

# **RISK MANAGEMENT POLICY**

## **TRINITY COLLEGE DUBLIN**

### **1. Introduction and Context**

- 1.1 Trinity College Dublin has a long established policy for the effective management of risk in the College, including the identification and assessment of risk, deciding on appropriate responses and then providing assurance that the chosen responses are effective.
- 1.2 In developing this Risk Management Policy, the College has considered rules and guidelines set out in the following documents;
- The 1997 Universities Act
  - Joint HEA & IUA report on the governance of Irish universities 2007
  - Revised code of practice for the governance of state bodies 2009
  - Code of governance for Irish universities 2012

### **2. Purpose of this policy**

- 2.1 The purpose of this document is to;
- Provide a framework to support the College in formally identifying, assessing, managing and reporting on risk.
  - Establish responsibilities for overseeing the effectiveness of risk management
  - Establish responsibilities for managing and participating in the formal risk management processes

### **3. Scope**

- 3.1 This Policy applies across the College to all activities and all areas including major infrastructural and research projects or institutes.

### **4. Risk Management Objectives**

- 4.1 The College recognises that the application of risk management is an important element of good governance and assists the College in achieving its stated objectives. Effective risk management provides the Board, management and staff with assurance regarding the effective management of risks that may threaten the achievement of stated objectives. Specifically, the rigorous analysis and management of uncertainty surrounding these objectives will assist the College in ensuring that threats are mitigated whilst opportunities are advanced.

## **5. Risk Appetite**

- 5.1 Risk appetite refers to “the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time” (*The Orange Book: Management of Risk – Principles and Concepts*). The College has a responsible approach to risk management, seeking to recognise and manage exposure to risks. The College recognises that in order to successfully deliver on its mission and objectives it must be prepared to avail of opportunities where the potential reward justifies the acceptance of certain risks. The College seeks to minimise its exposure to reputational, compliance and financial and reputational risk, whilst accepting and encouraging an increased degree of risk in pursuit of its mission and objectives.
- 5.2 The College will review its risk appetite annually in light of changing circumstances in its wider environment and in its capacity to bear risk.

## **6. Risk Management Responsibilities**

- 6.1 All members of the College community have a responsibility to engage in effective risk management. Heads of units will be responsible for encouraging good risk management practice within their area.
- 6.2 The governance of the College lies ultimately with the Board. Governance is the system by which College is directed and controlled in order to achieve its objectives and meet the necessary standards of accountability, probity and compliance. Risk management is an essential element of the process of governance.
- 6.3 The Board has responsibility for overseeing the management of risk within the College as a whole. The Board
- Approves the risk management policy and monitors the effectiveness of risk management processes
  - Sets the risk appetite, and approves the College wide risk register at least annually
  - Reviews material risk incidents and notes or approves management’s actions, as appropriate.
  - Includes risk management as a specific item for discussion on the agenda at least annually, and as an agenda item throughout the year as the need arises
  - Considers the formal risk assessment and management actions when considering all major proposals brought to Board for approval
  - Receives and considers reports from the Audit Committee on the effectiveness of the systems of Risk Management
  - Include risk management experience/expertise in the competencies of at least one Member. Where composition of the Board does not allow for this, expert advice should be sought externally

- Appoints a Chief Risk Officer at a senior level with overall responsibility for directing Risk Management and provide for a direct reporting line to the Board
  - Reviews management reporting on risk management and note/approve actions as appropriate
  - Require independent review of effectiveness of risk management on a periodic basis.
- 6.4 The Provost is responsible for the executive management of the College and its day-to-day direction. The Provost has delegated responsibility for overseeing the operational running of the Risk Management Function to the Risk Management Group. The Provost is responsible for ensuring that the Risk Management Group effectively execute their responsibilities and for drawing to the immediate attention of Board to any instances where risks are being incurred which exceed the risk appetite or if a major breakdown in the system occurs.
- 6.5 The Risk Management Group are responsible for guiding and directing the Risk Management Function subject to direction by the Provost, Executive Officers Group and Board as appropriate. The Risk Management Group reports to the Executive Officers Group on all matters of risk management and should submit copies of the minutes of each RMG meeting to the EOG. The Executive Officers Group will include risk management as a standing agenda item at its meetings. The Chief Risk Officer is Chairman of the Risk Management Group. Responsibilities of the Risk Management Group include:
- Guide and oversee the development of the risk management policy
  - Oversee the development and implementation of processes to support the identification, assessment, management and reporting of risk
  - Review the risk register(s) produced to ensure that risk management policy and guidance have been consistently adhered to in all academic and administrative functions
  - Review the risk register(s)
  - Report to the Board and Audit Committee
  - Monitor the effectiveness of risk management
  - Promote the ongoing enhancement of risk management processes
- 6.6 The Chief Risk Officer has overall responsibility for Risk Management. Responsibilities include;
- Report directly to the Board (and Audit Committee) at least annually
  - Chair the Risk Management Group on an ongoing basis
  - Implement the risk management policy
  - Coordinate the formal risk management process
  - Ensure all individuals with responsibility for risk management are provided with guidance appropriate to their responsibilities.

- 6.7 As heads of function, each Chief Officer is responsible for overseeing the formal risk management processes in their respective functions. Responsibility include:
- Review and approving risk register(s) in their areas of responsibility
  - Advise the Risk Management Group of risks that might have College wide significance for consideration in the College wide risk register
  - Ensure that risk registers are prepared to the appropriate standard and on a timely basis
  - Escalate significant risks to the EOG as the need arises
- 6.8 All academic and administrative staff have responsibility for risk management. Responsibilities in this regard may include;
- Own and manage risks delegated in the risk registers
  - Comply with controls as stated in risk registers
  - Escalate control gaps / weaknesses
  - Participate in the formal risk management process as required by those charged with overseeing and managing the risk management function
  - Report systematically and promptly to the chief risk officer any perceived new risks or failures of existing control measures
- 6.9 The Audit Committee should review and monitor at a high level the effectiveness of processes for managing risk. The Committee should have risk management as a periodic standing agenda item at its meetings and should exchange information with the Board, Internal Audit and the Chief Risk Officer regarding the effectiveness of the risk management system. The Audit Committee should:
- Review and monitor the effectiveness of the system of risk management
  - Approve the Risk Based Internal Audit Plan
  - Provide guidance to the Internal Audit function focusing on key areas for review
- 6.10 Internal Audit should, subject to the resources available to it,
- Provide objective assurance to the Audit Committee and Board on the effectiveness of the organisation risk management system
  - Assess if key business risks are being managed appropriately and that the system of internal control is operating effectively

## **7. Risk Management Process**

- 7.1 The risk management processes will be developed, monitored and enhanced under the guidance of the Risk Management Group taking account of the following principles:
- The risk process and enhancements will be communicated and rolled out with appropriate support to all levels of College.
  - Risk management will be embedded within normal management processes so that risk issues are owned and managed by those involved in the day to day running of College at academic and

administrative levels. This will entail the coordination of operational strategic and business planning with risk identification, assessemnt and management at unit level across College as well as a top down assesement of risk.

- In identifying risks regard will be had to all possible internal and external sources of risk including strategic objectives, compliance obligations, governance risks and cover all academic and operational activities
- In assessing risk levels, the effectiveness of existing controls in place will be assessed
- A common system for assessing risk will be established across all areas
- All risks will have named individuals as risk owners
- All actions will be regularly monitored and progress reported to the Head of Area and Chief Risk Officer by risk owners.
- The Chief Risk Officer will monitor and report at regular intervals throughout the year to Excutive Officers on actions to manage risks and changes in risks identified and will report to the Board and Audit Committee at least annually.