

Policy	GUF Risk Management Policy
Version	1
Prepared By	Company Secretary
Reviewed By	Board
Approved by Board	11th Dec 2020

Risk Management Policy

Section 1: Purpose

Definition of risk:

A risk is any uncertain event that could significantly enhance or impede Galway University Foundation's ability to achieve its current or future objectives, including failure to capitalise on opportunities.

A risk can have negative or positive outcome (i.e. Risk / Opportunity)

Purpose of this document:

The purpose of this document is to define and communicate Galway University Foundation's policy regarding the management and oversight of risk to which the organisation may be exposed to. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

The Policy:

- Provides a framework to support the Foundation in formally identifying, assessing, managing and reporting on risk
- Provides a framework for the Foundation to measure likelihood and impact of risks in a dynamic and progressive manner
- Establishes responsibilities for overseeing the effectiveness of risk management
- Establishes responsibilities for managing and participating in the formal risk management processes
- Increases overall awareness of risk throughout the organisation and to enable those responsible for risk reporting, to better identify, assess and control risks within their areas.

Importance of risk management:

Risk management is seen as a cornerstone of good governance and is critical in enabling and facilitating an organisation meeting its objectives. The Board of Galway University Foundation ("the Foundation") have fully supported the development of this risk management policy for implementation by the management of the organisation.

Risk is an active element of the environment within which the Foundation operates. The Foundation is committed to successfully managing the organisation's exposure to risk and to minimising its impact on the achievement of business objectives. This policy views risk management as an integrated business process essential to the overall success of the Foundation.

The Board approves the risk profile of the organisation together with the types of risks that it deems acceptable based on information supplied to it by management.

The Foundation will utilise a number of planning, reporting and risk management processes to ensure it operates to the highest standard. It is essential that all risks be identified and controlled and that all risks events (including near misses) be reported and fully investigated.

Section 2: Risk Management Process and Approach

The risk management process includes the following main elements:

- Risk Identification
- Risk Analysis and Evaluation
- Risk Monitoring
- Risk Reporting

2.1 Risk Identification

In consultation with the NUI Galway Vice President: Engagement, the Company Secretary is to consider the nature of risks identified, the potential impact on the Foundation and the adequacy of the mitigation actions proposed. The Company Secretary is also to review and assess changes to the risk profile of the Foundation and the effectiveness of the organisation's controls and mitigation actions.

The Company Secretary is also required to undertake regular and timely reporting on the outcome of the risk management process, in line with guidelines approved by the Audit Committee.

Formal risk identification will be conducted twice yearly through Audit Committee meetings. In addition to this, as any key risks are identified by management, they will be reflected in the risk register in a timely manner.

2.2 Risk Analysis and Evaluation

The Foundation identifies risks and scores the associated risks via the Risk Management Framework (see Section 3 below). Each risk is identified before taking account of mitigating controls.

2.3 Risk Monitoring

Risk Management must be an integrated part of all organisational activities and the Foundation must have in place and maintain established procedures for monitoring and mitigation of risk.

As part of the annual planning process a risk review must be carried out. Risk is a standing agenda item on the Board agenda where all key risks are discussed as part of the Board meetings.

The risk register in its entirety is presented to the Board on an annual basis for its review and approval.

2.4 Risk Reporting

The risks identified in the Risk Register are those:

- Operational level risks arising in any areas of the organisation's activities which require review, and therefore need to be monitored by the Board for a short period until they are brought under control;
- Strategic risks which threaten the achievement of the Organisation's strategic objectives and overall aim;
- Financial risks which could result in a Financial loss to the organisation;

- Reputational risks which may result in major publicity which will have an adverse affect on the organisation's public reputation; and
- Compliance and Regulatory Risks that may result in significant penalties/ reputational damage.

2.5 Risk Appetite and Escalation

The risk appetite of the organisation has been agreed by the Board (Appendix 1). This document serves as the basis for responsible risk-taking within the organisation and for escalation of newly identified risks / incidents which may impact the organisation. The risk appetite will be presented to the Board for review and re-approval on an annual basis.

Where a risk incident occurs, the following process shall be observed:

- a) The incident is reviewed to assess the impact of the incident using the agreed impact criteria;
- b) The impact is compared to the risk appetite statement to determine its seriousness;
- c) This is used as the basis for escalation of the incident to the responsible individual/ group;
- d) A mitigation plan for reducing the impact of this event is determine, agreed and actioned;
- e) Consideration is taken with regard to other similar risks/ potential incidents which may occur; and
- f) The risk register is updated accordingly.

Section 3: Risk Framework

Proactive risk management provides the Board, management and staff with assurance regarding the effective management of risks that may threaten the achievement of stated objectives.

The Risk Management Framework is developed with the capacity to effectively adapt to the changing environment in which the Foundation finds itself through the use of agreed risk management principles derived from both the experience of the Foundation and the risks it seeks to manage.

The Risk Management Framework outlines the process of measurement of risk or opportunities resulting in one of the following risk ratings:

The risks are categorised as follows:

- High – the risk without a control is high and the organisation is not currently positioned to manage or mitigate it.
- Medium – the risk without a control is high and controls are only partially effective so as to give an inherent risk rating of medium or the gross risk is medium with established controls unable to reduce that risk
- Low – the risk without a control is high or medium and controls are effective so as to reduce the inherent risk to low.

These ratings have defined limits of measurement and are assessed based on experience, incident and other environmental factors deemed relevant.

The process of measuring the risk of likelihood and impact is considered between the ratings of 1 to 5. The ability of controls to manage and mitigate risk is considered between ratings of 1 to 3.

A detailed analysis of the risk ratings is available in the Risk Register.

Section 4: Responsibilities

Board

The Board is responsible for overseeing the internal control system within Galway University Foundation, including the risk management process. This includes review and approval of the key risks of the organisation and ensuring that an appropriate risk management framework is established and maintained.

Audit Committee

The Audit Committee is responsible for providing guidance to the Company Secretary with regard to newly identified risks and how they should be treated. The Audit Committee is also responsible for ensuring that the appropriate level of insight is provided to the Board with regard to risk management within the organisation.

Company Secretary

The Company Secretary is collectively responsible for leading the development of the initial risk framework and for directing and supporting best practice risk management. The monitoring of actions against the risks during the course of the year and facilitating regular risk register reviews is also the responsibility of the Company Secretary.

Section 5. Amendments

Any changes to this policy shall be subject to approval by the Audit Committee and shall be notified to the Board.

Appendix 1: Risk Appetite

The risk appetite of Galway University Foundation has been agreed by the Board. Below sets out the agreed risk appetite that management should be cognisant of and should operate within.

Risk Type	Appetite Level	Guiding Risk Appetite Statement
Governance / Regulatory Risk	Low	Galway University Foundation has no appetite for non-compliance with regard to governing regulations, legislation and Charities Governance Code requirements. Any breaches of such requirements must be immediately communicated to the Audit Committee with subsequent reporting to the Board.
Financial Risk	Medium	The Foundation seeks to manage financial risks through its Treasury Policy (including Investment Policy) and Internal Financial Controls Policy. All expenditure is subject to an annual budget. Specific expenditure items above €5,000 require Board approval. Any risk events (other than those permitted under the Investment Policy) resulting in financial loss >€500 should be communicated to Audit Committee. Investment portfolio performance is reported to the Board at each Board meeting.
Operational Risk – loss of systems/ systems failure	Low	Galway University Foundation relies on effective IT systems to ensure appropriate administration and thereby meet its regulatory and governance obligations. The Foundation relies primarily on IT systems provided by NUI Galway including email, file storage and network support. Although, if necessary, manual procedures could be operated in the short term, the Foundation requires effective IT system backup to ensure systems will be restored within one week.
Reputational & Fundraising Risk	Low	Galway University Foundation recognises that its ability to fundraise is subject to its reputation. Galway University Foundation works closely with the NUI Galway Vice President of Engagement to proactively manage its reputation and relationships with key donors.