

Document Title: Risk Management Process

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Description:	Details of the Risk Management Framework of Marino Institute of Education. This document contains details specific to scoring the risks faced by the Institute and subsequent Reporting of Risk Register and Risk Mitigation Plans.
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Version:	1.2
Approved By:	Audit Committee approved the changes and noted in the Audit Committee report to Governing Body. Version 1 approved at Audit Committee and Governing Body.
Approval Date:	October 2022
Date of Next Review:	October 2025 (or as necessary)

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1. Management Process

Risk management is a continuous cyclical process of identifying risks, assessing and prioritising the risks, developing action plans to improve how risks are managed and completed by a system of regular monitoring and reporting.



2. Management of Risk

Upon completion of a risk assessment (detailed below) and taking account of the Marino’s risk appetite, Marino will respond to the risk in one of the following ways;

- Treat the risk – use/enhancement of existing internal controls or implementation of new controls.
- Terminate the risk – A decision is made not to undertake the activity that is likely to trigger the risk.
- Tolerate the risk - accept the risk with or without monitoring.
- Transfer the risk – Share the exposure, either totally or in part, with a partner or contractor, or through insurance. Any partnership will need to be carefully monitored as it may not be possible to transfer all risks and certain aspects may remain, such as loss of reputation.

3. Assessment and measurement

Assessment

Marino’s risk assessment and measurement includes considering the likelihood of a risk occurring and the potential impact of that risk. A score is attributed to each of these factors.

The combined total ‘scoring’ of likelihood and impact of a risk occurring provides Marino with a risk rating, which indicates the magnitude or severity of a risk in each case.

Measurement

Inherent risk represents the risk posed to Marino prior to any systems and controls which relate to the risk are considered.

Residual risk represents the level of risk after consideration of the effectiveness of systems and controls that Marino has put in place to manage and mitigate the risk.

Unavoidable Very Likely Likely Possible Rarely, if ever	Likelihood	5	10	15	20	25
		4	8	12	16	20
		3	6	9	12	15
		2	4	6	8	10
		1	2	3	4	5
		Impact				
		Insignificant	Minor	Manageable	High	Detrimental

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Risk Evaluation

Risk Evaluation occurs after Internal Controls have been applied. This will form the basis of the Risk Mitigation Action.

Residual Risk		
Evaluation	Action required?	Action
Within the risk appetite set for this risk category	No mitigation required	Within tolerance set down for that particular risk plan. No further action required.
Just outside the risk appetite set for this risk category	Watch cautiously	This exceeds the risk appetite of Marino and monitoring is required.
Well outside the risk appetite set for this risk category	Mitigation required	Intolerable. It poses a threat to Marino and should be dealt with as a matter of priority until brought within the risk appetite.

4. Risk Scoring

The table below shows how Marino within its Risk Register assigns levels of prevalence to each score.

Likelihood

Likelihood of Risk Occurrence		
Level	Description	Ranking Criteria
1	Remote/Rare/Seldom 1% - 19% possibility	This risk is very unlikely to occur. Exceptional Circumstances (e.g. 10years +) Issue can be resolved quickly and easily.
2	Possible/Unlikely/Occasional 20% to 39% possibility	There is some possibility that the risk will occur, however in rare circumstances (e.g. 5-10years) No additional controls to current risk.
3	Likely/Moderate 40% to 59% possibility	It is likely that this risk will occur (e.g. 3-5years) Mitigation actions are to be considered.
4	Very Likely/Constant 60% - 79% possibility	It is very likely that the risk will occur (e.g. within 1 year) Mitigation actions needed.
5	Unavoidable/Almost Certain 80% - 99% possibility	It is almost certain that this risk will (e.g. within 1 month) Mitigation actions urgently to be done.

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Impact

The table below provides details specific to Marino’s category of impact by assigning financial, reputational and operational impacts to each description stated.

When Scoring Impact, Ranking Criteria could be considered a benchmark against which to form a view.

(Details here reflect Financials and Student Numbers 2021/2022)

Risk Impact		
Level	Description	Ranking Criteria
1	Insignificant	<p>There is negligible or no impact on Marino.</p> <p>Operational performance and/or Reputation not affected.</p> <p>The impact of the event can be absorbed through normal business activity.</p> <p>Unplanned Event Negatively affecting up to 10 students whether arising from failures to internal or outsourced activities.</p> <p>Deteriorating performance of a major 3rd party supplier. Loss of non-key system.</p> <p>No loss of student data.</p>
2	Minor	<p>There is a minor impact on Marino <1.% impact on total income, 1% €167,867</p> <p>Potential impact on Operational Performance and/or Reputation.</p> <p>Impact can be absorbed but management effort is required to minimise impact.</p> <p>Unplanned Event Negatively affecting between 11 to 100 students whether arising from failures in internal or outsourced activities.</p> <p>Deteriorating performance of a major 3rd party supplier. Loss of non-key system.</p>

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3	Manageable	<p>There is an impact on Marino >1.% to 2.5% impact on total income 2.5% €419,669.35</p> <p>There is some impact on Operational Performance and/or Reputation.</p> <p>The impact of such an event can be managed under normal circumstances. Resolution may require input from leadership team.</p> <p>Unplanned Event Negatively affecting up between 101 and 500 students whether arising from failures in internal or outsourced activities.</p> <p>Partial failure of major 3rd party supplier.</p> <p>Loss of business support service or capability beyond agreed recovery standard.</p> <p>No material loss of student data</p>
4	High	<p>There is a very serious impact on Marino. >10% impact of total income, 10% €1,678,677</p> <p>Operational performance and/or Reputation will be affected in the short term.</p> <p>Resolution will require the mobilisation of leadership team.</p> <p>Critical event which can be endured with proper management.</p> <p>Unplanned Event Negatively affecting up between 501 and 1,000 students whether arising from failures in internal or outsourced activities.</p> <p>Failure of major 3rd party supplier.</p> <p>Loss of business-critical activity or capability beyond agreed recovery standard.</p> <p>The threat of hacking, or other unauthorised access to, or release of student information.</p>

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5	Detrimental	<p>There is a disastrous impact on Marino which could result in termination of business. >20% impact on total income. 20% €3,357,354</p> <p>Sustained loss of Operational Performance. Serious diminution in reputation.</p> <p>Input from the Governing Body required to manage the impact.</p> <p>Unplanned event negatively affecting 1,000 or more students, whether arising from failures in internal or outsourced activities.</p> <p>Failure of major 3rd party supplier.</p> <p>Loss of business-critical activity or capability beyond agreed recovery standard.</p> <p>Loss of student data.</p> <p>Possibility of incapacity to operate.</p>
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Control Consideration

Control category	Rating guidance and consideration
Governance	Consider the breadth and depth of oversight structures in place at Governing Body, committee and leadership level to mitigate the identified risk (e.g. committees, escalation procedures, frequency of reporting, etc.)
Policies and Procedures	Consider what policies and procedures are in place to cover key business activities and functions to mitigate the identified risk. Determine if, overall, policies and procedures are current, comprehensive and implemented.
Systems and systematic controls	Evaluate existing systems and systematic controls established, as well as the control design adequacy thereof. Determine if systems and systematic controls meet the needs of the business to mitigate the risk identified
Training	Determine the extent to which training exists covering the identified risk. Consider whether the training(s) address all elements or only certain elements of the risk. Determine the extent to which training is delivered to the appropriate parties and if there is appropriate evidence that training took place.
Monitoring, testing and QA	Consider the First Line of Defense (monitoring, testing, QA), Second Line of Defense (monitoring and testing) and Third Line of Defense (testing) programs and the associated documentation and design to mitigate the identified risk, including compliance with applicable rules, regulations and internal policy requirements

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5. Risk Register Review

Risk Categories

The following are the risk categories identified by Marino for ongoing review and monitoring:

- Research
- Financial
- Stakeholders
- Compliance
- Student engagement, assessment, teaching and learning
- IT, Governance and E-learning
- Quality
- Strategy
- Communications
- PPLI

A description of each and the related risk appetite is found in the Risk Appetite Statement.

The Risk Register contains details of the First Line of Defence and Corporate Risk description, Scorings, alignment to Appetite and Risk Mitigation Plan, where required.

Quarterly Review

The risk register will be reviewed on a quarterly basis. The register will be updated for

- Any near-miss events
- Any new risks
- Any updates to the risk assessment
- Updates on open actions
- Any identification of new actions to be undertaken.

The risk register should be updated in response to any near-miss events, significant/material emerging issues, major incidents or new projects that occur. The register is a live document and should be reflective of the current risks, it is not necessary to wait until the quarterly review to update the register.

Near-miss event

A near-miss event can be defined as ‘an unplanned event which did not result in injury, illness, or damage – but had the potential to do so.’ The following are detailed in relation to a near-miss event:

- Date and time of occurrence.
- The person who reported it.

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- A description of the near-miss event.
- What was the potential consequence.
- Any recommendations to prevent recurrence.
- Corrective action taken.

Near-miss events for Health and Safety and Data Protection are in place. This relates more broadly with the Corporate Risk Register.

Process

The following is a high-level approach to the quarterly actions undertaken in the area of Risk Management by Marino.

1. Review each of the individual registers by the closing date agreed.
 - Each quarter reminders are sent via email by the Project Accountant to the respective risk owners to review and update their risks in the risk register by an agreed date.
 - The individual registers are reviewed and updated to document near-miss events, new or emerging risks, risk assessments, open actions and new actions to be undertaken.
 - For each risk identified in the individual registers, a risk assessment is conducted to arrive at a risk scoring. The likelihood of risk occurrence and the potential risk impact of each risk is assessed and evaluated taking into consideration the existing controls in place.
 - Risk owners are given approximately two to three weeks to complete this review and submit their registers.
2. An analysis of metrics as stated within the Risk Appetite Statement.
 - The risk appetite for each risk category is outlined in the [Risk Appetite Statement](#).
 - Each risk score, on the individual registers, is compared with the risk appetite stated for each risk category to ascertain if the risk score is within appetite.
3. Key movements or changes in the quarter identified and reasons for change obtained.
 - A review of the key movements or changes in the quarter is conducted by comparing the current risk score to the risk score from the previous quarter. The reason for the change is obtained.
4. Document Risk Mitigation Plans and update current actions underway.
 - A risk mitigation plan is documented for each risk that is not within the stated risk appetite. The individual registers are updated for current actions underway.
5. Analysis of the register reflected in overall Corporate Register scoring
 - Each quarter following the review of the individual risk registers, the individual corporate registers are reviewed to ensure any changes made at steps 1-4 above are reflected in the corporate register scoring for that risk category.

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The focus here is placed on highlighting emerging risks, trends or potential areas of concern or improvement. Primary objective is to provide the Leadership Team with an oversight of the current risks identified across Marino.

The work culminates in the preparation of

- An updated Risk Plan for each area identified
- An update to the Overall Corporate Risk identified
- An update to current Risk Mitigation Actions underway
- A Quarterly Report to Leadership Team
- Reporting to Governing Body and Audit Committee as per Marino Risk Policy

6. Reporting

On a quarterly basis, upon completion of the Corporate Risk Register review, a risk report is prepared by the CFO. The risk report reflects the current state of the risk register, aligned with the proposed risk appetite statement, and includes updates, significant risks, new or emerging risks, near-miss events, recent risk events and actions taken. The risk register and risk report are reviewed by the Leadership Team and then presented to the Audit Committee/Finance Committee for approval. Upon approval by the Audit Committee/Finance Committee, both the risk report and registers are presented to the Governing Body.

While registers are subject to a review on a quarterly basis a formal annual risk register review will be completed by the Governing body, as per the Risk Management Policy.