



**UNIVERSITY OF  
LIMERICK**  
OLLSCOIL LUIMNIGH

## **Risk Management Policy**

## Contents

<b>1. Introduction</b>	<b>2</b>
1.1. Purpose of the Risk Management Policy	2
1.2. Scope	3
1.2.1 To whom does the Policy apply?	3
1.2.2 In what situations does the Policy apply?	3
1.3. Who is responsible for ensuring that the Policy (and any associated procedure) is implemented and monitored?	3
1.4. Definitions	3
<b>2. Context</b>	<b>6</b>
2.1. Legal and Regulatory Context	6
<b>3. Policy Statements</b>	<b>6</b>
3.1. Principles for Risk Management	6
<b>4. Related Procedures for Risk Management</b>	<b>8</b>
4.1. Risk Identification:	8
4.2. Risk Assessment:	8
4.3. Risk Monitoring & Reporting	9
4.4. Key stakeholders in monitoring and reporting of Risk	10
4.5. Procedure for Treatment of Risk:	12
4.6. Risk Assessment required when undertaking Major Development/Activity	12
4.7. Procedure for alignment of risk with the Risk Appetite Statement	12
4.8. Procedure for ensure appropriate Training of Staff	13
4.9. Procedure to Review this Policy	13
<b>5. Related UL Documents</b>	<b>13</b>
<b>6. Document Control</b>	<b>14</b>

[Appendix 1 - Guide to Risk Management](#)

[Appendix 2 - Risk & Control Template and Risk Register Template](#)

# 1. Introduction

It is the responsibility of Governing Authority to ensure that a robust system of internal control and risk management is in place in the University. Risk Management is a key component of the system of internal control within the University and constitutes the identification and management of risks that are significant to the fulfilment of the University's objectives. It is important to note that Risk Management is not solely about managing risks, it is also about identifying and taking opportunities. In the development of risk management as a key component of the system of internal control within the University, the Governing Authority will:

- Establish an Audit & Risk Committee charged with providing the necessary assurance to Governing Authority through taking an independent view in relation to risks and risk management systems;
- Ensure that there is appropriate risk management expertise/experience in the competencies of at least one Governing Authority member. Where composition of the Governing Authority does not enable this, expert advice will be sought externally;
- Develop and monitor the implementation of a risk management policy, through its Audit & Risk Committee, that provides for effective and efficient management of the risks that impact on the achievement of the University's objectives.

To ensure the continued effectiveness of the University's Risk Management process, the Governing Authority will ensure an external review of the process is undertaken at least once during its term of office.

It is important to recognise the benefits associated with Risk Management that include:

- Increased transparency in 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.

## 1.1. 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 University's strategic objectives will be achieved. In effect, this Policy will establish a framework to identify potential events that may expose the University to risk, to manage this risk in order to keep it within the University's agreed risk appetite and to provide reasonable assurances regarding the achievement of the University'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

## **1.2. Scope**

### **1.2.1 To whom does the Policy apply?**

All employees should familiarise themselves with this Policy. The various levels of responsibility for the implementation of this Policy are detailed in Section 4.4 below.

### **1.2.2 In what situations does the Policy apply?**

The Policy applies upon the identification of an opportunity for or threat to the University of Limerick achieving its objectives. It seeks to ensure a proactive approach to the identification of risk at the earliest opportunity in order to implement the most appropriate solution to manage it effectively. Management of risk should be monitored on a continuous basis.

## **1.3. Who is responsible for ensuring that the Policy (and any associated procedure) is implemented and monitored?**

The Governing Authority has overall responsibility for the management of risk within the University. The various individuals/committees that have responsibility for the implementation and monitoring of this Policy are set out in detail in Section 4.4 below. In addition, the Corporate Secretary of the University has overall responsibility for ensuring that processes and procedures are in place to enable implementation and monitoring of this Policy.

## **1.4. Definitions**

### **1.4.1. Risk Management Framework**

As indicated previously, the University's Risk Management Framework is made up of:

- Risk Identification and Assessment
- Risk Monitoring and Reporting
- Risk Appetite
- Management of Risk

#### **1.4.2. Risk**

Risk may be defined as the University 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, the most common are used in this Policy, namely:

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

Each of the categories of risks can exist at different levels:

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

#### **1.4.3. Risk Identification**

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

#### **1.4.4. 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 University.

#### **1.4.5. Risk Assessment**

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

#### **1.4.6. Risk Register**

A risk register is a risk recording and monitoring tool for the management of identified risks of the University. It is a hierarchical entity and the University's Fundamental Risk Register (FRR) (corporate or strategic level risks), in addition to the identification and assessment of risk at a corporate level, will be informed also by the risks identified and assessed in local risk registers (LRR) (Faculty/Division and project level risks) put in place by Faculties and Administrative Units.

#### **1.4.7. Risk Owner**

A Risk Owner (RO) is a person that has been given the authority to manage a particular risk and is accountable to their line manager for doing so.

#### **1.4.8. Primary Register Owner**

A Primary Register Owner (PRO) is the Division Director/Dean who has overall responsibility for the implementation and embedding of the risk management framework and the ongoing development and monitoring of their LRR. The PRO is required to report to the Operations Sub Committee, Executive Committee and the Governing Authority Audit & Risk Committee as required.

#### **1.4.9. Risk Management Officer**

The Risk Management Officer (RMO) reports to the Internal Auditor and is part of the Corporate Secretary's Office. On behalf of the Corporate Secretary, the RMO ensures that the process and procedures are in place to enable employees adhere to the provisions of this Risk Management Policy. Additionally, the RMO is charged with monitoring and reviewing all Risk Registers to ensure compliance with the provisions of the Risk Management Framework within the parameters set down by the University's Risk Appetite statement. The RMO develops reports on the implementation of the Framework and this Policy for the consideration of Executive Committee, Governing Authority Audit & Risk Committee and/or Governing Authority.

#### **1.4.10. 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 University can be risk-taking or risk-adverse and different levels of risk appetite can apply to different activities. In deciding its risk appetite, the University will decide the threshold beyond which risks move from being monitored at a local level to being serious and monitored at an Executive level, or finally to the abandonment of the particular activity. Clarity in relation to the University's risk appetite is critical to enable Executive Committee decide on the how best to manage any particular risk. The UL Risk Appetite Statement is reviewed annually.

## 2. Context

### 2.1. Legal and Regulatory Context

The focus on governance in corporate and public bodies continues to increase. In developing this Risk Management Policy, account has been taken of the following statutory and regulatory instruments:

- The 1997 Universities Act
- Code of Governance for Irish Universities 2019
- ISO 3100 (2018) Risk Management Principles and Guidelines.

## 3. Policy Statements

### 3.1. Principles for Risk Management

The University adopts the principles of risk management as set out in the ISO 3100 (2018) Standard and actively works towards complying with these principles to ensure that risk management is effective.

<b>Principles of Risk Management:</b>	<b>Compliance with the principles will deliver or ensure that:</b>
<b>Create and protect value</b>	The University can demonstrably pursue its strategic objectives in research, learning and teaching, commercial undertakings and community engagement.
<b>Are an integral part of all organisational processes</b>	Risk management principles and practices are embedded into governance, enterprise and operational strategy, planning and management, policies, values and culture.
<b>Is part of decision making</b>	Each individual recognises the mandate for risk management that is led by Governing Authority, the President, the Executive Committee, and other senior management so that all decision-makers make informed choices, prioritise actions and recognise and record options and alternative courses of action and their consequences.
<b>Explicitly address uncertainty</b>	In taking account of uncertainty, decision-makers have regard for context and use knowledge, evidence and judgment to treat or mitigate risk.
<b>Are systematic, structured and timely</b>	The University's approach to risk pursues both effectiveness and efficiency to achieve consistent, comparable and reliable results.
<b>Are based on the best available information</b>	In using their judgment and discernment, decision-makers will consider available information, experience, forecasts and stakeholder feedback as appropriate.

<b>Are customized for the internal and external context</b>	Decision-makers consider the statutory and operational mandates, requirements and expectations of internal and external regulators, auditors, funders, governing authorities and agencies; and account for the University's strategic plans, risk profile and undertakings.
<b>Takes human and cultural factors into account</b>	The University recognises the capabilities, perceptions and intentions of external and internal people and communities that can facilitate or hinder the achievement of the University's objectives.
<b>Is transparent and inclusive</b>	The University engages with internal and external stakeholders and decision makers to ensure that risk management remains relevant and up to date.
<b>Is dynamic, iterative and responsive to change</b>	The University responds to the changing needs of the higher education sector, the student community, staff and business partners by continually self-assessing, monitoring and reviewing its risk profile and identifying new and emerging risks.
<b>Facilitates continual improvement of the organisation</b>	The culture of risk management will continue to grow and mature across all areas of the University. Robust risk assessments and processes will encourage the identification and application of controls and treatments and result in better decision making and improved business practices. The University's commitment to a centrally managed risk register has improved transparency, and will continue to facilitate better reporting, and enhance continual improvement. For this reason, both LRRs and the FRR are required parts of managing and reporting risk. While the principles of risk and the risk management process are generic and applicable to all fields of risk, the reporting, management and monitoring of specific types of risk varies across the University. In order for the University to meet its statutory obligations, all occupational health and safety incidents, injuries, hazards, near-misses and concerns, are reported to, recorded, assessed and managed by the Health Safety and Wellbeing team in Human Resources using its systems and processes.



## 4. Related Procedures for Risk Management

The Risk Management Framework is an iterative process consisting of steps when taken in sequence, enable continual improvement in decision making. It constitutes a logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable the University to minimise losses and maximise opportunities. The University of Limerick Risk Management Framework provides assurance from academic and administrative functions to the senior management team and, through the team, to the Audit & Risk Committee and Governing Authority. Effective risk management focuses on understanding and measuring risk rather than necessarily avoiding or totally eliminating it and comprises the following components:

### 4.1. Risk Identification:

The purpose of risk identification is to produce a list of the potential risks that could impact on the University achieving its objectives. Risks will be identified under the four pre-defined categories as set out in Section 1.4.2 above and prioritised using a variety of techniques such as interviews, workshops, Faculty/Divisional/Functional area meetings etc. A formal risk identification and review exercise will be undertaken on at least an bi-annual basis in order to update both the Fundamental Risk Register and Local Risk Registers. Faculties/Divisions and other functional areas as appropriate will be assisted in this regard by the RMO.

### 4.2. Risk Assessment:

The size of any risk can be measured using two dimensions: the effect on the University should the risk materialise (impact) and the probability of the event occurring (likelihood). To ensure consistency of application across the University, risks identified must be assessed and measured in accordance with inherent and residual risk criteria as shown in the table below:

Assessment	Inherent	Residual
<b>Impact</b>	The extent of impact on the University's operations if the risk arises in the <b>absence</b> of current controls.	The extent of impact on the University's operations if the risk arises in the <b>presence</b> of current controls.
<b>Likelihood</b>	The probability of the risk arising in the <b>absence</b> of current controls.	The probability of the risk arising in the <b>presence</b> of current controls.

Appropriate quantification of risk is critical to an effective Risk Management Framework. Not all risks are equal and effective risk management is only possible if risks are prioritised appropriately. Generally, risks should be prioritised according to their ability to affect the University achieving its objectives and therefore may change as objectives change. Certain risks will be deemed to be Fundamental Risks and will be recognised as being of greater strategic or operational importance to the University than local risks. This approach enables risk management resources to be targeted to the most important risk areas whilst still recognising other remaining risks.

The method of assessment of risk is set out in the "[Guide to Risk Management](#)" attached as Appendix 1 to this Policy.

### 4.3. Risk Monitoring & Reporting

The following monitoring and reporting requirements will apply:

4.3.1 Each **Vice President/Dean/Head of Division** will develop a 'local' risk register (LRR) which should be subject to continuous review at regular intervals. This level of review will also enable timely updating of the LRR and escalation of risk to the Executive Committee in the following situations:

- escalation of risk within a maximum of one month of any internal audit report where a recommendation from the Internal Auditor graded as 'fundamental' is recorded;
- following major changes to the structure, funding or strategic direction of the Faculty/Division the relevant Vice President/Dean/Head of Division will ensure this is reflected in the LRR;
- following a specific request by the Executive Committee;
- the vice president/dean/head of division will undertake a formal review of their LRR at least annually, notwithstanding the above conditions.

Following the completion of a formal review of their LRR or in the event of any fundamental/exceptional item arising, the Vice Presidents/Deans/Head of Division will prepare a report using the risk register template provided by the Online Risk Management System. The updated LRR is submitted by the Primary Register Owner (PRO) to the RMO to review, reject or publish identified risks.

4.3.2 Following publication by the RMO, the LRR is submitted to the Executive Committee **Operations Sub-Committee** charged with monitoring and examining risks from various LRRs and in addition to that provided above, escalating serious/extreme risks directly to Executive Committee as required.

The Operations Sub-Committee forward their reports and accompanying LRRs to **Executive Committee** for consideration and discussion as required.

4.3.3 Taking account of reports on Local Risk Registers and developments as they arise, the Executive Committee will (a) review the University's Fundamental Risk Register and amend the Register as required (b) consider new risks that have been escalated to the Executive Committee and (c) submit a report to the Governing Authority **Audit & Risk Committee** on updates to LRRs and proposals for updates to the FRR.

The Executive Committee will also submit an annual report on effectiveness of the Risk Management Framework to the Audit & Risk Committee.

- 4.3.4 The Audit & Risk Committee will report to the **Governing Authority** on the management of the FRR, the effectiveness of the Risk Management Framework and the implementation of this Policy.

## **4.4. Key stakeholders in monitoring and reporting of Risk**

### **4.4.1. Governing Authority**

Overall responsibility for the management of risk within the University rests with the Governing Authority. The Governing Authority will approve the University's Risk Management Policy and will satisfy itself, through its Audit & Risk Committee, that the Policy is effective, that an adequate Risk Management Framework is in place in the University and that Fundamental Risks are being managed appropriately by the University Executive. In addition, the Governing Authority, through its Audit & Risk Committee, will require an external review of the effectiveness of the University's Risk Management Framework and its governance on a periodic basis.

### **4.4.2. Audit & Risk Committee**

The role of the Audit & Risk Committee is to assure Governing Authority that an adequate Risk Management Framework is in place in the University. In providing the required level of assurance, the Audit & Risk Committee will:

- Review the University's Risk Management Policy and make recommendations to Governing Authority for amendments to the Policy as required;
- Keep under review, and advise on, the operation and effectiveness of the University's Risk Management Framework;
- Satisfy itself that assurance provided by management and external/internal auditors is appropriate;
- Monitor the effectiveness of Risk Management in relation to risks identified as fundamental to the success or failure of the University's strategic objectives and report to Governing Authority on its findings;
- Ensure that Risk Management is a standing agenda item at its meetings and report to the Governing Authority on the adequacy of the Risk Management Framework on a regular basis and include a briefing on risk management in the Committee's Annual Report to Governing Authority;
- Require an external review of the effectiveness of the risk management framework and its governance on a periodic basis.

### **4.4.3. University Executive Committee**

The University's Executive Committee is responsible for:

- Implementing the University's Risk Management Policy;
- Encouraging a risk management culture throughout the University so that risk is embedded as part of the University's decision making processes in its operations;
- Ensuring that individuals understand what level of risk they are empowered to take on behalf of the University;

- Identifying, updating and monitoring of Fundamental Risks that could impact on the achievement of the University's strategic objectives by considering reports by members of the Executive and/or the Operations Sub-Committee where local risks need to be escalated or new fundamental level risks arise or significant changes to existing fundamental risks occur;
- Issuing of reports to the Audit & Risk Committee on required changes to the FRR as they arise;
- Ensuring that each fundamental risk has a 'Risk Owner' responsible for its management;
- Undertaking a formal review of the FRR on an annual basis;
- Ensuring, through its Operations Sub-Committee, that local level risks are appropriately managed through review of LRRs and;
- Critically reviewing the effectiveness of risk management processes;
- Report to the Audit & Risk Committee on an annual basis on the University's Fundamental Risk Register and the implementation of the Risk Management Framework.

#### **4.4.4. Operations Sub Committee**

The Operations Sub-Committee is responsible for reporting to the Executive Committee on its findings following:

- The Committee's formal annual review of LRRs from the Risk register owner;
- Taking particular note of risks identified in local risk registers that should be escalated to the Fundamental Risk Register and inform Executive Committee accordingly;

#### **4.4.5. Vice Presidents/Deans/Heads of Administrative Units**

Vice Presidents/Deans/Heads of Administrative Units are responsible for the following in relation to risk management:

- Implementation of University Policy in relation to Risk Management within their area of control;
- Identification, assessment, management and ownership of risk within their area of control;
- Establishment and regular review of the LRR in their area and, where the Head of the Administrative Unit is not a member of the Executive Committee, its transmission annually to their line manager who is a member or as required through escalation provisions set out in the [Guide to Risk Management](#) in Appendix 1;
- Vice Presidents/Deans/Heads of Administrative Units will report annually to the Operations Sub-Committee on the LRRs within their areas of control;
- The identification of new and emerging risks that cannot be managed locally and the reporting of such risks to the Operations Sub-Committee or if required, directly to Executive Committee for escalation to the Fundamental Risk Register;
- Ensuring that all substantial projects or new programmes undergo risk assessment and that such assessment is included in the project/ programme proposal, and reporting on same to the Executive Committee;
- Supporting the embedding of risk management in their area and the development of a risk-aware culture.

#### **4.4.6. Role of Staff**

All staff play a critical role in ensuring the effectiveness of risk management within their

areas of responsibility through:

- Effectively manage risk within their areas of responsibility in accordance with the University's Risk Management Policy and Guidelines;
- Report risks beyond their scope of authority or resources to their line manager.

#### **4.4.7. Risk Management Function**

**The Corporate Secretary** of the University has overall responsibility for ensuring that procedures and processes are in place to enable adherence to this Risk Management Policy. Additionally, the Corporate Secretary, through the University's RMO, will:

- Ensure the provision of adequate training and awareness to Risk Register Owners
- Ensure the communication of the key elements of the University's Risk Management Framework to those responsible for its implementation;
- Maintain the University's Fundamental Risk Register, including its review and update on an annual basis;
- Undertake a review of LRRs to ensure compliance with this Policy and the UL Risk Appetite Statement.

#### **4.4.8. Internal Audit**

Taking a risk based approach, Internal Audit is responsible for the review of internal controls within the University. In developing its Annual Internal Audit Plan Internal Audit will take cognisance of the University's Fundamental Risk Register and local risk registers. Internal Audit reviews of University functions/units will include an assessment of the effectiveness of their respective risk management processes and will provide independent assurance to the Governing Authority, through its Audit & Risk Committee, that risks are being managed appropriately.

#### **4.5. Procedure for Treatment of Risk:**

Upon completion of a risk assessment and taking account of the University's risk appetite, the University 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*).

#### **4.6. Risk Assessment required when undertaking Major Development/Activity**

A major development/activity may be defined as having an annual value in excess of €500,000 which may pose a significant risk to the University. Any such proposed development/activity and associated risks when identified must be reported to the Executive Committee for consideration immediately they arise.

#### **4.7. Procedure for alignment of risk with the Risk Appetite Statement**

The University's risk appetite defines how it accepts and manages risk. Risk elements arising from proposed or actual developments/activities within the University may fall into three categories:

- I. Risks that are trivial and therefore acceptable and do not need to be managed;

- II. Risks that are acceptable and routinely arise in certain types of activity that will need to be managed;
- III. Risks that are unacceptable and therefore the development/activity should not proceed;
- IV. The concept of risk appetite applies to major developments/activities and is concerned with the placing of a boundary between (ii) and (iii) above. It therefore reflects the University's tolerance of risk.

The University's risk appetite is reviewed and approved annually together with the Fundamental Risk Register and submitted to the Governing Authority post endorsement from the ARC in line with the provisions of Code of Governance for Irish Universities (2019).

#### **4.8. Procedure for ensure appropriate Training of Staff**

All risk owners are required to complete the Risk Management online training programme that includes training on: Training in risk management will be required on:

- Risk Management Framework
- Online Risk Management System – [www.ul.ie/risk](http://www.ul.ie/risk)

The training will be organised and delivered by the Risk Management Officer via the University's staff development programme.

#### **4.9. Procedure to Review this Policy**

This Policy will be reviewed every 3 years in line with the University Policy Framework (2020) to ensure adherence to best practice thereby continuing to enhance the decision-making processes in the operation of the University.

## **5. Related UL Documents**

- University of Limerick Risk Appetite Statement

## 6. Document Control

<b>Document Version</b>	Version 1.0
<b>Document Owner</b>	CSO
<b>Approved by</b>	Executive Committee
<b>Date</b>	26 May 2021
<b>Approved by</b>	Audit and Risk Committee
<b>Date</b>	3 June 2021
<b>Approved by</b>	Governing Authority
<b>Date</b>	18 June 2021
<b>Effective Date:</b>	18 June 2021
<b>Scheduled Review Date:</b>	18 June 2024



**UNIVERSITY OF  
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**GUIDE TO RISK MANAGEMENT**



## 1. Risk Identification

1.1 The purpose of risk identification is to produce a list of the potential risks that could impact on the University achieving its objectives. Risks will be identified under four commonly used headings i.e.

- **Strategic Risks:** the inability to achieve the University's strategic and operational objectives as set out in the Strategic Plan and 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 the need to improve the management of the University'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.

Risks will be identified and prioritised using a variety of techniques such as interviews, workshops, Faculty/Divisional meetings etc.

## 2. Risk Assessment

2.1 Having identified a risk, the potential impact and likelihood of the risk being realised will be rated.

### 2.1.1 Impact

To ensure consistency across the University, the following method will be used in assessing risk impact (examples supplied):

IMPACT RATING	Examples of Intangible Impacts				
	Financial Impact	Strategic	Operational	Reputational	
<b>Extreme</b>	4	Over €1 million	Non completion of new facility resulting in non-recruitment of students to new programme	Closure/disruption of the University for greater than 2 days Serious debilitating injury/loss of life	Prominent coverage of the University in national news media.
<b>Serious</b>	3	€500,000 – €1 million	Reduced research income of greater than 10% per annum  Widespread irregularity in academic processes resulting in overhaul/review of processes	Unavailability of facility/service of the University for up to 2 days  Injury requiring hospitalisation.	Embarrassment within a department/function leading to adverse media coverage.
<b>Moderate</b>	2	€100,000 – €500,000	Reduced research income of up to 2% per annum.  Significant delay in the delivery of planned new academic programmes	Disruption to a few departments delaying the academic process for up to 1 day. Injury requiring attendance at medical facility	Reputational impact in local/specialist area covered in the media.
<b>Minor</b>	1	Up to €100,000	Minor delay in e.g. achievement of goals relating to integration of teaching & research.	Non-delivery of classes for up to half a day. Injury resulting in cuts/bruises.	Potential damage evident to those close to the event/area of interest.

### 2.2 Likelihood

2.2.1 Analysing risks requires an assessment of their frequency of occurrence also. The following table provides broad descriptions used to support risk likelihood ratings:

Rating	Likelihood
4 Very Probable	Very Likely, will occur in most circumstances (within the next year)
3 Quite Probable	Likely, may occur (once every 1-2 years)
2 Possible	Very Unlikely, may occur at some point (once in 3-5 years)
1 Improbable	Rare, never happen, may occur in exceptional circumstances (once in 5-10 years)

## 2.3 When are Risks Assessed

2.3.1 The above risk assessment exercise should be carried out at two levels:

- At an '*inherent*' risk level where the potential risks affecting the University are assessed in the absence of current controls (at least annually);
- At a '*residual*' risk level where the risks affecting the University are considered with selected current controls fully implemented (at least annually).

Having identified the inherent risk and the impact and likelihood of that risk, it is necessary to consider the controls which would mitigate the impact and likelihood of that risk being realised.

A control has three characteristics:

- 1 An action - what is the control trying to achieve,
- 2 An owner - who exercises the control and
- 3 A timeline - how often is the control exercised?

It is essential to distinguish between those controls that are in place (current controls) and those that are planned (future controls).

### Current Controls

A current control is any measure or action that is in place and mitigates risk. Controls include the implementation of any policy, procedure, practice, process or technology that modifies or manages risk.

It is important to note that the assessment of residual risk can only be based on current controls being implemented.

## **Future Controls**

A future control is any measure or action that has been identified to be implemented to mitigate the risk and reduce the residual risk score. Future controls and action items are always required for each identified risk with a residual risk rating of 3 or more.

A future control moves to a current control when it has been implemented fully.

It should be noted that a current control can also be deemed a future/ongoing control where a future action is required to ensure continual monitoring and mitigation of the risk identified.

If the risk identified has a Residual Risk rating of 3 or less it should remain as an identified risk at this residual risk rating for two review periods. At the end of the second review if the Register Owner is satisfied that the residual risk is being managed and maintained at the minor score level then the risk may be removed from the Register.

## 2.4 Risk & Control Template

2.4.1 The following Risk & Control Template shows an example of a risk in the financial area and the **Residual** Risk Heat Map should be used in the assessment of Risk (the [Risk & Control Template](#) is set out in Appendix 2):

Risk & Control Template					
Risk No	Risk Description	Risk Category Highlight those that apply	Inherent Risk Rating		
			Impact	Likelihood	Score
1	Failure to achieve budget strategy	Strategic Reputational Operational <b>Financial</b>	3	4	12
Current Controls			Residual Risk Rating		
1. Financial Controller has a budgetary process in place that is reviewed on a quarterly basis to ensure actual spend is within budget 2. 3. 4.			Impact	Likelihood	Score
			3	3	9
			Risk Owner		
			Director of Finance		
Future Controls		Action Plan and Timeframe			
1. Ensure adherence to budgetary constraints 2. 3. 4.		1. Communication with Faculties/Admin Units – end of AY 2. Implementation of increased controls over spending end of AY 3. 4.			

2.5 Overall Risk Rating - Based on Impact x Likelihood

		<i>Risk Likelihood</i>			
		<b>Improbable (1)</b>	<b>Possible (2)</b>	<b>Quite Probable (3)</b>	<b>Very Probable (4)</b>
<i>Risk Impact</i>	<b>Extreme (4)</b>	4	8	12	16
	<b>Serious (3)</b>	3	6	9	12
	<b>Moderate (2)</b>	2	4	6	8
	<b>Minor (1)</b>	1	2	3	4

**2.6 Residual Risk and Level of Reporting Required**

<b>Residual Risk &amp; Level of Report</b>	<b>Further Information</b>
<p><b>Extreme</b> <b>The Executive Committee</b></p>	<p>If the residual risk is deemed to be extreme, then immediate action is required. In this case the activity/project should not proceed or if it relates to an existing activity/project then the Manager of the area who is a member of the Executive Committee must inform the Executive Committee of the matter so that action can be taken immediately to either moderate the risk or close the activity/project.</p>
<p><b>Serious</b> <b>Dean of Faculty or Director of Department who is a member of the Executive Committee</b></p>	<p>Serious risks require careful on-going management with frequent evaluation of the risk factors by the manager of the area who is a member of the Executive Committee in order to restore them to more acceptable levels of risk. Risks at this level should be reported to the Executive Committee at its bi-annual risk management meetings. In the interim, any escalation of risk should be reported to the Executive Committee immediately by the relevant Executive Committee member.</p>
<p><b>Moderate</b> <b>Head of Department/Unit</b></p>	<p>Moderate levels of risk may be acceptable for certain projects and these risks require approval of the Head of Department/Unit prior to commencing the activity/project or to allow the project/activity to continue. Re-assessment of the risk factors should be conducted at regular intervals to assure stakeholders that the risk has not escalated.</p>
<p><b>Minor</b> <b>Line Manager</b></p>	<p>This is the lowest and most tolerable level of risk. Student projects and individual staff research should carry no higher than tolerable risk without the express approval of the Head of Department/Unit. Re-assessment of the risk factors should be conducted at regular intervals to assure stakeholders that the risk has not escalated.</p>

## 2.7 Risk Register

2.7.1 The University's Risk Register is a risk recording and monitoring tool for the management of the University. It is a hierarchical entity, for example, the University's Fundamental Risk Register is informed by Faculty/Division Risk Registers. The following is the format of the risk register using the Finance example used at 2.4 above. The [Risk Register Template](#) is set out in Appendix 2.

UNIVERSITY OF LIMERICK (Insert Area) Risk Register												
No	Risk Category	Risk	Inherent			Current Controls	Residual			Risk Owner	Future Controls & Actions Required	Dates
			Impact	Likelihood	Score		Impact	Likelihood	Score			
1.	Financial	Failure to achieve budget strategy	3	4	12	Budgetary process in place that is reviewed on quarterly basis to ensure spend is within budget	3	3	9	Dir. of Finance	Communication with Faculties/Admin Units Implement increased controls	End of Academic Year





**RISK & CONTROL TEMPLATE**

**and**

**RISK REGISTER TEMPLATE**

Risk & Control (insert name of area)					
Risk No	Risk Description	Risk Category Highlight those that apply	Inherent Risk Rating		
			Impact	Likelihood	Score
		Strategic Reputational Operational Financial			
Current Controls			Residual Risk Rating		
			Impact	Likelihood	Score
1.					
2.					
3.			Risk Owner		
4.					
Future Controls		Action Plan and Timeframe			
1.		1.			
2.		2.			
3.		3.			
4.		4.			

**UNIVERSITY OF LIMERICK  
(Insert Area) Risk Register**

No	Risk Category	Risk	Inherent			Current Controls	Residual			Risk Owner	Future Controls & Actions Required	Dates
			Impact	Likelihood	Score		Impact	Likelihood	Score			

An online risk management tool is used to record the risks of each Division/Faculty. Please refer to [www.ul.ie/risk](http://www.ul.ie/risk)