSLETB 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 MSLETB 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.

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 MSLETB, 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 MSLETB activities:

No.	Risk Category	Examples of Risk
1	**Professional/ Managerial**	Failure to implement organisation and staff development.
2	**Student/Adult Learner**	Failure to meet the growing expectations of students and trainees.
3	**Contractual**	Failure to fulfil the terms of any contract entered into by MSLETB 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 MSLETB.
6	**Legislative**	Failure to comply with legislation, Codes of Practice issued by legislature and Government bodies including the Teaching Council, Health & Safety Authority etc
7	**Legal**	Negligence claims processed against the MSLETB by employees, students and others.
8	**Social**	Changes in demographic trends impacting on the MSLETB's ability to deliver its service and meet its statutory obligations.
9	**Financial**	Failure to meet prescribed accounting standards and internal control procedures.

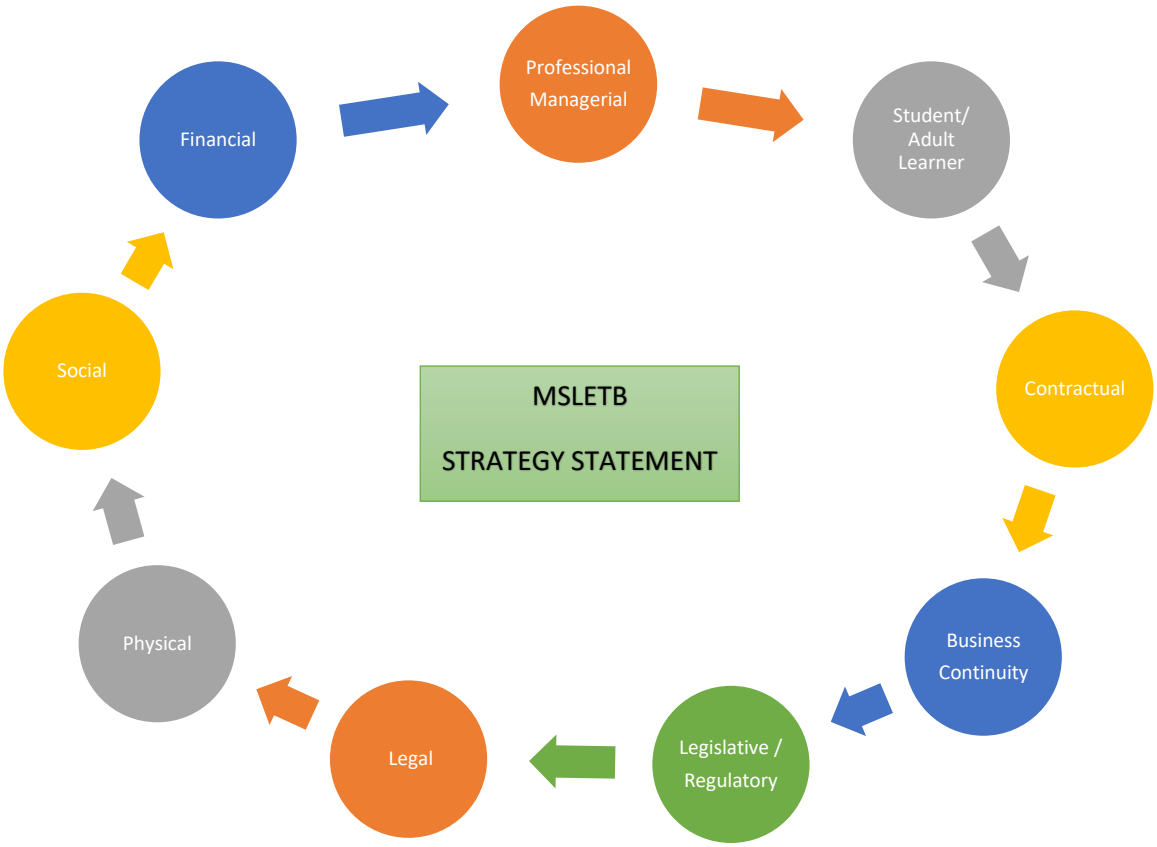


Figure 1 Risk Categories

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:

- Objectives are more likely to be achieved
- Adverse events will not happen or are less likely to happen
- Beneficial outcomes will be or are more likely to be achieved
- Awareness of managing risk becomes embedded in strategic thought and structure

- Provides a framework that enables future activity to take place in a consistent and controlled manner.

9.4 Risk Management:

- Improves decision-making, planning and prioritisation by comprehensive and structured understanding of business activity, volatility and project opportunity/threat
- Contributes to more efficient use/allocation of capital and resources within the ETB
- Reduces volatility in the non-essential areas of the activities of the ETB
- Protects and enhances assets and MSLETB's image and reputation
- Develops and supports people and MSLETB's knowledge base
- Optimises operational efficiency
- 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 MSLETB 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:

- What could go wrong
- How likely is it to happen?
- What would the impact be if it happened (rating the risk)?
- What can be done to reduce the risk?
- Who has responsibility for the risk
- Can the risks identified be reduced?

10.4 Techniques for identifying risk
A number of different techniques can be used to assist staff in identifying risks:

- Structured one-to-one interviews
- Structured group interviews
- Use of questionnaire/checklists
- Facilitated workshops, focus groups or round table discussions
- A combination of these techniques can be used.
- Internal and external audit reports
- The identified risks and relevant control measures will be managed through MSLETB's Risk Register.
- 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 MSLETB if the risk actually happens
  - how significant might the consequences be? (See Graphic at Appendix 2)

10.5.2 Prioritisation and Monitoring:

10.5.3 Risk management needs to be seen as a continuous process. As the activities of of MSLETB 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.

- Risk management should be a standing agenda item at all meetings.
- These risks (new, re-categorised, and terminated) should be reported to Corporate Affairs/Coordinator for Risk for inclusion/deletion on the Risk Register.
- New risks should only be added to the Corporate Risk Register by the Corporate Governance and Compliance Manager or the Director of OSD.

11. Risk Management Steps

11.1 Identifying the risk to achieving strategic and operational objectives.

- Determining the owner of the risk.
- 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:

- Non-conformances
- Incidents
- Near misses
- Complaints
- Claims
- New Activities / Programmes
- 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.

11.5.5 Risks shall be assessed using descriptors and numbers (see Appendix 2)

11.5.5 The effectiveness of management controls shall be reported on at predetermined intervals to the Senior Management Team and the Audit Committee (see appendix 1 for report template):

- High level risks every three months
- Medium level risks every six months
- 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 MSLETB Risk Management Business Plan shall be formulated by the Corporate Governance and Compliance Manager 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 Step by Step Guide to Managing ETB Risk (IPB Insurance) and the Code of Practice for the Governance of ETBs 2019.

14 Training

14.1 Risk Management Training shall be provided as and when requested to the Corporate Governance and Compliance Manager

14.2 The Corporate Governance and Compliance Manager shall coordinate all requests for risk management training from staff members

15 Monitoring and audit

15.1 Monitoring and audit shall be undertaken by:

- Line management with the support of the Corporate Governance and Compliance Manager
- Internal Auditor shall undertake audit of the risk management system at pre-determined intervals
- 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 30th June 2020, which is the date of adoption of Mayo, Sligo, Leitrim Education and Training Board.

This policy shall be reviewed every 3 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 & Skills, the Department of Finance and the Department of Public Expenditure and Reform or the ETB's Insurers.

Appendix 1: Risk Reporting Template

IDENTIFY				ASSESS			MANAGE (Actions Required) & REPORT		RE-ASSESS QX 20XX		
RISK NO	**STRATEGIC GOAL**	**RISK CATEGORY**	**RISK DESCRIPTION**	**LIKELIHOOD**	**IMPACT**	**RISK RATING**	**QX 20XX**	**RISK ACTIONEE**	**LIKELI HOOD**	**IMPACT**	**RISK RATING**

Please return to the Corporate Governance and Compliance Manager by / /

Appendix 2 Assessment of risk

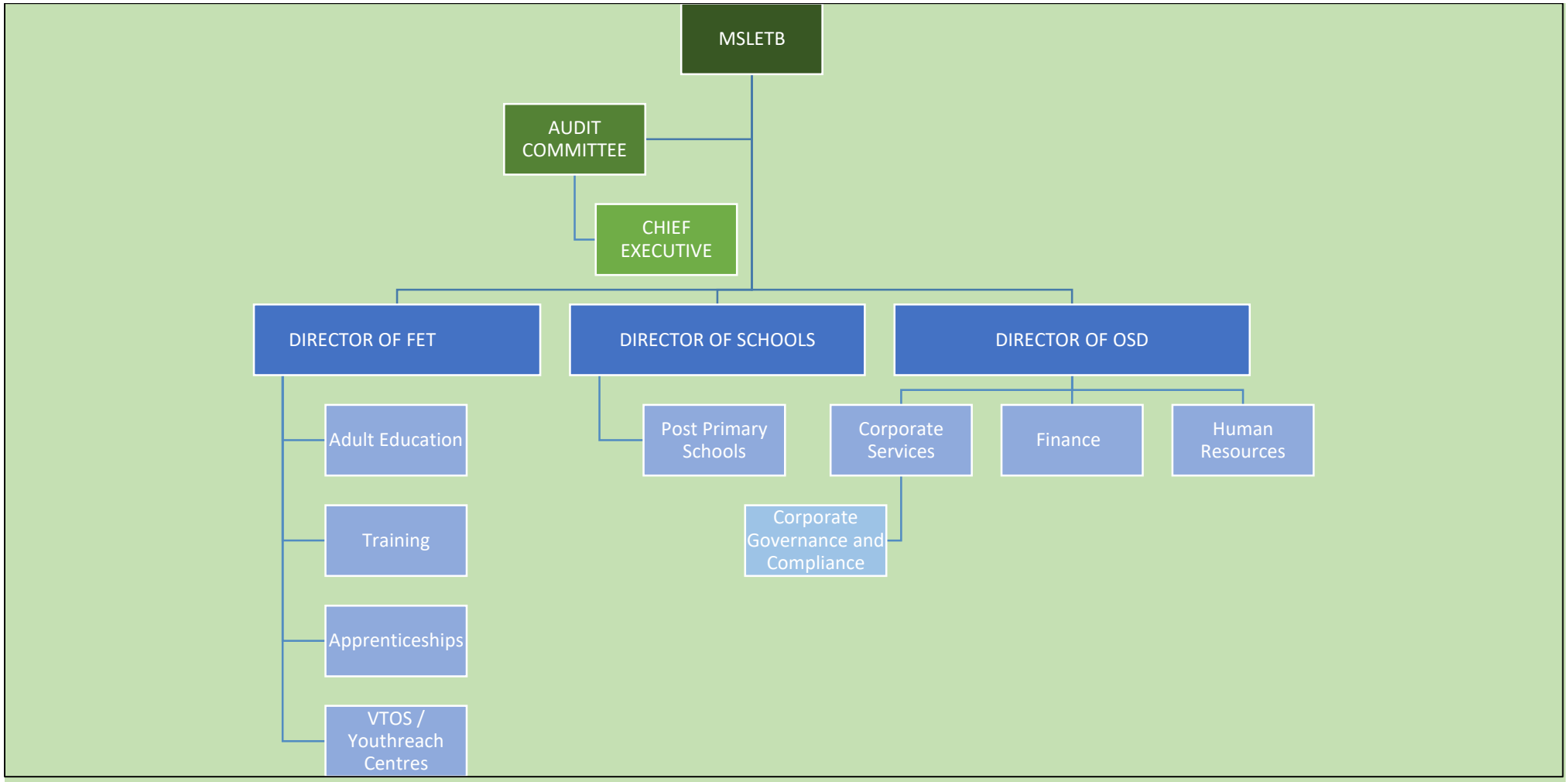
All risks shall be assessed using descriptors and numbers as shown in the matrix below.

LIKELIHOOD **RISK ASSESSMENT MATRIX**

Very High	4	4	8	12	16
High	3	3	6	9	12
Medium	2	2	4	6	8
Low	1	1	2	3	4
		1 Minor	2 Moderate	3 Major	4 Severe

IMPACT

Appendix 3 Risk Management Workflow – Reporting Structure



NOTE: Risk owners report to Directors on identified risks as follows: red risk – every quarter, amber risk – six monthly, green risk – annually.