

Oireachtas Update



The Committee on Finance, Public Expenditure and Reform will meet this week to discuss the Review of the Annual Growth Survey 2013. The Dáil has been adjourned until Tuesday, April 16 2013. The Seanad has been adjourned until Wednesday, April 17 2013.

News and public sector appointments

Appointment to the Council of the Pharmaceutical Society of Ireland

The Minister for Health, Dr James Reilly TD, has invited expressions of interest from suitably qualified and experienced persons interested in being appointed to the Council of Pharmaceutical Society of Ireland (PSI).

This invitation comes as part of the decision to widen the opportunity for board membership of State Bodies.

The successful candidates will take up the position of member of the Council of Pharmaceutical Society of Ireland (PSI) after May 25 2013 when the term of office of 5 Council members (non pharmacist) appointed by the Minister under Section 10(3) (d) and (e) of the Pharmacy Act 2007 will be terminated.

Those interested in applying should hold qualifications,

expertise, interests or experience which would enable them to make a substantial contribution to the performance of the Society's functions. In addition, potential candidates cannot be or ever have been registered as a pharmacist, pharmaceutical chemist, dispensing chemist and druggist either in Ireland or any other country.

Interested applicants should register an Expression of Interest through the Public Appointments Service at www.publicjobs.ie no later than Thursday April 18 2013.

The PSI is an independent statutory body, established by the Pharmacy Act 2007. It is charged with the effective regulation of pharmacy services in Ireland, including responsibility for supervising compliance with the Act.

Public sector risk management: Are you managing?



*In this article **Corné Mouton** offers advice for devising an effective risk management system*

Risk management has in recent years emerged as an essential management tool for the majority of public sector organisations in Ireland. A number of factors have contributed to an increased emphasis on risk management, including high profile organisational failures, changes in the economic environment and publication of clearer guidelines in respect of risk management in the Code of Practice for the governance of State bodies and other similar guidelines.

Public sector organisations globally are now facing the same major challenges, including cost pressures, staffing and skills shortages, demands for improved services and meeting efficiency targets. The importance of effective risk management is therefore heightened.

To ensure an effective risk management framework is in place and embedded in any organisation, a number of key risk management components require consideration. These are highlighted below.

Align risk management objectives to organisational objectives

In any organisation, there should be a direct relationship between objectives, which are what an entity strives to achieve, and risk management components, which represent what is needed to achieve them. Risk management initiatives should be integrated with other management processes to support management decision-making rather than operating as a pure compliance function.

Develop a risk management policy and framework

The risk management policy should clearly describe:

- Risk management objectives and risk appetite;

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Public Affairs
Ireland
25 Mountjoy
Square East
Dublin 1

Tel: 01 8198500
Fax: 01 8944733
E: info@publicaffairsireland.com
www.publicaffairsireland.com
twitter.com/publicaffairsir



- Structures and responsibilities in place, including roles and responsibilities for risk management at different levels in the organisation; and
- Risk management processes and tools in place, including reference to the risk register, risk reporting, frequency of risk activities and available guidelines.

The Board should oversee the risk management framework

The Board of any Public Sector organisation should approve the risk management policy and framework in place and then monitor its effectiveness by:

- Keeping risk management as a standing item on the Board agenda;
- Assuming responsibility for risk management at Board level or including this as part of the responsibilities of sub-committees (such as the Audit or Risk Committee);
- Ensuring Board and sub-committee members have adequate risk management expertise;
- Appointing a chief risk officer;
- Annually approving the risk management policy, risk appetite, business plan and risk register;
- Reviewing risk reports, material risk incidents and noting/approving required actions; and
- Periodically reviewing the effectiveness of the risk management framework.

Clearly define risk management responsibilities

At each level of the organisation, risk management responsibilities should be clearly defined. The Board should be supported by Senior / Executive Management and the Chief Risk Officer to ensure development and implementation of the risk management framework, and the effective identification, prioritisation and management of risks. Risk owners should be responsible for managing individual risk while staff in general have a role in ensuring that the control environments continue to operate consistently and that risk incidents are reported.

Consider the appropriate risk management tools

The risk management framework in place should include utilisation of risk management tools such as:

- A risk register – to record and categorise risks, assess the impact and likelihood of each risk, identify the current controls in place, allocate risk owners and prioritise required actions based on residual risks;
- Risk management business plans – detailing the required future actions necessary to manage risk at an appropriate level;
- Risk management policy – includes risk management objectives, risk appetite, structures and responsibilities in place, risk management processes and tools in place;
- Risk reports – refers to the risk monitoring and reporting arrangements in place;
- Specialist knowledge / published guidelines – arrangements for ensuring risk management activities are aligned to and in compliance with current guidelines and good practice in similar organisations.

Risk assurance

An effective risk management system should also ensure that assurance is obtained over whether responses put in place to manage and control identified risks, are effective. The Internal Audit function has a leading role in providing assurance over the adequacy of controls across a range of risk areas. Assurance can also be obtained directly from management or from other assurance functions in place.

In conclusion, the last number of years has served as a warning to public sector organisations: get risk management wrong and you are just one step away from disaster. As a result, the Irish public sector has moved risk management to the top of its agenda, and should now focus on reaching a level of maturity where a robust risk management framework is in place and can be relied upon to reasonably identify key threats to the organisation, as well as the appropriate responses. Risk management should not be seen as a single event, but is a continuous process requiring regular evaluation, assurance and improvement.

Corné Mouton is a Partner within the Mazars with particular responsibilities in the areas of corporate governance, risk management, internal audit, IT audit,

Oireachtas Schedule: Week beginning April 8

Committee Meetings

Wednesday 10

2 pm
Finance, Public Expenditure and Reform

Committee Room 4, Leinster House

AGENDA:

Review of the Annual Growth Survey 2013
[European Commission Representation in Ireland]

Thursday 11

10.15 am
Implementation of the Good Friday Agreement

Committee Room 4, Leinster House

AGENDA:

(i) Exploring education as a tool for empowerment and overcoming social disconnection
[Minister for Education and Skills]; and
(ii) Reflection on the past 15 years since the signing of the Good Friday Agreement and looking towards the future
[Mr P. Sheridan, Chief Executive, Co-operation Ireland and Mr Neil Jarman, Director, Institute for Conflict Research]