University Risk Committee – a Sub-committee of the University’s Governing Authority

Terms of Reference

Submitted to the DCU Governing Authority
13 December 2013
1. Constitution

The Governing Authority, at its meeting of September 5th 2013, approved the establishment of a committee of the Governing Authority to be known as the Risk Committee.

2. Membership

2.1 The membership of the Risk Committee shall be appointed by the Governing Authority.

The Committee shall consist of at least four members two of whom shall be external members of the Governing Authority, and two of whom shall be University members of staff. One additional member external to the University may be appointed.

In appointing members, consideration shall be given to the skills and independence of members and relevant risk management experience.

2.2 The Chairperson of the Committee shall be appointed by the Governing Authority and will be an external member of the Authority.

2.3 In addition to these terms of reference the Committee may draw up its own working procedures.

3. Frequency of meetings

3.1 The Committee shall meet at least three times a year.

4. Quorum

4.1 The quorum required for the transaction of business shall consist of at least three members of the Committee, at least two of whom must be external members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
5. Attendance at meetings

5.1 The Chief Operations Officer, the Internal Auditor, the Risk Manager and any employee or external person relevant to the work of the Committee, may attend for all or part of the meetings at the invitation of the Committee. Governing Authority members shall also have the right of attendance with prior agreement by the Chancellor of the Governing Authority and Chair of the Risk Committee.

5.2 The Secretary to Governing Authority shall act as secretary of the Committee with his/her office providing secretarial services.

5.3 At least once a year the Committee will meet with each of the following: (a) the Internal Auditor and (b) the Risk Manager, without members of management being present.

6. Decisions and voting

6.1 Each question at a meeting of the Risk Committee shall be determined by consensus, but where in the opinion of the Chairperson, consensus is not possible, the question shall be decided by a majority of the members present and voting on the question and, in the case of an equal division of votes, the Chairperson shall have a second and casting vote. All votes taken shall be referred to the Governing Authority for noting.

7. Authority

7.1 The Committee is authorised by the Governing Authority to investigate any activities within its terms of reference and to seek any information it may require from any employee of the University or its subsidiaries. All employees are directed to co-operate with any request made by the Committee.

7.2 The Committee is authorised by the Governing Authority to obtain outside legal or other independent professional advice, if it considers this necessary.
8. Terms of reference

8.1 The objective of the Committee is to oversee and evaluate the Risk Management systems in place in the University in particular with regard to the Risk Management guidelines set out in the IUA/HEA Code of Governance of Irish Universities 2012 (see Appendix).

This will include:

- To review the Risk Management policy of the University.
- The approval of the Annual Plan drawn up by the Risk Manager.
- To review the list of key risks to the achievement of the University’s strategic goals as identified by management, and the proposed responses to managing those risks.
- Assessment of the results of the monitoring of the key risk mitigating steps.
- Identification of key themes emerging from the institutional risk register and the actions proposed by management.
- To review major risk incidents and escalation protocols.
- To seek assurance that Risk Management practices are embedded across all levels of the University.
- To determine at least annually whether, in the Committee’s opinion, the University has appropriate Risk Management processes and structures in place.
- To liaise with the Internal Audit function, the Audit Committee and other committees of the Governing Authority to share information relating to the review of internal controls and implications for the Risk Management process.
- To oversee periodic external evaluations of the Risk Management process.

Other

- To consider other topics, as requested by the Governing Authority or initiated by the Committee.
9. Reporting arrangements

9.1 The Committee shall report at least annually on its activities to the Governing Authority. The report will include the Committee’s opinion on the adequacy of the systems of risk management. The Committee will report to meetings of the Governing Authority on such other occasions as requested.

9.2 Minutes of meetings of the Committee shall be circulated to the Governing Authority for noting.

9.3 The Committee shall arrange for the regular review of its terms of reference and shall submit any changes necessary to the Governing Authority for approval.
Appendix: Extract from IUA/HEA Code of Governance of Irish Universities 2012

3.1 Guidelines for Governance

3.1.5. Risk Management

3.1.5.1 Systematic assessment and management of risk is becoming an increasingly important part of internal control. Risk identification and management is seen as necessary to maximize the likelihood of achieving an institution’s desired objectives and outcomes.

3.1.5.2 Risks fall into a variety of categories, some of the most common being:
- Strategic risks;
- Operational risks;
- Financial risks;
- Reputation risks.

3.1.5.3 It is the responsibility of the governing authority to ensure that a robust system of risk management is in place in the university. Such a system involves:
- The identification of risks that threaten the achievement of the university’s objectives;
- The evaluation of the likelihood of occurrence and potential impact of the risks identified;
- The segregation of risks according to their gravity;
- An appraisal of the techniques employed to manage the major risks and identification of any further steps that should be taken;
- An appraisal of the levels of residual risk - after the application of mitigation techniques - and whether the residual risk is acceptable;
- Continuous monitoring of the effectiveness of controls and management techniques;
- Decision-making informed by the risk management process.

The governing authority should make a provision for:
- approving the risk management policy and monitoring its effectiveness.
- reviewing material risk incidents and noting actions taken to deal with them.
- making risk management a standing meeting agenda item regularly and at least once annually.
- considering the establishment of a Risk Committee and, in any event, including review of risk management in the terms of reference of the Audit Committee
- requiring an external review of the effectiveness of the risk management framework on a periodic basis.
3.1.5.4 The governing authority should ensure that the risk assessment and management process is integrated into existing management systems. It should be kept as simple as possible. Roles and responsibilities should be clearly assigned and a person at a senior level with overall responsibility for it should be nominated.