



# **Tipperary Education and Training Board**

## **Risk Management Policy and Procedure**

## Tipperary ETB Risk Management Policy and Procedure

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## **1. Policy statement**

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

TETB 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 (ETB).

## **2. Purpose**

- 2.1. The purpose of the Risk Management Policy is to support TETB'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 ETB employees to comply with this policy and procedure so as to support the management of risk in the ETB.
- 2.3. To provide a standardised policy for all ETBs in the management of risk.

## **3. Principles underlying the approach to Risk Management**

The principles contained in this policy apply to risk assessment at all levels in the organisation and to all schools, centres and operations across TETB.

1. TETB is committed to compliance with all relevant legislation, regulatory requirement and appropriate code of practice relating to our sector;
2. Risk management activity will be aligned to the TETB objectives and organisational priorities and will endeavour to protect and enhance the reputation of the TETB and its constituent Schools/Centres;
3. Management and staff at all levels will have a responsibility to identify, evaluate, manage, monitor and review risks;
4. Risk management is a continuous rather than a "once off" process;
5. In determining an appropriate response, the cost of control and the impact of risks occurring will be balanced with the benefit of the reduced risk.
6. It is a requirement of Tipperary ETB 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 Tipperary ETB 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 (Circular Letter 0002/2019) Department of Education
- 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. Data Protection, 1998 - 2003
- 4.10. Freedom of Information, 2014
- 4.11. Safety, Health & Welfare at Work Act, 2005

#### **5. Governance**

Corporate governance comprises of 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 TETB should operate to the highest standards applicable and operates in an effective, efficient and economic manner.

Risk Management can be defined as a planned and systematic approach to identifying, evaluating and responding to these risks and providing assurances that responses are effective.

The Code of Practice for the Governance of Education and Training Boards outlines the ETB's obligations as follows:

##### ***“Section 7. Risk Management***

*7.1 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.*

## **7.2 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. DE 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 Corporate Governance*

*(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. They can be assisted in this task by the Audit & Risk Committee*

*(d) Normally, the Board of an entity sets the Risk Appetite for the entity.*

*However, 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 DE and/or by SOLAS and other programme funders*

*Key elements of the Board's oversight of risk management would include:*

- Establishing an Audit & Risk Committee to give an independent view in relation to risks and risk management systems;*
- Making risk management a standing item on 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 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 risk, including a description of these risks, where appropriate, and associated mitigation measures or strategies.*

## **6. Objectives of this policy**

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

## **7 Roles and responsibilities**

- 7.1 Board of Tipperary ETB shall ensure that appropriate systems and structures are implemented, monitored and controlled to support and manage risk
- 7.2 Audit & Risk 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 plan
  - 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
- 7.5 Principals / Line Managers / Centre Managers / shall ensure that:
  - 7.5.1 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

- 7.5.2 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 Tipperary 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, and 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 Procedure**

### **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 TETB'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 TETB 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 TETB, 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 TETB 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 TETB such as construction projects
4	Business Continuity	Failure to provide required services in the event of fire, flood, pandemic 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 TETB
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 TETB by staff, learners, members of the public and others
8	Social	Changes in demographic trends impacting on TETB's ability to deliver its service and meet its statutory obligations
9	Financial	Failure to meet prescribed accounting standards

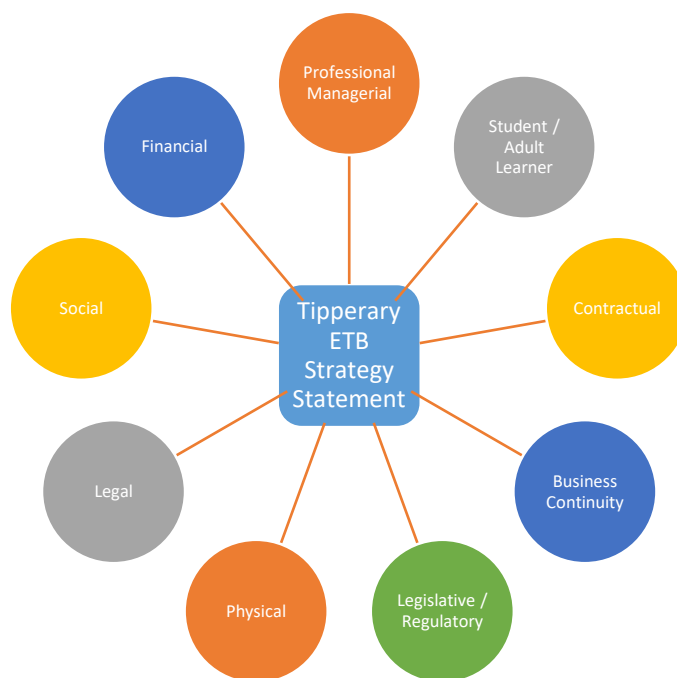


Figure 1 Risk Categories

## **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 TETB's image and reputation
  - 9.4.5 Develops and supports people and the TETB'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 TETB 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 Tipperary ETB's Risk Register.

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 Tipperary ETB if the risk actually happens – how significant might the consequences be?

**See Graphic at Appendix 1**

10.5.2 Prioritisation and Monitoring:

10.5.2.1 Risk management needs to be seen as a continuous process. As the activities of the Tipperary 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 Services 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 (Teams: TETB Corporate Risk Register)



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 & Risk Committee (see Teams: TETB Corporate Risk Register):
    - 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 Co-ordinator 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 & 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 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**

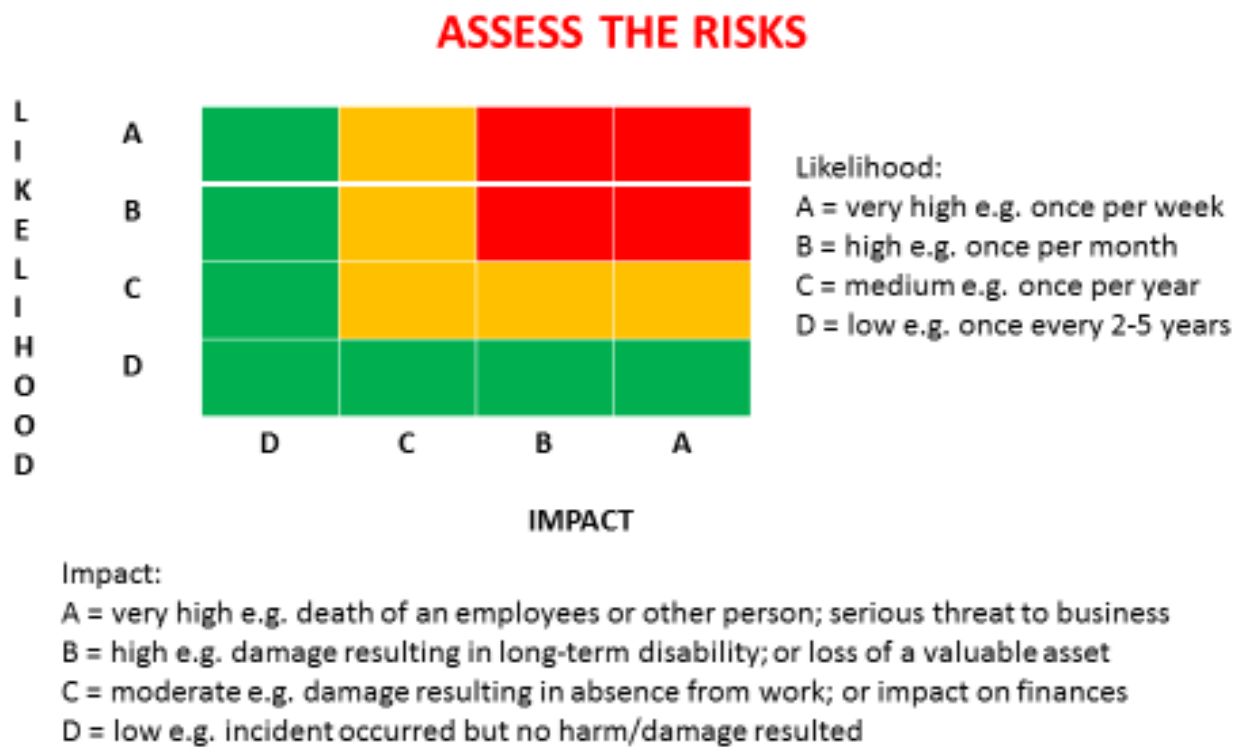
The date of implementation of this reviewed policy is 14.12.2021 which is the date of adoption by Tipperary Education and Training Board.

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, the Department of Finance and the Department of Public Expenditure and Reform or the ETB's Insurers.

## Appendix 1

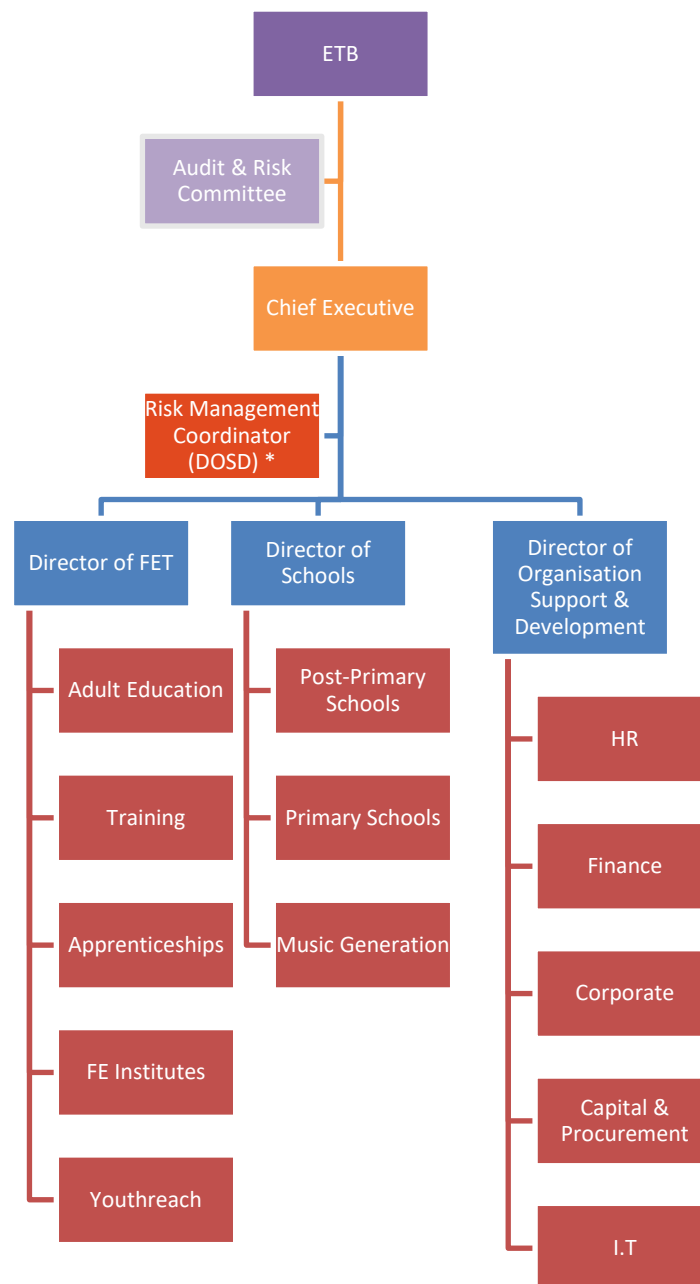
### Assessment of risk (qualitative matrix)

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



## Appendix 3

### Risk Management Workflow



\* The role of TETB Risk Management Co-ordinator is currently undertaken by the Director of Organisation Support and Development – the Chief Executive may delegate this to another member of the SMT at any time.