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Risk Management Policy- 2018

Policy Statement:

The focus on governance in corporate and public bodies continues to increase. It resulted in an expansion from the Code of Practice for the Governance of State Bodies originally issued in 1992 by the Department of Finance to that updated and reissued in 2001. A further update in 2009 was issued to increase accountability and transparency in the manner in which these bodies operate. This 2009 Code, while covering much of the same areas as the previous 2001 Code, updated requirements, responsibilities and accountabilities in certain areas such as internal audit, audit and risk management.

The 2007 Code was updated in 2012 to bring it into line with the Code of Practice for State Bodies.

The Code states that: "Good governance arrangements are essential for organisations large and small and whether operating in the public or private sectors. Governance comprises the systems and procedures under which organisations are directed and controlled. A robust system of governance is vital in order to enable organisations to operate effectively and to discharge their responsibilities as regards transparency and accountability to those they serve.

A system of internal control has a key role in the management of risks that are significant to the fulfilment of institutional objectives. A sound system of internal control contributes to safeguarding the interests of all relevant parties and the charity's assets. Internal control facilitates the effectiveness and efficiency of operations; helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

Effective financial controls, including clear delineation and separation of functions and the maintenance of proper accounting records, are an important element of internal control. They help ensure that the charity is not unnecessarily exposed to avoidable financial risks.

PURPOSE OF THE RISK MANAGEMENT POLICY

The purpose of this Policy is to provide a framework for management to identify, assess and rate risks, and to develop strategies to deal with risks so as to provide reasonable assurance that the Charity's strategic objectives will be achieved. In effect, this Policy will establish a framework to identify potential events that may expose the charity to risk, to manage this risk to keep it within the charity's risk appetite and to provide reasonable assurance regarding the achievement of the Charity's objectives.

The Policy sets out the following:

- Definitions;
- Roles and responsibilities;

- Risk Management Framework

    - Risk Identification and Assessment;

    - Risk Monitoring and Reporting;

    - Risk Appetite;

    - Management of Risk.

Risk Management is not solely about managing risks, it is also about identifying and taking opportunities. Some of the benefits associated with Risk Management include:

- Transparent processes and good practice;
- Support for management decisions;
- Provision of competitive advantage by adapting to new circumstances;
- Improved public accountability;
- Increased quality and efficiency in processes;
- Immediate risk prioritisation;
- Positive attitude to implementing risk controls.

DEFINITIONS

Risk may be defined as the Charity not benefiting from opportunities available, suffering damage or disadvantage, or not achieving its objectives due to an internal or external event. Risks, by their very nature, may or may not occur and fall into a variety of categories, some of the most common being:

- Strategic Risks: the inability to achieve the Charity's strategic and operational objectives as set out in the Strategic Plan and also, not availing of opportunities when they arise;
- Operational Risks: the inability to prevent a loss resulting from inadequate internal processes and systems;
- Financial Risks: exposure to losses arising as a result of inadequate controls or the need to improve the management of the Charity's financial assets;
- Reputational Risks: exposure to losses arising as a result of bad press, negative public image and the need to improve stakeholder relationship management.

In addition, risks can exist at different levels:

- Corporate or Strategic Level (Fundamental)
- Faculty/Division level;
- Project level.

Risk Identification: The process of determining what can happen, why and how.

Risk Analysis: The systematic use of available information to determine the likelihood of specific events occurring and the magnitude of their consequences/impact on the Charity.

Risk Assessment: Risks are assessed and prioritised on the combined basis of their likelihood of occurrence and the resulting impact should they materialise.

Risk Appetite: Risk appetite is the amount of risk an organisation is prepared to accept based on the expected return of the development/activity in question.

The Charity can be risk-taking or risk-adverse and different levels of risk appetite can apply to different activities. In deciding its risk appetite the Charity will decide the threshold beyond which risks move from being monitored to being serious, or finally to the abandonment of the particular activity. Clarity in relation to the Charity's risk appetite is critical to enable Executive Committee decide on the how best to manage any particular risk. Risk elements arising from proposed or actual developments/activities within the Charity may fall into three categories:

- Risks that are trivial and therefore acceptable and do not need to be managed;
- Risks that are acceptable and routinely arise that generally will need to be managed;
- Risks that are unacceptable and therefore the development/activity should not proceed.

Management of Risk

Upon completion of a risk assessment and taking account of the Charity's risk appetite, the Charity may decide to:

- treat the risk (e.g. use of internal controls);
- terminate the risk;
- tolerate the risk (accept the risk with or without monitoring), or
- transfer the risk (e.g. by using insurance, sub-contracting).

Review of Policy

This policy will be reviewed periodically to ensure adherence to best practice thereby continuing to enhance the decision-making and operation of the charity.

Policy	Risk Management Policy		
Board Member	**Approved?**	**Date Approved?**	**Notes.**
Aine McDonough			
Brendan Kerin			
Gemma Byrne			
Grainne Rafferty			
Paul Farrell			
Paul Murphy			
Policy Approved by Minimum Quorum of 3?:	No		
Policy Adopted On Date Of:	00.00.2019		

Policy & Procedures – Board Management – Risk Management Policy