



Risk Management Policy

Recommended By: Audit & Risk Committee 29th November 2019
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1. INTRODUCTION

This document sets out the policy and guidance by which the TU Dublin manages risk. TU Dublin recognises the importance of adopting a proactive approach to the management of risk to support both the achievement of objectives and compliance with governance requirements.

TU Dublin is committed to ensuring that risk management is seen as the concern of all academic and support staff and is embedded both as part of normal day to day business and informs the strategic and operational planning and performance cycle.

This policy is in adherence with the Code of Governance for the Technological University Dublin, as approved by TU Dublin Governing Body 10th April 2019.

2. PURPOSE

2.1 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 to keep it within the University's risk appetite and to provide reasonable assurance regarding the achievement of the University's objectives.

2.2 The Policy sets out matters in relation to the following:

- Definitions.
- Roles and responsibilities.
- Risk Management Framework.
- Risk Appetite Statement.
- Risk Register.
- Risk Monitoring and Reporting.
- Review of Risk Incidents.
- Review of the Policy.

2.3 Risk Management is not solely about managing risks, it is also about identifying and taking opportunities. Some of the benefits associated with Risk Management include:

- Transparent 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.

3. DEFINITIONS

Risks can exist at different levels, including Corporate or Strategic, College or School, or Project levels. This policy uses the definitions set out in the table below:

Risk	The uncertainty, threat or possibility that an action or event will adversely or beneficially affect the University's ability to achieve its objectives. This uncertainty raises the issues of impact and likelihood.
Risk Appetite Statement	This is a statement of the amount and type of risk that the University is willing to pursue or retain in pursuit of its objectives before any action is deemed necessary to reduce it.
Risk Management	The process of risk identification, risk assessment, risk evaluation, risk mitigation and monitoring of implemented mitigants.
Risk Owner	This is the person responsible for identifying and managing risks associated with their functional area.
Risk Register	This is a risk recording and monitoring tool which acts as a repository for all key risks identified and includes details of the risk rating assigned to the risk as well as details of the mitigating controls and actions, which manage the risk.
Corporate Risk Register	Risk recording and monitoring tool for those risks at a Corporate or Strategic level. The register acts as a repository for all key risks identified and includes details of the risk rating assigned to the risk as well as details of the mitigating controls and actions, which manage the risk.
Impact	This is the potential consequence of an action or event which would adversely or beneficially affect the University's ability to achieve its objectives. The risk impact is assessed by examining the consequences of the risk materialising.
Likelihood	This is the probability that an action or event which would adversely or beneficially affect the University's ability to achieve its objectives will occur. Likelihood should be assessed by considering the vulnerabilities associated with the risk which exists within the University's internal and external environment.
Inherent Risk	The level of risk before mitigating any actions and controls are considered.
Residual Risk	The level of risk remaining after considering the mitigating controls and actions.
Risk Category	The type of risk identified according to its potential impact on the University. These are Financial, Strategic, Operational, Reputational, and Compliance.
Financial Risk	Risk of an event occurring that impacts negatively on the University's ability to realise a financial return from its assets. These are typically risks relating to unbudgeted expenditure, income generation (student fees/research grants/funding etc.).

Strategic Risk	Risk of an event occurring that impacts negatively on the ability to achieve the University's strategic goals or objectives as set out in the Strategic Plan and the risk of not availing of opportunities when they arise.
Operational Risk	Risk of an event occurring as a result of inadequate or failed internal processes, people and systems or from external events. These are typically risks relating to Data and IT systems, People/HR activities and day-to day operations.
Reputational Risk	Risk of losses arising as a result of bad press, negative public image and the need to improve stakeholder relationship management.
Compliance Risk	Risk of governance or legal sanctions, material financial loss, or reputation loss as a result of failure to comply with legislation, regulations, governance codes, or governmental circulars, University policies or procedures, codes of conduct, and prescribed standards of best practice.
Control activity	<p>An action taken to minimise the negative consequences of a risk. A control differs from a process activity as a well-designed control should either prevent a negative consequence from occurring in the first place or detect that the negative consequence has occurred and initiate corrective actions. Control wording should be very clear regarding:</p> <ul style="list-style-type: none"> • Who is responsible (Risk Owner & Action Owner) • What action is performed • When is it performed
Mitigating actions	A mitigation action is a specific action, project, activity, or process taken to reduce or eliminate long-term risk. Mitigating actions may be 'one off' in nature rather than reoccurring and may involve changes to operating procedures such as the introduction of a new control.

4. ROLES AND RESPONSIBILITIES

This policy identifies below the roles in the context of Risk Management.

4.1 Governing Body

4.1.1 Overall responsibility for the management of risk within the University lies with the Governing Body which will satisfy itself through its Audit and Risk Committee that an adequate Risk Management Framework is in place in the University and that Risks are being managed appropriately by the University Executive Team (UET).

The Governing Body shall approve the risk management framework and monitor its effectiveness.

Key oversight responsibilities of the Governing Body include:

- Establishing the Audit and Risk Committee.
- Ensuring that Risk Management is a standing item on the Governing Body meeting agenda.
- Advising the Minister for Education and Skills of the need to include risk management experience/expertise in the competencies of at least one Governing Body member or seeking expert advice externally.
- Ensuring the appointment of a Chief Risk Officer, or empower a suitable management alternative, with a reporting line into the Governing Body to identify, measure and manage risk and promote a risk management culture in TU Dublin.
- Approve the Risk Management Policy, set TU Dublin's risk appetite, and approve the risk management plan and risk register at least annually.
- Review management reporting on risk management.
- Require external review of the effectiveness of TU Dublin's risk management framework on a periodic basis; and
- Confirm in the annual report that the Governing Body has carried out an assessment of TU Dublin's principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.
- The Governing Body may delegate responsibilities for risk management to the Audit and Risk Committee but must retain overall responsibility.

4.2 Audit and Risk Committee

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

- Keep under review, and advise on, the operation and effectiveness of the University's Risk Management Framework.

- Ensure 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.
- Report to the Governing Body on its findings in relation to risk management and the adequacy of the Risk Management Framework on an annual basis.

4.3 Internal Audit

4.3.1 Internal Audit and Risk is responsible for the review of internal controls within the University. In developing its Annual Internal Audit and Risk Plan, in consultation with the Audit and Risk Committee and the President, cognisance will be taken of the University's Risk Register. The internal Audit and Risk reviews of University activities/ faculties /functions/units will include a periodic assessment of the effectiveness of their respective risk management processes and will report to the Governing Body, through its Audit and Risk Committee, on how those risks are being managed.

4.4 President

4.4.1 The President of the University has overall responsibility for ensuring that procedures and processes are in place to enable adherence to this Risk Management Policy. The key responsibilities of the President shall be to:

- Ensure processes and procedures are in place within the University to facilitate adherence to the Risk Management Policy.
- Nominate an appropriately qualified person to the role of Chief Risk Officer and confirm this to the Governing Body.

4.5 University Executive Team (UET)

4.5.1 The UET's responsibilities shall be to:

- Implement the University's Risk Management Policy.
- Identify and monitor Risks.
- Ensure that each risk has a 'Risk Owner' responsible for its management.
- Ensure that controls identified are working, provide periodic positive assurance that they are working and/or report if they are not working.
- Ensure that individuals understand what level of risk they are empowered to take on behalf of the University.
- Ensure local risks are appropriately managed (through consideration of reports on local risk on a bi-annual basis from Heads of School / Heads of Department /Heads of Administrative Units who are members of the Committee).
- Take particular note of any risks identified locally that should be escalated to the Risk Register;
- Reviewing the Risk Register on a bi-annual basis in light of reports on local risk analysis and other relevant matters.

- Monitor the assessment and management of risks that could impact on the achievement of the University's objectives.
- Encourage a risk management culture throughout the University so that risk is embedded as part of the University's decision making and operation.
- Critically review the effectiveness of risk management processes.
- Report to the Audit and Risk Committee on a bi-annual basis on the University's Risk Register and the implementation of the Risk Management Framework.

4.6 Heads of Function

4.6.1 Heads of Function shall include Heads of School / Heads of Department /Heads of Administrative Units, and are responsible for the following in relation to risk management:

- Implementation of University Policy in relation to Risk Management within their area of control.
- The identification, assessment, management and ownership of risk within their area of control.
- The establishment and regular review of local risks in their area and its transmission to their line manager who is a member of the Executive Management Team bi-annually or as required.
- Heads of School / Heads of Department /Heads of Administrative Units who are members of the UET will report bi-annually to the Committee on local risks 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 UET as required but at least bi-annually for escalation to the 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 UET.
- Supporting the embedding of risk management in their area and the development of a risk-aware culture.

4.7 Risk Owner

4.7.1 The risk owner oversees the process around the management of a particular risk. The risk owner's role in relation to risk management includes:

- Coordination of the relevant risk controls.
- Ensuring staff are dealing with local risks.
- Overall management of the risk.

4.8 University Employees

4.8.1 All University Employees shall be responsible to:

- Adhere to the requirements of Risk Management Policy and the Risk Management Framework.
- Complete the recommended Risk Management Training.

- Ensure cooperation with all parties in the implementation of the Institute risk management process and policy.
- Raise risks to Heads of Function for consideration of inclusion in the Risk Register.

4.9 Chief Risk Officer

4.9.1 The key responsibilities of the Chief Risk Officer shall be to:

- Ensure identification, measurement and management of risk across the University.
- Ensure provision of adequate risk management training to Risk Owners across the University.
- Ensure adequate communication of the Risk Management Framework and process across the University.
- Maintain the University's Risk Register, including its review and up-date on a bi-annual basis.
- Submit risk management reporting and up to date Risk Registers to the UET each review period.
- Attend Audit and Risk Committee meetings to report on risk as required.

4.10 Risk Management Committee

4.10.1 The Risk Management Committee shall be a sub-committee of the UET and responsible for working with the Chief Risk Officer to:

- Review and make recommendations in relation to the Corporate Risk Appetite Statement and the Corporate Risk Register.
- Propose a three-year Risk Management Strategy.
- Periodically review and recommend updates to the Risk Management Policy.
- Review and make recommendations to improve the Risk Management Framework, training, policy, communication, and embedding of a Risk Management culture.

5. RISK MANAGEMENT FRAMEWORK

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’s Risk Management Framework provides assurance from academic and administrative functions to the senior management team and, through the team, to the Audit and Risk Committee and Governing Body.

Effective risk management focuses on understanding and measuring risk and control rather than necessarily avoiding or totally eliminating it. The Risk Management Framework therefore includes processes for the following:

- Risk Appetite Statement.
- Risk Register.
- Risk Assessment.
- Risk Control and Mitigation.
- Risk Monitoring and Reporting.
- Review of Risk Incidents.

5.1 Risk Appetite Statement

A Risk Appetite Statement defines the appropriate levels of tolerance of risk in relation to each of the five categories of risk (Financial, Strategic, Operational, Reputational and Compliance) as shown in the template below (see Appendix for a summary of all the Risk Management Templates):

Risk Appetite Statement Template			
<i>Category</i>	<i>Level of Tolerance</i>		
	<i>Yellow (Tolerable)</i>	<i>Amber (Low Tolerance)</i>	<i>Red (No Tolerance)</i>
Financial	University is prepared to tolerate some level of Risk.	University is prepared to tolerate a certain level of Risk on a temporary basis only.	University is not prepared to tolerate any level of Risk.
Strategic			
Operational			
Reputational			
Compliance			

The Statement shall detail individual risks and the associated degree of tolerance acceptable to the University.

The Chief Risk Officer following approval of the UET shall recommend at least annually the University Corporate Risk Appetite Statement to the Audit and Risk Committee for approval.

5.2 Risk Register

5.2.1 A Risk Register lists the identified risks together with their inherent risk rating scores, residual risk rating scores following mitigation, mitigation actions, action owners, risk status, and reviewing committees, as shown in the template below (see Appendix for a summary of all the Risk Management Templates):

Risk Register Template										
Category	Risk Description	Inherent Risk Score			Mitigation Actions	Residual Risk Score		Reports\KPI's used to monitor those Mitigation Actions	Person(s) Responsible	Reviewing Committee
		Impact	Likelihood	Score		Risk Reduction	Residual Risk Rating			
Financial										
Strategic										
Operational										
Reputational										
Compliance										

The Chief Risk Officer following approval of the UET shall recommend bi-annually the University Corporate Risk Appetite Statement to the Audit and Risk Committee for approval.

The Corporate Risk Register is compiled from consideration of the functional area Risk Registers from the functional areas, and the the Chief Risk Officer shall, on a bi-annual basis, lead a formal risk identification, risk assessment and scoring, and mitigation action process for the local risk registers.

5.2.2 Risk Identification is the process where risks are identified by Risk Owners using a variety of techniques such as interviews, workshops, School / Departmental / Administrative Unit meetings etc., supported by the Chief Risk Officer and the Risk Management Committee.

The Chief Risk Officer shall lead a formal risk identification with the functional areas on a bi-annual basis.

5.2.3 Risk assessment is the process where the identified risks are measured using two dimensions, the effect on the University should the risk materialise (Risk Impact) and the probability of the event occurring (Risk Likelihood) as shown in the templates below (see Appendix for a summary of all the Risk Management Templates):

Risk Impact Scores by Category						
Impact	Score	Financial Impact	Strategic Impact	Reputational Impact	Operational Impact	Compliance Impact
Severe	5	>€5m	Would result in inability to meet key strategic objectives	Would result in prominent negative coverage of the University in national media	Would result in severe impacts to the University's ability to deliver educational/research services	Would result in sanctions/material fines.
Major	4	>€1m	Would result in significant challenges in meeting key strategic objectives	Would result in some negative coverage of the University in national media	Would result in significant disruption to the University's ability to deliver educational/research services	Would result in immediate sanctions/material fines.
Medium	3	>€500k	Would result in some challenges in meeting key strategic objectives	Would result in embarrassment within a department/function leading to adverse media	Moderate impact on services. Some short term damage. e.g. disruption to a number of departments for a day	Would result in non-compliance with applicable regulation/local policy
Low	2	>€100k	Would result in additional work in meeting objectives	Reputational impact in local/specialist area covered in the media	Minimal impact on services. Minor Damage e.g. non delivery of several classes during one day	Would result in minor non-compliance with applicable regulation/local policy
Insignificant	1	<100k	Would result in negligible delays in meeting objectives	Potential damage evident to those close to the event/area of interest	Insignificant impact on objectives. Minor Damage e.g. disruption to class schedules	Minor non-compliance may result applicable regulation/local policy

Risk Likelihood Scores		
Likelihood	Score	Description
Almost Certain	5	Has occurred many times in recent history, or is a brand new risk that has been identified that is imminent
Likely	4	Has occurred many times in the past, or has occurred a few times in recent history
Possible	3	Has occurred a few times in the past, or, has occurred infrequently in recent history
Unlikely	2	Has occurred infrequently in the past, or, a “one off” from the past
Rare	1	Possible to occur but no known precedents

To ensure consistency of application across the University, risks identified must be assessed and measured in conjunction with the Chief Risk Officer.

The determined values for Impact and Likelihood are then used to decide the Inherent Risk Rating in line with the template below (see Appendix for a summary of all the Risk Management Templates):

Inherent Risk Rating (Impact x Likelihood)							
			Risk Likelihood				
			Rare	Unlikely	Possible	Likely	Almost Certain
			1	2	3	4	5
Risk Impact Score	Severe	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5

5.2.4 Residual Risk Ratings scores are decided based on the Risk Reduction effects of the Mitigating Actions (e.g. Control and Risk Mitigation Action Plans).

These Risk Reductions may be High, High/Medium, Medium or Low as shown in the template below (see Appendix for a summary of all the Risk Management Templates):

Risk Reduction (based on Mitigating Action)				
High	High / Medium	Medium	Medium	Low
90%	70%	50%	30%	10%

The Residual Risk Ratings are then determined along the lines of the template below:

Residual Risk Rating Template Example								
Risk Description	Inherent Risk Score	Mitigating Action	Risk Reduction (based on Mitigating Action)					Residual Risk Score
<i>Example:</i> Failure to achieve budget strategy.	12	<i>Example:</i> Financial Controller has a budgetary process in place that is reviewed on a quarterly basis to ensure actual spend is within budget	90% High	70% High / Medium	50% Medium	30% Medium	10% Low	3.6 <i>Based on High/Medium Reduction</i>

Heads of School / Heads of Department / Heads of Administrative Units are responsible for implementing and enforcing controls that effectively manage and mitigate risks identified, to a level that is within the tolerance limits approved by the UET.

Heads of School / Heads of Department /Heads of Administrative Units are expected to document the controls that are in place to mitigate against the risks materialising. Once documented, the risks are re-assessed by the Risk Owner for their residual risk on a bi-annual basis.

The aim of the residual risk assessment is to ensure that the control is still meeting its design objective of managing/mitigating the inherent risk to acceptable residual levels.

Controls implemented must be relative and reflect the likelihood and impact of the risk, if it occurred. An efficient and effective control will have the appropriate balance between the cost of implementing, the likelihood and potential impact of the risk event if it occurred and residual risk.

Mitigating actions and controls include all the policies, procedures, practices and processes in place to provide reasonable assurance of the management of risk.

Where mitigating actions / controls exist but are not being followed and monitored, then it is policy that it is deemed that adequate controls do not exist, as in order for mitigating practices / controls to be effective they also must be communicated, actioned and monitored.

As a result of the risk and control assessment process, actions with clear accountabilities will be set for all risks where gaps in the control environment are identified. These action plans as determined by Heads of School / Heads of Department /Heads of Administrative Units are developed to introduce new controls or improve existing controls as required.

To ensure accountability these actions will be linked to the risk and therefore to the underlying strategic objective. If this part of the process does not occur, then the benefits of the risk identification process will not be realised. The Heads of School / Heads of Department /Heads of Administrative Units tasked with delivering under the strategic objective will also be responsible for delivering under these actions.

A formal Audit and Risk trail must exist that relates the risk identification and assessment process to the actions arising. The action plans will set out the following:

- Planned control actions to address risk.
- Responsibility for undertaking the planned activities.
- Timeline for action.

The Chief Risk Officer shall monitor the implementation of the mitigating control action plans and reports on a bi-annual basis in relation to the progress of same to the UET and Audit and Risk Committee.

5.3 Risk Monitoring and Reporting

5.3.1 The Chief Risk Officer will on a bi-annual basis request an updated Risk Register from each Head of School / Head of Department /Head of Administrative Unit

5.3.2 Each Head of School / Head of Department /Head of Administrative Unit will consider their own local risks. A review of risks will take place as follows:

- Within one month of any internal Audit and Risk report where recommendations are made.
- Following major changes to the structure, funding or strategic direction of the School/ Department/Unit.
- Following a specific request by the Executive Management Team.
- At least twice per annum, notwithstanding the above conditions.

Following the completion of a review of their local risks, Heads of School / Heads of Department /Head of Administrative Units will prepare a report using the Risk Register template in this Policy. The report will be submitted to the UET for consideration and discussion on a bi-annual basis or immediately depending on the level of the risk as set out in the template for Residual Risks and Action and Reporting Requirements below (see Appendix for a summary of all the Risk Management Templates).

5.3.3 The UET will meet bi-annually to consider local the Corporate Risk Register recommended by the Chief Risk Officer, and consider on-going developments within the University and any emerging risks. Based on such considerations, the UET will review the University's Risk Register and amend the Register as required. The UET will approve a report for submission by the Chief Risk Officer to the Audit and Risk Committee on the Corporate Risk Register and the effectiveness of the Risk Management Framework.

5.3.4 The Audit and Risk Committee will report at least annually to the Governing Body on the management of the Risk Register and the implementation of the University's Risk Management Framework.

Residual Risks Rating Scores and Action & Reporting Requirements		
Residual Risk Rating		Action & Reporting Requirements by Risk Owner
Risk Score	Colour Code	
Above 19	Extreme	Action Plan to terminate, transfer or terminate Risk. Notify Head of Functional Area. Notify UET. Notify Audit & Risk Committee.
Above 9, up to 19	Very High	Action Plan to terminate, transfer, terminate, or reduce Risk. Notify Head of Functional Area. Notify UET.
Above 4, up to 9	High	Action Plan to transfer or reduce Risk. Notify Head of Functional Area. Notify UET.
Above 2, up to 4	Moderate	Action Plan to reduce Risk. Notify Head of Functional Area.
Up to 2	Low	Action Plan to monitor and reduce Risk. Notify Head of Functional Area.

5.4 Review of Risk Incidents

In the event of a material risk incident or significant 'near miss' occurring the affected Head of School / Head of Department / Head of Administrative Unit shall notify the Chief Risk Officer who shall convene a group of relevant stakeholders to complete the following:

- The incident is reviewed to assess the impact of the incident using the agreed risk impact criteria.
- The impact is compared to the risk appetite statement to determine its seriousness.
- This is used as the basis for the Chief Risk Officer to report the incident to the Risk Management Committee, the UET, or the Governing Body.
- A mitigation plan for reducing the impact of this event is determined, agreed and actioned.
- Consideration is taken with regard to other similar risks/potential incidents which may occur; and
- The Risk Register is updated accordingly.

6. REVIEW OF POLICY

- 6.1 This policy will be reviewed every two years to ensure that it continues to enhance the decision-making and operation of the University.

APPENDIX – SUMMARY OF RISK MANAGEMENT TEMPLATES

The Appendix shows the templates for the **Risk Register**, **Inherent Risk Rating Scores** (including **Risk Impact** and **Risk Likelihood**), and **Residual Risk Rating Scores** following mitigation.

- (i) A **Risk Register** lists the identified risks together with their inherent risk rating scores, residual risk rating scores following mitigation, mitigation actions, action owners, risk status, and reviewing committees.

Risk Register Template										
Category	Risk Description	Inherent Risk Score			Mitigation Actions	Residual Risk Score		Reports\KPI's used to monitor those Mitigation Actions	Person(s) Responsible	Reviewing Committee
		Impact	Likelihood	Score		Risk Reduction	Residual Risk Rating			
Financial										
Strategic										
Operational										
Reputational										
Compliance										

(ii) **Inherent Risks** are measured using two dimensions, **Risk Impact (a)** and **Risk Likelihood (b)**, to determine the **Inherent Risk Rating (c)**.

(a) Risk Impact Scores by Category						
Impact	Score	Financial Impact	Strategic Impact	Reputational Impact	Operational Impact	Compliance Impact
Severe	5	>€5m	Would result in inability to meet key strategic objectives	Would result in prominent negative coverage of the University in national media	Would result in severe impacts to the University's ability to deliver educational/research services	Would result in sanctions/material fines.
Major	4	>€1m	Would result in significant challenges in meeting key strategic objectives	Would result in some negative coverage of the University in national media	Would result in significant disruption to the University's ability to deliver educational/research services	Would result in immediate sanctions/material fines.
Medium	3	>€500k	Would result in some challenges in meeting key strategic objectives	Would result in embarrassment within a department/function leading to adverse media	Moderate impact on services. Some short term damage. e.g. disruption to a number of departments for a day	Would result in non-compliance with applicable regulation/local policy
Low	2	>€100k	Would result in additional work in meeting objectives	Reputational impact in local/specialist area covered in the media	Minimal impact on services. Minor Damage e.g. non delivery of several classes during one day	Would result in minor non-compliance with applicable regulation/local policy
Insignificant	1	<100k	Would result in negligible delays in meeting objectives	Potential damage evident to those close to the event/area of interest	Insignificant impact on objectives. Minor Damage e.g. disruption to class schedules	Minor non-compliance may result applicable regulation/local policy

(b) Risk Likelihood Scores		
Likelihood	Score	Description
Almost Certain	5	Has occurred many times in recent history, or is a brand new risk that has been identified that is imminent
Likely	4	Has occurred many times in the past, or has occurred a few times in recent history
Possible	3	Has occurred a few times in the past, or, has occurred infrequently in recent history
Unlikely	2	Has occurred infrequently in the past, or, a “one off” from the past
Rare	1	Possible to occur but no known precedents

(c) Inherent Risk Rating (Impact x Likelihood)							
			Risk Likelihood				
			Rare	Unlikely	Possible	Likely	Almost Certain
			1	2	3	4	5
Risk Impact Score	Severe	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Medium	3	3	6	9	12	15
	Low	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5

- (iii) **Residual Risk Ratings Scores** are decided based on the **Risk Reduction** effects of the Mitigating Actions.

Risk Reduction (based on Mitigating Action)				
High	High / Medium	Medium	Medium	Low
90%	70%	50%	30%	10%

Residual Risk Rating Template Example								
Risk Description	Inherent Risk Score	Mitigating Action	Risk Reduction (based on Mitigating Action)					Residual Risk Score
<i>Example:</i> Failure to achieve budget strategy.	12	<i>Example:</i> Financial Controller has a budgetary process in place that is reviewed on a quarterly basis to ensure actual spend is within budget	90% High	70% High / Medium	50% Medium	30% Medium	10% Low	3.6 <i>Based on High/Medium Reduction</i>

- (iv) The Residual Risk Rating Scores require the Risk Owner to make reports and carry out certain actions in accordance with **Residual Risks and Action & Reporting Requirements**.

Residual Risks and Action & Reporting Requirements		
Residual Risk Rating		Action & Reporting Requirements by Risk Owner
Risk Score	Colour Code	
Above 19	Extreme	Action Plan to terminate, transfer or terminate Risk. Notify Head of Functional Area. Notify UET. Notify Audit & Risk Committee.
Above 9, up to 19	Very High	Action Plan to terminate, transfer, terminate, or reduce Risk. Notify Head of Functional Area. Notify UET.
Above 4, up to 9	High	Action Plan to transfer or reduce Risk. Notify Head of Functional Area. Notify UET.
Above 2, up to 4	Moderate	Action Plan to reduce Risk. Notify Head of Functional Area.
Up to 2	Low	Action Plan to monitor and reduce Risk. Notify Head of Functional Area.