



# **DCU Risk Register**


## **Guide**

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## Version Control

Document Name	DCU Risk Register Guide	
Version Reference	V2.1	
Document Owner	Risk & Compliance Officer	
Approved by	Chief Operations Officer	
Date	January 6th 2022	

## Introduction

Risk management, within the context of Dublin City University, can be defined as the ongoing process to identify, assess, manage and control potential events or situations that may prevent the University from achieving its goals.

Risk management theory is briefly explained and the guide is intended to be used by the Heads of Units and Senior Managers across both the University and its wholly owned campus companies.

## What is Risk Management?

Risk management is a process that is used to identify risks, to evaluate their potential consequences, to consider how likely they are to occur and to then rank them so that the resources to manage them can be effectively allocated. A risk is managed by taking action to either reduce the likelihood of its occurrence and/or to reduce its impact.

The University's risk management process is not intended to limit potential for growth or improvement. Instead, it aims to manage risks, both negative and positive, in an acceptable and appropriate manner.

The University's risk management process utilises an annual cycle of risk reviews. Each cycle has a number of steps and a separate guide to how that element of the process is implemented in practice across the University can be obtained from the Risk Officer.

This guide focuses primarily on the steps to be taken by a Head of Unit, or a member of Senior Management, when they are either preparing or updating a Unit level Risk Register (aka. 'Operational Risk Register') as part of the annual risk cycle referred to above.

## Definition of Key Terms

### Risk

A risk is the possibility of an uncertain event occurring in the future that may prevent or delay the achievement of organisational goals. As they are uncertain, risks are generally measured in terms of their potential impact and likelihood.

A risk should not always be thought of in a negative sense, for example as an obstacle to be avoided. Risks can also present an opportunity to succeed or to attain stated goals and so a certain degree of risk may be acceptable, and even desired. Risk management seeks to ensure that risks are identified and managed in such a way as to reduce their negative effects while also allowing for the possible positive effects of managed risk taking.

## Issue

An issue, as distinct from a risk, is a current situation, event or set of circumstances that an organisation is currently dealing with that is already affecting its ability to achieve its goals. Unlike a risk it is not something that may occur in the future as in effect it is already happening.

## Risk Register

A risk register is a formal way of documenting the important and relevant details of risks. The layout of risk registers will vary from one organisation to another but there are certain elements common to all. These are:

- 1) description of the risk and its potential impact;
- 2) an indication of the controls or measures which are, or can be, put in place to reduce the likelihood of a risk materialising or, if it does materialise, to reduce its potential negative impact;
- 3) prediction of the risk's likelihood;
- 4) prediction of the risk's impact;
- 5) system to rank risks; and
- 6) named 'Risk Owner' i.e. the individual or group within the organisation that is responsible for the management of the risk.

There are three types of risk register that are created and used at different stages within the University's risk process.

- 1) **Unit Level Risk Registers (aka. 'Operational Risk Registers')** are risk registers maintained at a local level in Units across the University (e.g. Schools / Faculties / Research Centres / Support Functions / Campus Companies). In general, Unit Level Registers tend to focus on operational risks that can affect the unit but they may also contain risks that impact upon the University as a whole.
- 2) **Functional Area Risk Registers (FARR)** are intermediary level registers that are prepared in each risk cycle by the individual members of the University's Senior Management Group (SMG). They are based upon risks from unit level registers but they may also list additional novel risks as put forward by the author.
- 3) **Strategic Risk Register (SRR)** is the highest level of risk register within the University as a whole and is the prime documentary output of the University's annual risk cycles. It lists the most serious risks that can, or in the case of issues already are, affecting the University. In general, the risks contained in the SRR are strategic in nature but they may also be operational.

## Controls

Controls are actions or measures that will reduce the likelihood of a risk occurring or, if it does occur, will reduce its potential negative impact. There are two types of controls.

1. **Current controls (measures already in place)** - These can take the form of either policies, procedures, initiatives or other tailored measures.
2. **Further controls (measures required)** - Those measures that could, or will, be put in place at some point in the future to manage the risk.

Controls should be appropriate to the risk and should address its root cause. However, care must also be taken to ensure that there is a balance between the amount of effort required to implement a control and the benefit to be obtained from doing so.

## Residual Risk

The University's risk management process assesses the relative seriousness of a risk in terms of its likelihood and impact. It applies a 'Residual Risk Model' whereby it estimates the likelihood and impact of a risk **after** taking into account the effect of the current controls / measures already in place to manage the risk.

It is the residual risk value that will determine whether an individual risk is categorised as either being high, medium or low. An example of a residual risk approach in practice is given below.

### Serious Fire

The impact of a fire on campus may, in some instances, lead to serious injuries or even death. Therefore, the impact value assigned to such a fire risk will always be '5' when applying the impact assessment criteria set out in [Appendix 2](#). If there were no effective fire safety measures in place to manage a risk then the likelihood of such a fire occurring would be either 4 ('Likely') or 5 ('Certain').

However, the residual risk of such a fire event is estimated **after** taking into account the actual fire safety measures that are already in place to reduce its likelihood (e.g. fire safety training) or, if it were to occur, the measures that seek to limit its impact (e.g. fire alarms, fire safety equipment, evacuation procedures etc).

While the potential impact of a serious fire risk will always be rated 'High', its likelihood should be low and hence its residual risk rating should also be 'Low'.

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## University Risk Appetite Statement

Risk Appetite refers to the amount of risk that an organization is prepared to accept, tolerate or be exposed to at any given point in time. In the context of the University its [Risk Appetite Statement](#) seeks to summarize its tolerance for risk across a range of activities.

The Statement is an integral element of the University's risk management framework and it sets a risk appetite that ranges over three risk categories (i.e. Low, Medium and High). An overview of the University's appetite for risk across these categories can be seen in [Appendix # 4](#).

The Risk Appetite Statement will be referred to by Heads of Unit, Members of SMG and the GARC in the drawing up their own risk registers.

## Categories of Risks

Risks can generally be allocated to one or more of the following categories:

- Operational
- Financial
- Reputational
- Strategic

Examples of typical risks in each category that may arise in a university context are listed in [Appendix 1](#).

The above categories cover the majority of risks that could arise within a university setting but there may be others that do not fall into any one category. Where this occurs, it is best practice to allocate the risk to the category in which it may have the largest potential impact and then estimate its likelihood using the impact assessment criteria in [Appendix 2](#).

## Risk Register Steps

The preparation of Unit Level Registers is an essential part of the University's annual risk process. The steps to either to prepare an entirely new register, or update an existing one, are essentially the same and are described in this section of the guide.

In advance of preparing a new unit register, or the updating of an existing one, the Risk & Compliance Officer contacts the Head of Unit and requests their participation. The Head will be provided with:

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a) a copy of this guide;

b) an initial draft of the current year's risk register (that is based upon the same unit's completed register from a prior year) where an existing one is to be updated;

Or

c) a blank risk register if it is the first time that the unit register is being prepared.

### **Step 1 – Confirm Goals**

As already noted a risk is the possibility of an uncertain event occurring in the future that may prevent the achievement of organisational goals. Therefore, the first step, in the context of a unit of DCU, is to identify the operational and strategic goals of the unit.

Operational goals are the day-to-day tasks or obligations of the unit. For example, for an academic unit, one of its operational goals is the provision of lectures. For a research unit it would be conducting research while for a professional support unit it would be the efficient provision of support to the other units of the University.

Strategic goals tend to be of a medium to long-term in nature. They may involve the remodelling of how a Unit performs its existing tasks or how it might take on an entirely new task (e.g. the implementation of a new student information system).

### **Step 2 – Identify Risks**

For each goal identified, a list of potential risks or threats towards achieving that goal must then be identified. Consider the question - 'What can go wrong?' Once a risk is identified, it should then be considered as a possible entry on the unit's risk register.

Unit risks can come from many sources e.g. from the final report on foot of a recent DCU Quality Promotions Office review of the unit, or from a 'brainstorming' session with the staff of the Unit. Alternatively, you could consult with the relevant members of the unit's senior staff who are in the best position to identify and provide details on risks.

When explaining the context to a risk it is important that the risk's description be concise and clear. It should clearly separate the elements of a risk into both its root cause and its potential impact as successfully identifying a risk's cause will help in identifying the appropriate controls or measures to effectively manage it.

### **Step 3 – Identify the Current Controls / Measures**

For each risk identified and included on the register, the controls or measures that seek to limit its adverse impact, or reduce the likelihood of its occurrence, must be recorded on the unit's register. Controls are split into two categories; those which are currently in place and

actively managing the risk (i.e. 'Current Controls') and those controls which may be put in place at some point in the future, assuming sufficient time and resources are available and where there is a necessity to do so (i.e. 'Future Controls').

Controls can take many forms but their essential characteristic is that they mitigate or manage risks. Current controls are only effective if they are in place and have a positive effect in mitigating the risk. A control that is not in place cannot be defined as a 'current' control. In these cases it is more appropriate to place the control within the Future Controls section of the risk register.

When documenting controls the Heads of Units and Senior Managers should also satisfy themselves that the current controls shown against each risk are being actively applied in practice and are actually managing the risk.

#### **Step 4 – Assess the Residual Risk Likelihood & Impact**

After a risk, along with its current controls, is identified and included on the register the next step is to assess how serious the risk actually is. In DCU this is achieved by applying the 'Residual Risk' model or approach referred to earlier.

The first step is to assign numeric values to both the risk's likelihood and its potential impact and then multiplying both to give a score or value. The higher the score, the more serious the risk. As the residual risk model is used in DCU the likelihood and impact scores will reflect, or take into account, the effect of the current controls on the actual risk under consideration.

The likelihood and impact of a risk is estimated on a scale of 1 to 5 with the possible combined score for any particular risk being a value between 1 and 25. After calculating the residual risk score, the risk is then allocated to one of the three levels of risks as indicated on the following table.

<b>Risk Level</b>	<b>Colour</b>	<b>Residual Risk Score</b>
Low Level Risks	<b>Green</b>	1 – 7
Medium Level Risks	<b>Amber</b>	8 – 15
High Level Risks	<b>Red</b>	16 - 25

Estimating the likelihood of a risk is very subjective as it is rarely possible to predict the future with any certainty. However, some indication of how likely it is that a risk may materialise is required and this can be made by applying the following guidelines.



Level	Likelihood
1	Rare or very remote (20 years and over)
2	Unlikely (10 to 20 years)
3	Possible (5 to 10 years)
4	Likely (1 to 5 years)
5	Certain to occur / already happening / or within one year

The next task is to assess a risk’s potential impact. The assessment of a risk’s impact depends to a large extent upon the context, as a risk’s impact at unit level is unlikely, in most cases, to be the same when it is assessed at a University level. The criteria for assessing a risks impact at a unit level is shown in [Appendix 2](#) and they are used to guide the selection of the appropriate impact level from the following table.

Level	Impact
1	Minor
2	Limited
3	Serious
4	Very Serious
5	Catastrophic

**See [Appendix 2](#) – Impact Assessment Criteria at a Unit Level for definitions of each of the levels of impact to the left**

Please note that the University’s risk process provides for a different set impact criteria from those used in [Appendix 2](#) when the same risk is being considered for inclusion in the Strategic Risk Register.

### **Step 5 – Take Action – Identify Future Controls**

Where the residual risk rating for a risk is deemed too high then additional actions should be implemented to reduce the residual risk to an acceptable level. Risks whose residual risk ratings are low are unlikely to be a priority as resources are always limited and Risk Management endorses the application of limited resources to those risks that require the most attention.

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On reviewing risks managers may find that the controls or measures being applied to manage a particular risk are ineffective or, in some cases, entirely absent. If that is the case then further additional measures should be taken if the residual risk rating is too high.

Where further action is deemed necessary the type of action to be taken will depend upon the circumstances. Examples of the different types of action that might be applied are provided below.

1. *Treat the risk* - apply specific controls that either reduce the risk's likelihood and/or limit its potential impact. An example would be the measures outlined in the previous section on the residual risk approach for the management of a serious fire.
2. *Substitute the risk* - transfer the risk to another organisation or body. An example of this would be the taking out of an insurance policy for the risk of flooding on campus.
3. *Terminate the risk* - where the residual risk is deemed unacceptable, or there are no controls that can be put in place to effectively manage the risk, the only way of reducing the risk may be to cease the activity that gives rise to it.

### **Step 6 – Allocate a Risk Owner**

Where possible, a risk owner should be allocated to each risk on the unit register. The owner will be the individual, or group of individuals, who is allocated the task of managing the risk by ensuring that the current controls are being implemented in practice and/or by developing future controls where necessary.

The allocated risk owner must have the authority and capacity to address the risk and they also need to be made aware of their responsibility for its management. The Risk Register is intended to assist in making this clear to all parties involved in the management of risks.

### **Step 7 – Monitor and Report**

Ideally, over time, the negative risks should be reduced. To effectively monitor and report on this aspect of risk management a process of regular reviews is required. Where it is noted that medium and high level risks are not being reduced from one review cycle to another then an assessment of whether the current controls are effective should be completed by the unit's management. The substitution of the existing controls, or the development of new ones, may be needed.

## **Risk Management Roles**

The roles of all parties in implementing risk management across the DCU Community are described in detail in the University's Risk Management Policy as published on its risk web



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page. Everyone has a role to play in risk management; it is not the exclusive responsibility of any one group or individual.

## Reporting of Urgent Risks

Unit level risk registers are reviewed and updated regularly, usually at least once a year. However, there may be instances where a new risk materialises which, by its nature is urgent and/or serious and it will not have been logged on a unit level risk register to date. In such circumstances, staff members should inform the Risk & Compliance Officer of the existence of the risk after first discussing it with their Unit manager. A decision can then be taken as to how to treat the risk depending on the circumstances in each case.

## Conclusion

Unit risk registers are updated as part of each risk review cycle by the Unit's management and are then fed into a process that culminates with the annual preparation of a Strategic Risk Register (SRR). There are a number of steps involved in developing the SRR and these are primarily the responsibility of senior management across the University, with oversight of that process being provided by the Governing Authority Risk Committee (GARC). Another guide to the SRR process is available on request from the DCU Risk & Compliance unit. See [Appendix 3](#) for an overview of the various parties involved in the SRR process.

As stated in the introduction, the purpose of this guide is to assist managers across the University with the preparation of new risk registers, or the updating of existing registers. Any queries on this should be directed to the University Risk and Compliance Officer.

As a final point, it is worth reiterating that all members of the DCU community have a role to play in risk management generally; it is not the sole responsibility of any one individual or group.

**End.**

## Appendix 1 – Examples of risks in a university context

Please note:

- a) the list is indicative only and is not exhaustive;
- b) a single risk can fall into more than one risk category;
- c) there may be other risks that do not fall into one of the categories set out below; nevertheless, the risk should be recorded on the unit’s risk register.

Risk Category	Typical Examples
<b>Operational</b>	<ul style="list-style-type: none"> <li>• Any event that prevents or disrupts the normal activity of a university unit, e.g. flood damage, relocation, refurbishment of offices, staff disputes, poor staff morale etc.</li> <li>• Any event posing a threat to the health and safety of individuals or groups on campus.</li> <li>• IT issues which affect the delivery of services e.g. these could be related to hardware, software, storage, the general IT infrastructure, network resilience etc.</li> <li>• Dependence on key staff.</li> <li>• Absence of formal succession planning.</li> <li>• Pressures on service delivery caused by the external environment e.g. government policy, education sector constraints, competition from other institutions.</li> <li>• Capacity / quality / ability of the built environment to provide for the delivery of services.</li> <li>• Capacity / ability of staff to deliver on Unit and University goals.</li> <li>• Obsolete or near end of life specialist equipment or facilities.</li> <li>• Outdated or absent crisis continuity plans.</li> <li>• Failure to comply with legal or contractual obligations.</li> <li>• Poor contract management processes.</li> <li>• Unclear or poor understanding of the Unit’s service delivery obligations or aims.</li> <li>• Human error and/or staff performance issues.</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• Insufficient funding to maintain or increase the level of service delivery.</li> </ul>

Risk Category	Typical Examples
	<ul style="list-style-type: none"> <li>• Increasing costs versus decreasing income.</li> <li>• Threats to the University’s research funding model.</li> <li>• Inability to meet budget or performance targets.</li> <li>• Constraints on the ability to increase income on a Unit or University level.</li> <li>• Static central government funding being spread across a greater number of sector wide institutions.</li> <li>• An unsustainable funding model.</li> <li>• Absent or unsuitable funding source for capital or current expenditure commitments.</li> <li>• Onerous financial liability clauses in contractual relationships (research collaborations, employee contracts, pension fund obligations).</li> <li>• Difficulties in obtaining sufficient funding from external providers (e.g. government, research agencies, philanthropists etc).</li> <li>• Adverse changes in international currency exchange rates that expose the University to a financial loss.</li> </ul>
<p><b>Reputational</b></p>	<ul style="list-style-type: none"> <li>• Any event or incident that may potentially damage the University’s reputation.</li> <li>• Dishonest or unethical actions of staff, researchers or students.</li> <li>• Damage to our reputation through association with third parties who act in a dishonest or unethical manner.</li> <li>• Misconduct of staff or students.</li> <li>• Unintentional leakage of Intellectual Property.</li> <li>• Breach of partner confidentiality.</li> <li>• Adverse media attention.</li> <li>• Adverse relationship with media entities.</li> </ul>
<p><b>Strategic</b></p>	<ul style="list-style-type: none"> <li>• Competition in core and sought after markets (particular sectors or geographical areas etc.).</li> <li>• Adverse Government or EU policy that is not conducive to the University’s strategic goals.</li> <li>• Possible deficiencies in the human talent and infrastructural assets available for the pursuit of institutional and unit goals.</li> </ul>

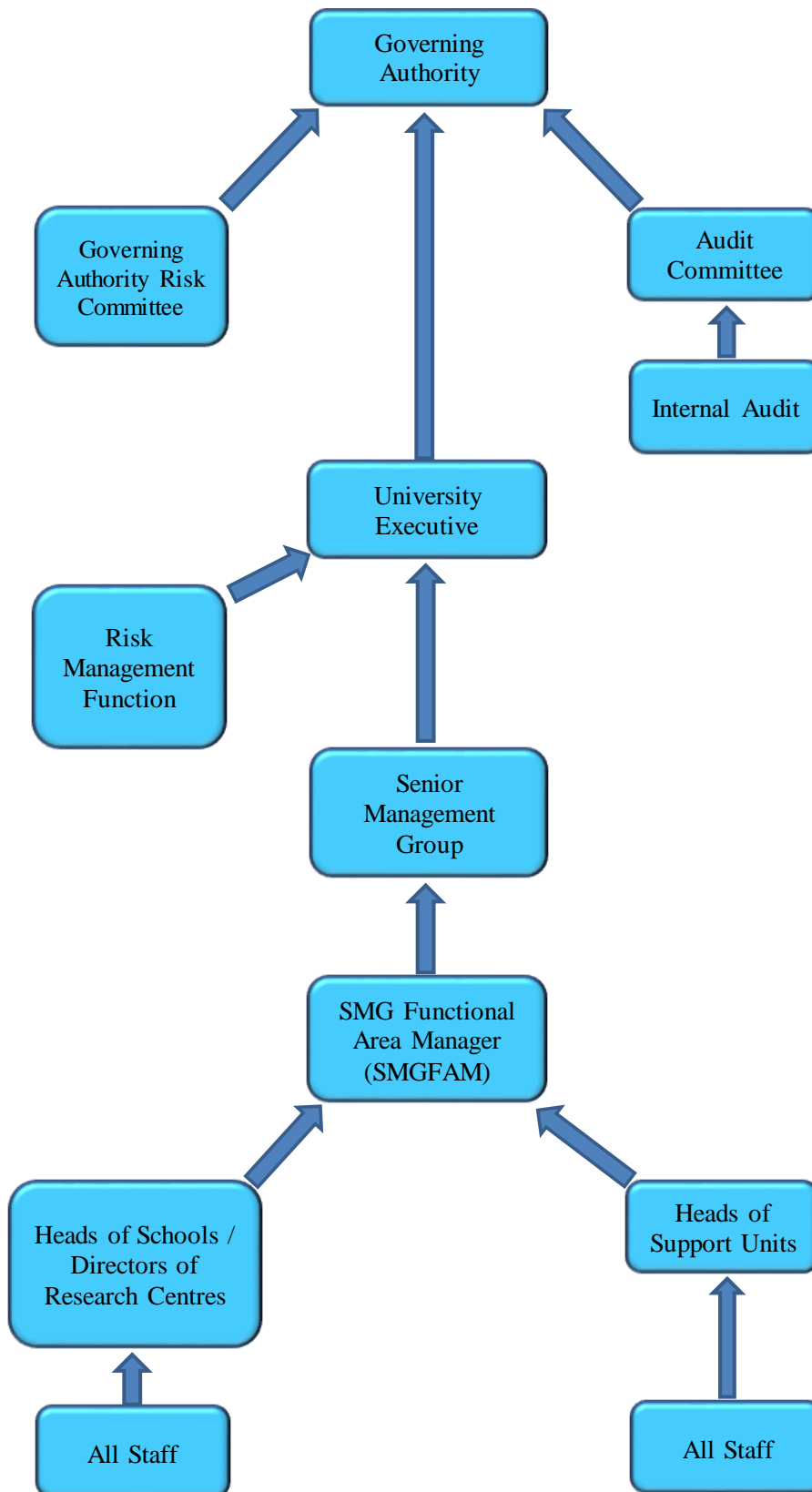
Risk Category	Typical Examples
	<ul style="list-style-type: none"> <li>Increasing demands for services through growth without a similar increase in support to deliver those services (e.g. funding, staffing, change in work practices and management framework).</li> <li>Targets for undergraduate / postgraduate student numbers that cannot be met.</li> <li>Challenges in attracting international students, staff and researchers in sufficient numbers.</li> <li>Difficulties in retaining staff.</li> <li>Non-alignment of operational processes across the institution.</li> </ul>

## Appendix 2 – Impact assessment Criteria at a Unit level

Impact Category	1 Minor	2 Limited	3 Serious	4 Very Serious	5 Catastrophic
<b>Constituent Strategy</b> 1) Research & Innovation 2) Teaching & Learning 3) International 4) Student Experience 5) Engagement	Negligible delay in achieving a strategic objective or initiative of the unit.	Some delay with implementing a strategic objective or initiative at unit level.	Significant delay with implementing a strategic objective or initiative at unit level.	Failure to deliver on one or more of the unit's strategic objectives or initiatives.	Failure to deliver one or more of the unit's mission critical activities and / or strategic objectives.
<b>Operational</b> 1) Physical Infrastructure 2) Unit Effectiveness 3) Health & Safety***	Students/staff aware of problem but impact on them is limited.	Short term disruption to a critical unit activity.	Short term significant disruption to critical unit activities.	On-going & significant disruption to critical unit activities.	Complete shutdown of critical unit activities for an extended period.
<b>Financial</b>	Up to 3% of the unit's annual budget	4% to 10% of unit's annual budget	11% to 15% of unit's annual budget	16% to 20% of unit's annual budget	Greater than 20% of unit's annual budget
<b>Reputational</b>	Unit's reputation not affected	Some negative comments in local press / media about the unit	Critical article in local media or criticism from within DCU senior management regarding the unit.	Continuing & significant negative publicity in local or national media regarding the unit. DCU managerial concern.	Unit loses confidence of the public and / or DCU management.

\*\*\* Due regard is to be given to the Unit's Occupational Health & Safety Hazard and Risk Assessment

## Appendix 3 - Overview of the University's Risk Management Structure



# Appendix 4 – University Risk Appetite Statement

Risk Appetite Range 1-9		Low Appetite			Medium Appetite			High Appetite		
		1	2	3	4	5	6	7	8	9
Approach to Risk		Accepts as little risk as possible and takes a cautious approach towards taking risk			A moderate and informed approach to risk taking			A more aggressive approach to risk taking for increased benefit and to achieve the goals set out in the DCU Strategic Plan 2017-2022 - Talent, Discovery and Transformation		
1 Strategic		Key Activities								
1.1	Research & Innovation	* Unethical Conduct			* Academic Programme Development Research & Training			* International Research Collaborations and Partnerships		* Attracting High Performing Research Staff & Students
1.2	Teaching & Learning	* Academic Standards & Integrity  * Quality of Teaching & Learning Design						* Linkages with Industry/Partners  * Transnational Education & Partnerships		* Teaching Learning & Innovation  * On Line Learning Environment
1.3	Internationalization	* Alignment to University values			* Trans-National Education Development			* Academic Linkages & Strategic Partnerships		* Organisational Change to Optimise Performance
1.4	Student Experience	* Overall holistic approach to Student Experience			* Academic Programme Enhancement & Engagement			* Coherent & Integrated Multi Campus Experience		* Student Transition Support Services
1.5	Engagement	* DCU Brand & Reputation in Local Communities and Regional			* Engagement with Alumni			* Enterprise Engagement Strategy with our 4 primary communities - Local / Regional / National / Global		
2	Operational									
2.1	Physical Infrastructure & Operational	* Fit for Purpose Physical Infrastructure  * Cyber Risks			* Enabling Technologies and Connectivity			* Strategic Infrastructure Investment		* Multi Campus Environment  * Multi Campus Infrastructure
2.2	Health and Safety	* Staff & Student Health & Safety Compliance			* Environmental Safety			* Sustainable Operations		
3	Financial	* Compliance with Policies, Standards, Legislation & Relevant Government Directives			* Stewardship & Reporting			* Financial Sustainability		
		* Strategic Investment Opportunities			* Philanthropic Engagement			* Non-Exchequer Income Generation Plan		
4	Reputational	* Reputation, DCU Brand, Ethical Standing, Professional Standards and other Legislative Compliance			* Alignment with DCU Values and the DCU Community					

Risk Appetite Table Layout - Charles Sturt University