Dyslexia Ireland

POLICY COVERSHEET

This policy does not form part of the employment contract. Dyslexia Ireland may amend this policy from time to time at its sole discretion. Dyslexia Ireland may also vary the policy, as appropriate in any case.

Name of Policy and Version:	**RISK MANAGEMENT POLICY AND PROCEDURES V3.0**
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Risk Management Policy

Dyslexia Ireland is committed to minimising risk to the operation and reputation of Dyslexia Ireland.

Dyslexia Ireland defines risk as "an uncertain event which may occur in the future preventing, delaying or impacting a charity's ability to realise and achieve objectives". The inherent probability and impact of a risk occurring can only be estimated and mitigations clearly detailed and managed; this assessment and mitigation should be done for all risks. To estimate risk properly, each risk should be identified, understood and evaluated by the Dyslexia Ireland Governance and Risk Sub-Group and presented to the Dyslexia Ireland Board within the timeframe mentioned in this policy. Risks can be either positive (opportunities) or negative (threats). Positive risks that offer opportunities within limits may be pursued in order to generate enhanced value to Dyslexia Ireland.

Risk Methodology and Approach

Dyslexia Ireland's approach to risks that affect the operation and reputation of Dyslexia Ireland are on the basis of experience, knowledge, ongoing risk assessment and effective prevention measures.

Dyslexia Ireland's risk assessment process is initiated, controlled and co-ordinated by the Governance and Risk Sub-Group.

Dyslexia Ireland uses the Qualitative Risk assessment methodology to measure risks.

The Governance and Risk Sub-Group will review the output from the detailed process and ensure that the Dyslexia Ireland Risk Register is updated with relevant information regarding risks / matters identified as being of a critical or catastrophic nature.

Conducting the Risk Assessment Process

All Dyslexia Ireland staff, including Board members, are responsible for monitoring risks on an on-going basis and are required to notify the Governance and Risk Sub-Group promptly, and in writing, of any new risks arising, or if there is a significant change to an existing risk identified, in order for appropriate risk management mitigation and associated documentation to be updated.

All such risks identified are recorded by the Governance and Risk Sub-Group in Dyslexia Ireland's Risk Register.

For each risk identified the following is also documented:

- Risk No.
- Risk Description
- Risk Category
- Risk Owner
- Steps to Mitigate

- Risk Date Identified
- Action by Date
- Impact 1-5
- Probability 1-5
- Risk Rating
- Mitigating action

All documented risks are categorised within Dyslexia Ireland's Risk Register according to the overall nature of the risk under one the following risk categories:

RISK CATEGORIES	
Governance	May include charity trustees not knowing or living up to their responsibilities
Strategic	May include any risk which may cause a charity to be delayed or prevented from achieving its objectives
Compliance (Legal or Regulatory)	May include failure to comply with legal or regulatory requirements
Operational	May include volunteers or employees being unavailable for duty or only trained for one role
Financial	May include failure to meet financial management and reporting requirements and/or maintain prudent financial reserves
Environmental	May include change in the overall environment in which the charity operates such as a change in Governance policy that affects the charity
Reputational	Consider the actual and perceived impact of the decisions a charity takes, ensuring that all decisions are taken in line with the best interests and charitable purposes of the charity

Calculation of Risk Exposure (Matrix)

The risk exposure for each risk identified in Dyslexia Ireland's Risk Register is calculated by the Governance and Risk Sub-Group based on multiplying (a) Risk Impact with the (b) Risk Probability. Both the Risk Impact and Risk Probability are measured using a scale of 1 to 5 as outlined below:

1. **Risk Impact**

Impact	Rating
Insignificant	1
Minor	2
Moderate	3
Major	4
Extremely detrimental impact	5

2. Risk Probability

Probability	Rating
Remote	1
Unlikely	2
Possible	3
Very likely	4
Highly likely	5

3. Overall Risk Rating and Priority Action Required

An overall priority score is arrived at by multiplying the Risk Impact score by the Risk Probability score. All identified risks are classified by the Governance and Risk Sub-Group using the following risk tablets.

Probability	IMPACT				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Extremely Detrimental Impact 5
Highly Likely 5	5	8	15	20	25*
Very Likely 4	4	8	12	16	20
Possible 3	3	6	9	12	15
Unlikely 2	2	4	6	8	10
Remote 1	1	2	3	4	5

*** If Risk Rating is identified as 25, it is not a Risk, it is an Issue and must be addressed immediately.**

RISK RATING	ACTION REQUIRED
Low Risk 1 to 8 Appetite Limit	Management responsibility allocated for monitoring & reporting
Medium Risk 9 to 15 Tolerance Limit	Senior management intervention mandatory. Action required to mitigate to Appetite level. Board approval required for residual risk that exceeds Risk Appetite limit.
High Risk 16 to 25 Unacceptable	Immediate remedial action required

4. Risk Responses

The risk response process determines effective response actions that are appropriate to the priority of the individual risk. Risk responses when implemented, can have potential effects on Dyslexia Ireland operations and as such, can generate additional risks. These are known as secondary risks and have to be analysed and planned for in the same way as those risks which were initially identified.

Risk Responses	
Avoid	This involves taking the actions required to address the risk in order to ensure either that the threat cannot occur or can have no effect to the Charity
Transfer	This entails transference to a third party that is better positioned to address a risk
Mitigate	Mitigation and enhancement are the most widely applicable and widely used risk responses. Here, the approach is to identify actions that will decrease the probability and/or impact of the risk
Accept	This applies when the other risk responses are not considered applicable or feasible. Acceptance entails taking no further action unless the risk actually occurs, in which case it becomes an issue.

5. Management Review

The risk register and in particular, progress on the actions to mitigate risk will be reviewed quarterly. A comprehensive risk review process will be undertaken at least annually to identify new/change risks and to re-score the identified risks. Arising from the review, Dyslexia Ireland's Risk Register would be updated as required. It is important to note that no risks on Dyslexia Ireland's Risk Register will ever be removed. If a risk is deemed to be closed or accepted, that risk will be archived. This is for lessons learned reviews of historical Dyslexia Ireland risks.

The Management Team will review High Scoring risks (i.e. 16 to 25) at each Management Team Meeting, to check that mitigating actions are still appropriate and that no risk has become an issue requiring immediate action.

The updated Dyslexia Ireland Risk Register is reviewed by the Governance and Risk Sub-Group. For each risk identified the Governance and Risk Sub-Group evaluates and manages the appropriate options and treatment of the risk which includes the following measures:

- Applying pertinent controls
- Knowingly and objectively accepting the residual risk – providing they are clearly satisfied with the organisation's policies and criteria for accepting risks
- Select an appropriate risk response
- Communicate the outputs of the updated Dyslexia Ireland Risk Register with relevant stakeholders

The results of the risk assessment process are advised to the Dyslexia Ireland Board of Directors.