



Ministry of Education, Heritage & Arts

**MINISTRY OF EDUCATION
RISK MANAGEMENT
POLICY**

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1.0 POLICY OBJECTIVE

The purpose of this policy is to provide clear procedures and guidelines to all sections of the Ministry of Education, Heritage & Arts (herein after referred to as MoEHA) with a standard process to identify, analyse, evaluate, mitigate and monitor the key strategic and operational risks impacting on the MoEHA's vision. The aim is not to eliminate risk, but to manage the risks involved to maximise opportunities and minimise negative outcomes. This will grant assurances to integrate and align risk management system, ensure continuous review and improvement of risk assessment and management of processes.

2.0 POLICY

- 2.1 The MoEHA shall pro-actively identify and manage its risks and opportunities at all levels.
- 2.2 All section heads shall adopt risk management strategies into organizational governance structures, key strategic processes and decision making processes at all levels in order to achieve the fundamental benefits from embracing practical management.
- 2.3 All activities related to risk management shall be integrated and aligned with the strategic direction, operational and financial planning processes within MoEHA.
- 2.4 The development of a culture and environment where MoEHA officers assume responsibility for managing risks shall be supported by immediate supervisors.
- 2.5 The MoEHA shall recognize that risk management is an integral function of an effective service delivery and is not an isolated activity.
- 2.6 All section/unit heads shall demonstrate a high level of awareness, acceptance and support risk management.

3.0 BACKGROUND

3.1 Introduction

3.1.1 Due to the increasing expectations from the stakeholders, the operating environment in the field of education is becoming more complex. This increases the exposure to risk and therefore can be reduced by Risk Management. The MoEHA faces numerous risks that have the potential to disrupt the organisation from achieving its strategic and operational objectives.

3.1.2 Risk Management is the systematic application of management policies, procedures and practices to the tasks of identifying, analysing, assessing, treating and monitoring risk. It is not just about identifying risks, it is about learning to understand and weigh the level of the risk or the criticality of the risk. Criticality is obtained by combining the likelihood of being exposed to a risk and the consequences of the risk.

3.2 Rationale

3.2.1 MoEHA aims to use risk management strategies to identify risk, the actions to mitigate it and improve its decision-making process.

3.2.2 MoEHA is committed to embedding risk management principles and practices in how the organisation provides services especially in the following areas:

3.2.2.1 Organizational culture,

3.2.2.2 Decision making processes,

3.2.2.3 Business information systems,

3.2.2.4 Strategic and operational planning of programs and activities, and

3.2.2.5 Business and financial processes.

4.0 DEFINITIONS

4.1 Risk

The chance of something happening that will have an impact on the achievement.

4.2 Risk Management

The coordinated activities that are directed towards realising potential opportunities whilst managing adverse effects in order to improve the achievement.

4.3 Impact

Refers to an assessment of the adverse effect of the risk occurring. Commonly used in risk analysis as one part of the assessment of a risk, the other being likelihood.

4.4 Strategic risk

Those risks, expressed in broad terms, which are the major risks to institutional performance and health and the achievement of the strategic plan.

4.5 Consequence

Outcome or impact of an event.

4.6 Likelihood

Used as a general description of probability or frequency.

4.7 Loss

Any negative consequence or adverse effect, financial or otherwise.

4.8 Monitor

To check, supervise, observe critically or measure the progress of an activity, action or system on a regular basis in order to identify change from the performance level required or expected.

4.9 Risk Analysis

Systematic process to understand the nature of and to deduce the level of risk.

4.10 Operational

Those risks that may affect the day-to-day operation of an academic or central service unit.

4.11 Risk Assessment

The overall process of risk identification, risk analysis and risk evaluation.

4.12 Risk Evaluation

Process of comparing the level of risk against risk criteria.

4.13 Risk Identification

The process of determining what, where, when, why and how something could happen.

4.14 Stakeholders

Those individuals and organisations who may affect, be affected by, or perceive themselves to be affected by a decision, activity or risk.

5.0 RELEVANT LEGISLATION AND AUTHORITIES

5.1 The Constitution of the Republic of Fiji - 2013

5.2 Education Act, 1978

5.3 Public Service Code of Conduct, 1999

5.4 General Order, 2011

5.5 Financial Management Act, 2004

5.6 MoEHA Financial Manual, 2013

6.0 PROCEDURES

6.1 Identify risks and opportunities at all MoEHA levels.

6.1.1 On a quarterly basis, each MoEHA Section/Unit/Sub-unit shall identify and list the potential risk factors that may hinder the achievement of its objectives. Risk profile is an essential element for a successful risk management programme.

6.1.2 The cause surrounding each risk factor identified shall be clearly listed and analysed.

6.1.3 The control factors that are initially in place to reduce the extent of risk from occurring shall be identified and the necessary step undertaken to reduce the impact.

6.1.4 The risk factors shall be categorised under Low, Medium and High risks where practical decisions shall be made by the relevant authorities as to whether the activity/process is to proceed. This will ensure that risks are identified.

6.2 Risk Management at Strategic Level

All MoEHA section/unit heads shall institute sound risk management culture and practices to:

6.2.1 Proficiently achieve strategic objectives;

6.2.2 Improve governance and accountability;

6.2.3 Increase the ability of the section/unit as a whole and to protect them from adverse situations.

6.2.4 Improve decision making process towards the management of uncertainties.

6.3 Risk Management - An integral part of MoEHA Sections/Units

6.3.1 Risk management practices has to be practical and adopted into organizational governance structures and strategic processes at all levels. This can be achieved through:

6.3.1.1 Alignment of MoEHA functions, systems and processes with risk management strategies. Effective and efficient management of all risks and opportunities to protect and enhance the values of MoEHA.

- a. Provision of sound risk management practices to enhance the quality of decision making and protect governance and accountability principles.
- b. Promotion of prudent financial management practices.
- c. Effective allocation and use of organizational resources to achieve organizational objectives.

6.4 Responsibilities

6.4.1 MoEHA Officers

6.4.1.1 All MoEHA Officers have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy.

6.4.1.2 All reasonable measures shall be taken by each officer to manage events that have the potential to prevent MoEHA from achieving its objectives and to ascertain that operations, assets and reputation are safeguarded.

6.4.2 Section/Unit Heads

6.4.2.1 All Section/Unit Heads shall be responsible for incorporating risk management into their standard management practices by:

- 6.4.2.1 identifying and determining appropriate actions to address operational and business continuity risks within their jurisdiction in accordance with MoEHA policies and procedures;
- 6.4.2.2 documenting risk management processes by developing and maintaining a register of risks (**Appendix 1**);
- 6.4.2.3 implementing actions with respect to risk management as directed by the PSE
- 6.4.2.4 upward reporting of significant emerging or residual risks;
- 6.4.2.5 ensuring the inclusion of risk management responsibilities in duty statements, induction, professional development and performance management processes for all officers under their charge.
- 6.4.2.6 implementing and maintaining sound risk management processes and structures within their area of responsibility in conformity with this risk management policy.
- 6.4.2.7 approving major policies in relation to risk management.
- 6.4.2.8 approving major decisions affecting the MoEHA's potential risk areas (**Appendix 2**)

6.4.2.9 reviewing and improving policies and procedures on a regular basis to ensure their currency and effectiveness.

6.4.3 In order for the PSE to be properly informed of the status of risks facing respective sections, section/unit Heads are required to update report on risks assessed and progress with respect to their management.

6.4.4 Reports are to be tabled to the Senior Staff Management Meeting on a monthly basis, utilising an appropriate reporting procedures that details all identified significant risks with appropriate risk level.

6.4.5 The monthly report will be reviewed by the PSE in terms of endorsing the actions undertaken or proposed by the SSM/Senior Management Group (SMG) in terms of the appropriateness of actions and compliance with this Risk Management Policy.

6.5 Compliance and Monitoring

6.5.1 The Section/Unit heads shall be responsible for the development and provision of risk management awareness training as well as specific training and education programs in their respective sections.

6.5.2 The Section/Unit heads shall support risk management through periodic independent review of risk management practices and procedures to provide assurance on their efficiency and relevance.

7.0 GUIDELINES

7.1 The Section/Unit heads are responsible for providing leadership and direction, for establishing a context which fosters a risk management culture that needs to be integrated during the planning, implementation and reporting of major ventures at all levels.

7.2 MoEHA recognises that risk management is a crucial component of corporate governance and is working to integrate it into its strategic, operational and business planning at all levels throughout the organisation as part of its routine management and decision making processes.

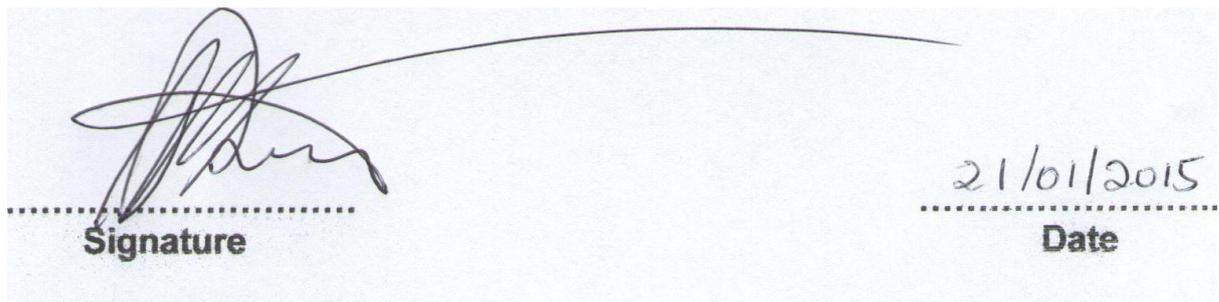
8.0 EFFECTIVE DATE.....20th January, 2015.

9.0 REVIEW DATE.....20th January, 2016.

10.0 KEY SEARCH WORDS

Risk Management, Risk Analysis, Risk Assessment, Risk identification, Risk Management Culture

**11.0 APPROVED BY THE HONORABLE MINISTER FOR EDUCATION,
HERITAGE & ARTS DR. MAHENDRA REDDY**



A handwritten signature in black ink is written over a horizontal dotted line. Below the signature, the word "Signature" is printed in bold. To the right of the signature, the date "21/01/2015" is handwritten in black ink. Below the date, the word "Date" is printed in bold.

APPENDIX 1
MoEHA RISK REGISTER TEMPLATE

Section : _____

Unit : _____

Risk no.	Date identified	Risk Description	*Likelihood	**Impact	Control Measures	Risk Owner
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						

***Likelihood** : almost certain, likely, possible, unlikely, rare

****Impact** : extreme, high, medium, low or very low priority

A scale to assist with determining likelihood is provided below:

Likelihood	Description	Indicative probability
Almost certain	This event is expected to occur in most circumstances.	Once per month
Likely	This event will probably occur in most circumstances.	Once every 3 months
Possible	This event might occur at some time.	Once every 6 months
Unlikely	This event could occur at some time.	Once every 1 year
Rare	This event may occur in exceptional circumstances.	Less than once every 2 years

APPENDIX 2
MoEHA's Potential Risk Areas

Type of Risks	Common areas
Governance and Management Risk	<ol style="list-style-type: none"> 1. MoEHA Sections/Units lacks direction and forward planning. 2. Senior managers lack relevant skills and commitment. 3. Governing body dominated by one or two individuals or by connected individuals. 4. Senior managers benefitting personally for the organisation. 5. Organisational structure difficulties. 6. Loss of key Senior members and key staff 7. Accuracy, timeliness and relevance of reporting to Senior Management.
Operational Risk	<ol style="list-style-type: none"> 1. Contract/Service level agreements. 2. Service user satisfaction 3. Project or service development 4. Competition 5. Suppliers 6. Capacity and use of resources and assets. 7. Security of assets. 8. Employment 9. High staff turnover 10. Volunteers (National Employment Center Officers) 11. Health, safety and welfare 12. Systems documentation 13. Information and communication technology. 14. Emergencies and Disaster planning.
Financial Risk	<ol style="list-style-type: none"> 1. Budgetary control and financial reporting. 2. Cash flow sensitivity 3. Dependency on income/revenue resources 4. Financial audit
Compliance Risk	<ol style="list-style-type: none"> 1. Lack of compliance with legislation and regulation. 2. Regulatory reporting requirements. 3. Taxation. 4. Professional advice.
Environmental Risk	<ol style="list-style-type: none"> 1. Public perception. 2. Adverse publicity 3. Relationship with donor agencies 4. Demographics 5. MoEHA policies.