

# Risk Management Report

CCEA's risk management policy was approved by the Council in 2000. The policy has been developed in the light of experience and new requirements on CCEA as a public sector body. A Risk Management Process Manual also evolved from this policy. The manual has been developed to reflect all aspects of the risk management framework within CCEA. The manual is a living document that will be continually developed and updated in line with the evolution and development of the Risk Management system in CCEA and in harmony with the ISO Risk Management Procedure.

## Risk Management Defined

Risks may be defined as anything that threatens the achievement of an organisation's objectives. Within CCEA, the corporate risk management system is defined as:

***The way in which CCEA anticipates and counteracts any occurrences that could threaten the achievement of its corporate objectives.***

It is founded on the principles of simplicity, transparency, accountability and improvement. A comprehensive, fully integrated and robust risk management process will enable CCEA to ensure that:

- objectives are more likely to be achieved;
- bad things will not happen or are less likely to happen; and
- good things will be or are more likely to be achieved.

Risk Management is not a process for avoiding risk. When used well, risk management can actively encourage an organisation to take on activities that have a higher level of risk, because the risks have been identified and are being well managed, so the exposure to risk is both understood and acceptable.

## Overview of the Risk Management Process

The key stages of CCEA's risk management process are:

- Confirm CCEA's corporate and key operational objectives;
- Identify the risks associated with those objectives;
- Assess the level of those risks;
- Establish controls and measures to reduce or eliminate the risks;
- Regularly evaluate and challenge these controls to ensure that the risk is being

- managed effectively and in a cost-effective manner;
- Introduce additional controls to reduce the risk further, if required; and
- Monitor the management of risks at all levels across the organisation and report on this to the appropriate authority.

## Stakeholders

There are internal and external stakeholders of the Risk Management process in CCEA.

Internally all staff, the Audit and Risk Committee and Council are stakeholders. They all contribute to and benefit from a robust and effective risk management system. Externally the main stakeholders are the Department of Education, Schools and Colleges, Students, Parents, Teachers, ELBs, Internal Audit, NIAO, Employers and the public. All the stakeholders associated with CCEA's core business and work in education are also stakeholders of its risk management system. They all benefit from the achievement of CCEA's objectives as detailed in the Corporate and Operational plans, and this is itself dependant on the operation of a living and effective risk management system.

## CCEA's Risk Management Framework

The process of reviewing and managing risk has been integrated into the everyday workings of CCEA's main business through the alignment in Education Services of risk management with the cyclical review of examinations and assessments which is undertaken each year. Risk management is used to assess potential weaknesses and problems in the examination and assessment processes. It is also used to identify examples of best practice across business units which are useful in planning resources and improvements for the following year.

The risk management process includes:

- quarterly meetings with all risk owners in support of stewardship reporting exercises;
- advice and guidance in relation to areas of concern where risks have or nearly have materialised;
- evaluation of risk ratings and mitigation measures;
- identification of risks for new areas of work; and
- identification of the potential for fraud and appropriate mitigation to address the risk of fraud.

Following a review of the Corporate Risk Register and the risk management framework in August 2003 to ensure CCEA was adopting best practice, comprehensive research and benchmarking in best practice took place. The

result was a new risk management framework in CCEA comprising a hierarchy of risks:

- Corporate/Strategic Risks: those that threaten the achievement of CCEA's corporate goals. To date 12 Corporate/Strategic risks have been identified.
- Business Risks: those that have the potential to impair the delivery of CCEA's services. To date 92 Business risks have been identified.
- Operational Risks: those that have the potential to affect the delivery of an activity. To date 490 Operational risks have been identified.

Each year CCEA undergoes a review of its risk management arrangements. This is undertaken by our outsourced internal audit function. Each year we have set targets to improve our levels of assurance in this review and the table below demonstrates our improvement each year in reducing the number of priority one (major) recommendations. We continue to work towards reducing the number of priority two (important) recommendations.

**Internal Audit Recommendations on Risk Assurance 2000 to 2010**

