Ref.: 2017-02-D-21-en-2

Orig.: EN

Risk Management in the European Schools

BOARD OF GOVERNORS of the European Schools

Meeting on 4,5 and 6 April 2017 - Berlin

Introduction

The European Schools have started In December 2015 a project to put in place a formal risk management system and since then report regularly - either only orally or supported by a report - about the progress made in the meeting of the Budgetary Committee and Board of Governors.

The aim of the project is to put in place a risk management system in the Schools and the Office of the Secretary-General (OSG) that serves as management tool, is linked to objectives and helps the Management Team to monitor risks, prioritize and follow up activities.

The risk management system shall cover all activities of the Schools and the Offices – pedagogical and administrative ones.

Activities since November 2016

The generic risk register – originally consisting of 32 risks – was drastically summarized and reduced to a register of the Top 10 European Schools' risks. This work took into account the risk registers prepared in January and updated in September 2016. The outcome is presented on the following page.

The risks are presented in the order of importance /significance the Schools[1] have given to them. However the evaluations are not yet included in this report. They will be added at a later stage.

This register is now the basis for our activities in 2017. A workshop with Directors and Bursars is foreseen to discuss the assessment of these risks and to define action plans. At the level of the OSG we will also analyse the risks, define our position and central action plans.

 As to the risk register of the OSG it is foreseen to differentiate between risks stemming from normal business activities and others arising from new activities or projects.

We will keep the Budgetary Committee and Board of Governors updated about the progress made.

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[1] 8 Schools have to date assessed the Top 10 risks. The others have presented risk registers in the Administration Board in January/February 2017, but still based on the 32 generic risks.

European schools top 10 risks

as per 20.03.2017

N°	Risk Category	Risk Title	Risk Description
8	Staff Risk	Insufficient number of administrative staff	The administrative departments, which are staffed with a very limited number of employees face constantly increasing demands (SAP, IPSAS, segregation of duties etc.). This leads to - employees fulfilling tasks they were not employed for - Inability to set up replacement plans - Extra-budgetary accounts cannot be managed according to requirements - frustration - burn-out and absences - backlogs and overtime hours.
7	Staff Risk	Difficulties in the recruitment of teachers	- Seconded teachers: member states don't fulfil their requirements regarding secondments - Locally recruited: Package (payment, duration of contract etc.) does not attract a sufficient number of teacher - Current cost-sharing agreement is not working This endangers the high quality of education provided by the ES. It may also lead to a loss in reputation.
9	Strategic Risk	Consequences of Brexit decision	UK-vote of June 2016 may lead to - a withdrawal of UK teachers - necessity to find an enormous number of qualified, English-speaking locally recruited teachers. It may put in danger ES high quality of teaching, given the number of pupils choosing EN as language 1 or 2.
1	Financial Risk	Weaknesses in Financial Management processes	- SAP is still not working fully and or bears weaknesses (foreign currency payments, some reporting, errors from upload) - Segregation of duties not fully in place - Lack of harmonization in planning and reporting processes - Clear guidelines for extra-budgetary accounts are not in place - Uncertainty about new financial governance structure These weaknesses may lead to: - Errors and fraud - Dissatisfaction of major stakeholders (e.g. European Parliament) - Constantly increasing number of IAS recommendations - Uncertainty in accounting teams
3	Operational Risk	Increasing dependence on IT and telecommunication	- Dependence on IT and telecommunication services is constantly growing. This increases the risk of disruption of services and attainability in case of an emergency - Increased centralisation of IT services increases dependence on quick central support and makes it difficult to solve problems locally.

Continued

N°	Risk Category	Risk Title	Risk Description
10	Strategic Risk	Development of pupil numbers	1) The number of pupils exceeds the size of the school because cat. I pupils increase on a yearly basis. Plans for a new school or building advance only slowly. Thereby the teaching quality suffers, the risk of accidents increases, problems of supervision may arise and bulling between pupils increase. 2) The number of pupils decreases because - the European organisation that was once the reason for creating the ES is downsized - there are other high quality schools in the area or - the school is at a disadvantageous location. This threatens the ability of the school to fulfil its mission.
4	Operational Risk	Delays in renovation and provision of buildings	The hosting countries, being responsible for the renovation and equipment of school buildings and sites delay urgent works. The necessary new buildings are provided too late. This puts the security and safety of pupils and teachers at risk. Teaching quality may suffer and bulling increase. The reputation of the ES may suffer.
6	Pedagogical Risk	Teaching hours lost because of absent teachers	On a yearly basis a huge number of teaching hours is lost due to absent teachers (for various reasons). This leads to the risk that - pupils miss important parts of their subjects - Pupils are left without supervision; this causes a risk of safety - for the management of the school it is difficult to run the school on a day-to-day basis.
2	Operational Risk	Insufficient security measures	The security measures taken are insufficient to prevent and to protect pupils and teachers: - lack of security infrastructure - no security service outside of school hours - increasing danger for pupils and teachers in public places The consequence could be - undesired intrusion into the school (terrorist attack, kidnapping etc.)
5	Pedagogical Risk	Lack of harmonization/coherence between sections	Inconsistencies in approaches and syllabi, but also in the assessment and treatment of pupils may lead to problems at all levels of the school, but particularly at the level of the Baccalaureate. This may negatively effect the reputation of the ES.