

RIAM RISK MANAGEMENT POLICY

“The biggest risk is not taking any risk... In a world that is changing quickly, the only strategy guaranteed to fail is not taking risks”.

RIAM seeks to ensure that we have an effective and efficient system for managing risk. This includes identifying and assessing risk, deciding on appropriate responses, and providing assurance that the responses are effective.

RIAM Risk Management Policy

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RIAM Risk Management Policy

1. Introduction

Risk can be defined as the combination of the probability of an event and its consequences. In all types of organisations, there is the potential for events and consequences that constitute **opportunities** for benefit – the upside, or **threats** to success – the downside.

An effective risk management process harnesses management efforts to ensure the organisation's objectives are successfully achieved.

This policy outlines the approach of RIAM to managing risks in all aspects of its operations.

2. Purpose of this policy

The purpose of this document is to

- Ensure a proactive approach to risk management;
- Provide a framework to support RIAM in formally identifying, assessing, measuring, monitoring, reporting, and managing risks;
- Set out the responsibilities in overseeing the effectiveness of the risk management system;
- Set out the responsibilities for managing and participating in the formal risk management process;
- Safeguard the institution's assets, reputation, and operations.

3. Benefits of Risk Management

Benefits of risk management include the following

- A transparent mechanism through which management can target resources to minimise negative risk and maximise positive risk;
- Greater teamwork as people openly share their concerns, methodologies and progress regarding the achievement of their objectives;
- A consistent approach and language to understand and discuss risks;
- Transparency in the level of risk being taken throughout the business.

4. Scope of Risk Management

This policy applies to all levels of operations within the institution, including

- Academic & Learning activities;
- Administrative functions;
- Physical infrastructure and facilities;
- Staff, Student & Patrons welfare and safety;
- Legal and compliance matters.

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5. Risk Management Responsibilities

The Board of Governors and the Audit and Risk Committee are responsible for overseeing the Strategic Management Team's ("SMT") management of Risk. The SMT takes primary responsibility for risk management within RIAM. However, all staff have a duty in this process. Each SMT member is responsible for identifying risks to the SMT within their areas of work, and for maintaining effective risk management and internal control systems to mitigate such risks.

5.1 The Board

The Board is responsible for overseeing the management of risk within the organisation. The key responsibilities of the Board is to

- Set the appetite for organisational risk;
- Approve the Risk Management Policy;
- Require assurance from the Audit and Risk Committee that a framework for the effective management of risk is being implemented;
- Receive and comment upon periodic reviews of key risks facing the organisation and the actions and contingencies put in place to manage those risks;
- Ensure resources are adequate to manage exposure to risk;
- Review and approve the annual Statement on Internal Control in the Annual Report and Financial Statements.

5.2 The Audit and Risk Committee

The Audit and Risk Committee should consider and monitor at a high level the effectiveness of processes for managing risk. The Committee should have risk management as a frequent agenda item at its meetings and should share information with the Board, and Internal Audit regarding the effectiveness of the risk management system. The key responsibilities of the Audit and Risk Committee is to

- Provide assurance to the Board on the adequacy of risk management;
- Review the Executive Risk Register and mitigating action plans on a periodic basis;
- Oversee the assessment of the effectiveness of the internal audit function;
- Oversee implementation of audit recommendations;
- Review material risk incidents;
- Review the operation and resourcing of Internal Audit.

5.3 Senior Management Team

The key responsibilities of the SMT is to

- Set the tone to embrace and embed risk management in the organisation;
- Undertake risk management workshops at least twice a year;
- Reporting of the material risks to the Audit and Risk Committee on a regular basis;
- Identification of emerging significant risks ensuring entry into the executive risk register;
- Identification of actions required to mitigate specific risks;
- Delegation of SMT accountability (Risk Owner);
- Review material risk incidents and ongoing monitoring;
- Implementation of audit recommendations.

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5.4 Risk Owner

The risk owner is the individual charged with managing a specific risk. It may be the case that the risk owner will lead a team or provide specialist oversight. Risk owners are assigned responsibility to ensure that action plans are developed and implemented.

- Lead and manage implementation of mitigation measures;
- Report to SMT on the effectiveness of mitigation measures;
- Promote a risk management and awareness culture in the organisation;
- Ensure timely reporting of significant risk directly to SMT;
- Ongoing identification of existing and emerging risk & ensuring entry into risk register.

5.5 Internal Audit

The key responsibilities of the Internal Audit function is to

- Provides assurance concerning the internal control environment;
- Independently evaluates the risk management processes, offers recommendations for improvements and reports to the Audit & Risk Committee with an opinion on the overall arrangements put in place for effective risk management;
- Builds the Audit Plan around management's assessment of risk and analysis of Risk Registers.

5.6 Faculty and Staff

Responsible for identifying potential risks within their areas and communicating these to the Senior Management Team.

5.7 Students

Encouraged to report any safety or academic-related risks they may experience or observe.

6. Risk Categories

RIAM prioritises the following risk categories

- **Financial Risks:** Risks related to budget deficits, fraud, mismanagement and funding;
- **Operational Risks:** Risks that impact Health & Safety, ICT, People & Culture, Teaching, Learning, and the overall operation of the academy;
- **Reputational Risks:** Any event or issue that could damage the academy's public image or brand, such as poor student outcomes, People & Culture issues, or negative media coverage;
- **Compliance and Legal Risks:** Risks related to non-compliance with statutory regulations, employment law, or accreditation standards;
- **Strategic Risks:** Risks that affect the long-term goals, mission, vision, and direction of the organisation.

It should be noted that individual risks can have an impact on more than one category.

7. Risk Management Review & Reporting

In order to ensure that the cycle of risk identification, analysis, control, review and reporting is complete, it is necessary for key risks to be considered on a regular basis and reported as required. Risks should flow upwards through the organisation, from team or department through to the SMT/Audit & Risk Committee/Board. Designated managers at various levels report upwards on the work done to keep risk and control procedures up to date and appropriate to circumstances within their particular area of responsibility.

At organisational level, risk management involves the following processes

- Risk workshops are held to identify the major risks RIAM is exposed to; assess the likelihood and impact of these risks; and consider the internal controls in place and the actions required to mitigate the risks;
- The promotion of risk awareness across the organisation and incorporating it within processes, procedures and responsibilities;
- The Internal Audit programme, whereby the Audit & Risk Committee, mandated by the Board, directs a programme of the review and assessment of the risk management and internal control systems;
- Risk Monitoring and Review: Continuously monitor identified risks and review controls to ensure they remain effective and relevant.

8. Risk Appetite & Tolerance

RIAM recognises that to successfully deliver on its mandate and strategic plan it must be prepared to avail of opportunities where the potential reward justifies the acceptance of certain risks.

Risk appetite can be defined as 'the amount and type of risk that an organisation is willing to take in order to meet their strategic objectives'.

- Risks that are trivial and therefore acceptable. These risks are passively monitored;
- Risks that are acceptable and routinely arise in certain types of activity. These risks need to be managed and are subject to active monitoring;
- Risks that are unacceptable and therefore the transaction or activity should not proceed. These risks require constant active monitoring and are periodically reviewed by the Board.

At a high level, RIAM has a low risk appetite for risks that threaten student safety or data privacy. However, we maintain a moderate appetite for innovative academic or technological initiatives that align with our strategic goal of enhancing learning outcomes, provided risks are mitigated. We accept no appetite for non-compliance with Statutory, legal requirements including child protection laws.

RIAM will also for certain risks allow an acceptable variation or tolerance in risk-taking. This will allow RIAM to quantify how much deviation from the risk appetite is permissible for individual risks or categories.

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Appendix 1: Risk Scoring

Likelihood		
Likelihood	Score	Definition
Almost Certain	5	99% likely to happen or has happened regularly over the last 12 months
Likely	4	75% likely to happen or has happened at least once or twice over the last 12 months
Moderate	3	50% likely to happen or has happened once or twice over the last 24 months
Unlikely	2	20% likely to happen or has happened once or twice over the past 5 years
Rare	1	5% likely to happen or hasn't happened within the last 5 years

Impact					
Severity	Score	Financial	Reputational	Operational	Regulatory
Catastrophic	5	Greater than €1,000,000	Long term negative media attention generated by actual or perceived legal, ethical or financial impropriety and/or litigation	Complete disruption of operations	Breakdown in relationship with Charities Regulator/DFHERIS
Serious	4	€500,000 - €1,000,000	short to medium term negative media attention generated by actual or perceived legal, ethical or financial impropriety or by grievance	Widespread problems affecting operations	Breach of regulation or legislation with severe costs/fine.
Moderate	3	€250,000 - €500,000	Significant stakeholder attention generated by actual or perceived legal, ethical or financial impropriety or by grievance	Significant problems in specific areas of operations	Breach of legislation or code resulting in fine or rebuke by 3 rd party
Minor	2	€125,000 - €250,000	limited stakeholder attention generated by actual or perceived legal, ethical or financial impropriety or by grievance	Minor problems in specific areas of operations	Breach of legislation or code resulting in a compensation award
Insignificant	1	Less than €125,000	Internal attention generated by actual or perceived legal, ethical or financial impropriety or by grievance	Minor and/or systems problems	Breach of legislation or code resulting in no compensation or loss

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Appendix 2: Risk Matrix

- The likelihood score is multiplied by the impact score to give an overall residual risk score ranging from 1-25.
- Residual Risk is assessed against the effectiveness of the controls currently managing the risk.
- Risk scores are indicative and can be plotted on the heat map below to determine the severity of the risk and indicate the overall risk status.

RISK RATINGS		Impact				
		1	2	3	4	5
likelihood	1	LOW	LOW	LOW	LOW	LOW
	2	LOW	LOW	LOW	Medium	Medium
	3	LOW	LOW	Medium	Medium	Medium
	4	LOW	Medium	Medium	High	High
	5	LOW	Medium	Medium	High	High

RISK RATING		
Low	1 to 7	The Risk is under control and represents no immediate threat
Medium	8 to 15	The Risk has the potential to move High. It needs to be managing but there is no immediate threat.
High	16 to 25	The Risk requires active and close management, its impact on the organisation would be significant.

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Appendix 3: Control Sheet

Title:	Risk Management Policy
Author (Responsible):	Chief Financial Officer
Owner (Accountable):	Director
Department:	Senior Management Team
Contact:	Chief Financial Officer
Version No.	1.0
Status:	Draft
Reviewed by (Consulted):	Audit & Risk Committee (ARC)
Approved by:	The Board of Governors
Date of approval:	TBC
Frequency of review:	Triennially
Date of next review:	January 2028
Trinity Academic Council:	N/A