



Schola Europaea

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Risk Management in the European Schools

BOARD OF GOVERNORS of the European Schools

Meeting on 17 - 19 April 2018 - Tallinn

Introduction

The European Schools have started in December 2015 to put in place a formal risk management system and since then report regularly 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 December 2017 – Schools and Office of the Secretary-General

In December, we presented the risk register with the European Schools' top five risks in pedagogy, the average assessment of the Schools and the foreseen action plans.

Below you will find the full risk register of the Schools' top 10 risks in pedagogy and finance/administration. In most Schools, the pedagogical risks remained unchanged from the presentation in December 2017.

The most important risks are:

- Difficulties in the recruitment of locally recruited teachers: This is an important concern in most Schools, particularly important in the Brussels and Luxembourgish Schools and Karlsruhe. Possibilities to take action from school side are limited.
- Insufficient number of trained administrative staff: The administrative departments had and still have to cope with many changes (e.g. implementation of SAP, application of accruals based accounting, segregation of duties and currently to implementation of the new governance structure). This is why all Schools have assessed this risk as at least medium or even high. The risk is a particular important topic in Schools where these changes or other circumstances led to long-term absences, contract cancellations or loss of management experience.
- Development of pupil numbers in the Brussels Schools (constant increase): The Secretary-General presented figures related to this risk in the November meeting (agenda topic: "Situation of the Brussels European Schools"). It will remain important until a 5th School will be available in Brussels.

We have also worked on a risk register for the Office of the Secretary-General. You will find the top five risks, currently all in the area of finance and administration - below. The most important ones are:

- Unfilled management positions: Given that the position of Head of HR and Central Accounting Officer are vacant since months this risk is almost certain. The impact becomes more and more important. Action plans will be proposed in different items on the agenda of the meeting.
- Difficulties in retaining and recruiting highly qualified and specialized AAS: The current package of salary and benefits is becoming less and less attractive for highly specified AAS. Valuable staff members leave the Office of the Secretary-General and recruitment procedures do not attract highly qualified candidates, many procedures go into a second round.
- Cost balance between member states and EU institutions in danger: The number of seconded teachers is decreasing since years. To compensate the Schools hire locally recruited teachers at the cost of the EU institutions. This increases their budget unnecessarily and makes budget discussions very difficult.

European schools top risks - update 21.02.2018

Risk levels	
1- 4	The risk is under control and represents no immediate threat or impact.
5-19	Medium risk, needs managing and monitoring but there is no immediate threat which would have a significant impact.
20-25	High level risk, should be constantly monitored and managed

N°	Objectives	Risk Category	Risk Title	Risk Description	Risk Response	Action Plan	Average Assessment t
						Description	
1	- Apply sound financial management in planning, monitoring and implementing the budget; - Define, set-up, maintain and report on an effective and reliable internal control system.	Financial Risk	Weaknesses in Financial Management processes	<p><u>REASONS:</u></p> <p>Still existing weaknesses in SAP:</p> <ul style="list-style-type: none"> - Roles for segregation of duties not yet fully in place (IAS report on SAP controls May 2017); - Adoption of asset retirement process necessary (IAS report on SAP controls May 2017); - Possibility to define payment terms in SAP is not used, risk of too early/too late payments (IAS report on SAP controls May 2017); - Necessity to adopt customer invoice process to requirements of FR (validation by AO only in block, not on invoice level); <p>Other than SAP:</p> <ul style="list-style-type: none"> - Lack of a monthly reconciliation between SAP and balance on bank accounts (IAS report on SAP controls May 2017); - Necessity to update guidelines on segregation of duties (IAS report on SAP controls May 2017); - Update of the Inventory outstanding (reconciliation between physical and accounting inventory); - Lack of harmonization in planning and reporting processes; - Clear guidelines on the handling of extra-budgetary accounts are outstanding (especially in relation to school trips) (IAS report on Treasury and Revenue Management November 2015); - Uncertainty about new financial governance structure. <p><u>CONSEQUENCES:</u> This may lead to:</p> <ul style="list-style-type: none"> - Higher risk of errors, mistakes and/or fraud and the risk of a negative reputation for the ES - Misuse of appropriations of the budget - Continuous remarks from the CoA - New and overdue recommendations of IAS - Increased workload for transactions and controls - Ineffective monitoring - Uncertainty in accounting teams 	Reduce	<p><u>School:</u></p> <ul style="list-style-type: none"> - Review the role of the Key User (chain of information and dissemination process between members of staff). - Implement SAP improvements at School level (Authorizations, new workflows) <p><u>OSG:</u></p> <ul style="list-style-type: none"> - Implement necessary developments in SAP as soon as amending budget 2017 is approved; - Update guidance on segregation of duties; - Define changes in processes necessary for the centralization of governance. <p><u>OSG and Schools:</u></p> <ul style="list-style-type: none"> - Implement action plan to remediate recommendations of IAS audit on SAP controls according to foresee time schedule. 	12

N°	Objectives	Risk Category	Risk Title	Risk Description	Risk Response	Action Plan	Average Assessment
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2	<ul style="list-style-type: none"> - Ensure a secure school environment; - Find the correct balance between security measures and their financial implications and our core business of educational provision 	Operational Risk	Insufficient security measures	<p><u>REASONS:</u></p> <ul style="list-style-type: none"> - Lack of security infrastructure e.g. fences, perimeter lightening system); - Busses not secured during night; - Lack of promised screening of external employees; - Implementation time for security measures is too long. <p><u>CONSEQUENCES:</u> This may lead to:</p> <ul style="list-style-type: none"> - Terrorist attack, kidnapping, undesired intrusion in the School => reputational damage to the system and or the individual school; => criminal proceedings against the Director/Secretary-General as a result; => loss of life or Injury of members of the school community; => valuable items stolen or damaged; => reduction in enrolment due to parental concerns over the security situation; => Loss of suitable qualified staff due to concerns over the security issue. 	Reduce	<p>School:</p> <ul style="list-style-type: none"> - Continue to raise the awareness of the actions taken and the responsibility of all members of the community to contribute to the increased security of the school; - Conduct staff training, drills, evacuation and lockdowns; - Develop/update Internal Emergency Plan; - Implementation of recommended security measures. <p>Belgian Schools and OSG:</p> <ul style="list-style-type: none"> - Harmonization of the access policy to school sites (electronic badges, screening). 	11
3	<ul style="list-style-type: none"> - Deploy, maintain and monitor a standardized, reliable and secured IT infrastructure (Network, Hardware, Software) 	Operational Risk	Increasing dependence on IT and telecommunication	<p><u>REASONS:</u></p> <ul style="list-style-type: none"> - Dependence on IT and telecommunication services is constantly growing; - Increased centralization of IT services. <p><u>CONSEQUENCES:</u></p> <ul style="list-style-type: none"> - disruption of services and attainability in case of an emergency - IT services do not fulfil the needs of the school community (teachers, parents, pupils, administration, etc.) - dependence from quick central support and difficulties in solving problems locally 	Reduce	<p>School:</p> <ul style="list-style-type: none"> - Create an IT steering group in the school; - Plan IT issues/projects properly in the Annual school plans and improve the communication about IT issues; - Evaluate IT tools regularly in order to improve or replace them (specify Schools-specific tools that would need to be evaluated); - Ensure that all staff are aware of clear procedures (who should contact the service desk, the KU, the SKU, etc.); - Develop local IT knowledge and skills (KU, SKU, ICT technicians) (specify for which IT applications you have foreseen further training). <p>OSG:</p> <ul style="list-style-type: none"> - Improve service desk: => implement a ticketing system (end 2017); => implement regular audit reports (number of tickets, tickets open, tickets closed, average time to respond, end 2017); => recruit another colleague (temporary as of 1/1/2018); - Issue a memorandum on the hierarchy of communication (SKUs, KUs etc.), end 2017; - Training for SKUs, KUs and IT technicians (on-going); - Progress with project of Master Data Management (long-term). 	14

N°	Objectives	Risk Category	Risk Title	Risk Description	Risk Response	Action Plan	Average Assessment
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4	Provision of multi-lingual, high quality education from early childhood to secondary school.	Operational Risk	Delays in renovation and provision of buildings have a negative impact on school life	<p><u>REASONS:</u></p> <ul style="list-style-type: none"> - The hosting country delays urgent works, particularly the creation of a new School in Brussels. - Brussels: Parents are not willing to be enrolled in Berkendael (40% occupation) <p><u>CONSEQUENCES:</u> This may cause:</p> <ul style="list-style-type: none"> - An increased danger for the security and safety of pupils and staff. Risk of increased vandalism; - Decreasing teaching quality and an increase in bullying. Wellbeing of pupils at a stake; - The reputation of the School and the European School system may suffer; 	Reduce	<p>School:</p> <ul style="list-style-type: none"> - Regular checks by security manager and technicians; - Regular follow-up with responsible authorities for urgent works - Extra prevention programs and curative actions by consultation and support team; - Better information to parents about existing problems and solutions; 	13
5	<ul style="list-style-type: none"> - Apply sound financial management in planning, monitoring and implementing the budget; - Motivate and retain highly qualified staff. 	Staff Risk	Insufficient number of trained administrative staff	<p><u>REASONS:</u> The administrative departments, which are staffed with a very limited number of employees face constantly increasing demands (SAP, IPSAS, segregation of duties etc.).</p> <p><u>CONSEQUENCES:</u> This leads to</p> <ul style="list-style-type: none"> - Higher risk of mistakes; - Inability to set up replacement plans (e.g. high risk processes as salary calculation); - Absences, burn-out and valuable staff member leaving the School; - Backlogs and overtime hours. - Frustration and dissatisfaction 	Reduce	<p>School:</p> <ul style="list-style-type: none"> - Define training needs and plan training for Admin Staff/ consider possibility of training as incentive. - Efficiently use low season during holidays to train back-ups. - Increase regularity of staff interviews to develop solutions together and to realize changes early. - Evaluate possibility to hire interim staff to cope with backlogs. - Carefully evaluate and analyse overtime hours (when did they appear, what were the reasons)? <p>OSG and Schools:</p> <ul style="list-style-type: none"> - With respect to the centralization of the AO and Accounting Officer function, clarify future split of tasks between Schools and OSG. - Develop benchmark criteria to better compare needs for staff in the Schools. 	17

N°	Objectives	Risk Category	Risk Title	Risk Description	Risk Response	Action Plan	Average Assessment
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6	Provision of multi-lingual, high quality education from early childhood to secondary school.	Pedagogical Risk	Lack of harmonization / coherence between sections	<p><u>REASONS:</u> Inconsistencies in teaching approaches, but also in the assessment and treatment of pupils.</p> <p><u>'CONSEQUENCES:</u> - Problems at all levels of the school, but particularly at the level of the Baccalaureate. - Complaints from parents, increased number of complaints to be dealt with by the Complaints Board. - Negative remarks from the Whole School Inspection. - Negative effects for the reputation of the School and the European School System.</p>	Reduce	<p>School: - Management to insist on harmonised planning within subject and level groups. - Sampling by management of 'harmonised' record of work. - Subject and level meetings led by coordinators should always focus on harmonisation issues. - Schedule monthly meetings of subjects led by coordinators to discuss harmonised planning and assessment. Monthly meeting reports submitted to management. - Encourage S6 and S7 teachers to moderate each other's marking. - Share WSI action plan with whole school and management to review it regularly to ensure implementation. - Produce, publish and analyse data. Implement interventions to improve student performance.</p> <p>To be further discussed: - In the BAC course, widen harmonised exams to S6.</p>	10
7	<p>- Assure pedagogical continuity</p> <p>- Reduction of hours not assured</p>	Pedagogical Risk	<p>Number of teaching hours not assured has a negative impact on school life</p> <p>=> Risk relates to all types of absences (illness, working group, school trip), whenever a course/class is not given</p>	<p><u>REASONS:</u> On a yearly basis a number of teaching hours is lost due to absent teachers (for various reasons). <u>CONSEQUENCES:</u> - Pupils miss important parts of their subjects content; - Negative impact on the learning attitude; - Learning process is affected due to the interruption in teaching. - Complaints and general dissatisfaction from parents and school community; - For the management of the school it is difficult to run the school on a day-to-day basis.</p>	Reduce	<p>School: - Monitor absences and reasons for absences strictly. - Develop procedures for the organisation of replacements at school level. - Inform inspectors about absence rate and ask them to take their responsibility.</p> <p>OSG and School: - Develop a harmonized template to record absences. - Compare national absence rates via Inspectors.</p>	10

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8	Recruit, develop, assess, motivate and retain highly qualified staff.	Staff Risk	Difficulties in the recruitment of locally recruited teachers	<p><u>REASONS:</u></p> <ul style="list-style-type: none"> - Package (payment, duration of the contract, etc.) is not attractive enough; - Cost-sharing agreement does not set the minimum number of secondments; - the way posts are advertised. <p><u>CONSEQUENCES:</u></p> <ul style="list-style-type: none"> - lacking teachers for some lessons (particularly in EN, plus particular subjects in other languages); - too many extra hours for the teachers in place; - Impact on the education provided by the school. 	Reduce	<p><u>School:</u></p> <ul style="list-style-type: none"> - find new and more efficient ways to advertise posts. - have a list of alternative candidates and keep contact with them. - get a feeling on the risk that the "main" candidate might disappear. - test motivation for the job during interviews. - dispose of enough replacement teachers in the most "difficult to fill" lessons. - make use of non-native qualified teachers. 	19
9	<ul style="list-style-type: none"> - Guarantee quality teaching and learning - Guarantee native speakers for L1 and L2 (minimum) 	Strategic Risk	Consequences of BREXIT decision	<p><u>REASONS:</u></p> <p>UK informed European Council of the intention to leave the European Union by the end of March 2019.</p> <p><u>CONSEQUENCES:</u></p> <ul style="list-style-type: none"> - withdrawal of seconded UK teachers: => We currently assume that we won't have any seconded teachers from the UK after 31.08.2019; => Possibly some may leave even before the end of their contract. - Necessity to find an increasing number of qualified, English-speaking locally recruited teachers; - Potential serious financial consequences for the school: => reduction/stop of the contribution of the UK via the secondment of teachers and cost-sharing agreement => increase of needed funds from EU COM due to an increase of LRT; => decrease of EU budget due to loss of UK contribution; - Loss of English native speakers might affect the quality of teaching and learning (recruitment of non-native teachers for subjects taught in L2); - ES BAC might not be recognized in UK; - Decrease of school population due to British families moving back to the UK. 	Reduce	<p><u>School:</u></p> <ul style="list-style-type: none"> - Identification of UK key personnel at risk to leave the school; - Ensure business continuity by identifying back-ups/successors for key personnel; - Conduct interviews with UK teachers to find out about their readiness to return to the UK and any conditions that would convince them to continue in the ES; - Build-up expertise to help students with career guidance in other countries; - Monitor the BREXIT negotiations and adjust the risk assessment accordingly in response to information from the OSG. <p><u>OSG:</u></p> <ul style="list-style-type: none"> - Lead BREXIT WG, regular information to schools about developments. 	15

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10a	Guarantee a place for Cat I pupils. Guarantee the safety and wellbeing of the pupils. Guarantee quality teaching and learning.	Strategic Risk	Development of pupil numbers (constant increase)	<u>REASONS:</u> - The number of pupils exceeds the size of the school because cat. I pupils increase on a yearly basis. <u>CONSEQUENCES:</u> - The teaching quality suffers; - Safety of pupils is in danger: Accidents may increase. Problems with supervision; - Problems of supervision may arise; - Bullying between pupils increases.	Reduce	<u>School:</u> - Maximize the use of the existing space. Use rooms creatively. Involve the school community as a think tank. - Contact local authorities for support. Negotiate. Seek assistance of the OSG. <u>OSG and Brussels Schools:</u> - Lead working group of the future development of the Brussels Schools	21
10b	- Guarantee quality teaching and learning - Guarantee continuity of courses - Guarantee efficient use of public money	Strategic Risk	Development of pupil numbers (decreasing/constantly low pupil numbers)	<u>REASONS:</u> The number of pupils decreases constantly or to a critical level because: - the European organisation that was once the reason for creating the ES is downsized; - entitled staff does not send children to the ES; - there are other high quality schools in the area. <u>CONSEQUENCES:</u> - Further parents may withdraw their children because they fear the closure of a section; - No longer a guarantee for secondment of teachers; - Loss of attractiveness for teachers to join the school; - No full timetable for seconded teachers in secondary school; - Financial risk in that justifying and obtaining the budget for small sections becomes more difficult adding more pressure in these sections.	Reduce	<u>School:</u> - improved communication with the European organization/ JRC that was the reason for creating the ES. - Promotion from within JRC to convince new and existing employees of quality and benefits for enrolment in EU schools. - Improve awareness for cat II and III in the region. - Make available informative sessions to explain the advantages of the EU Back compared to local schools. - Visit local companies to gain more CAT II. - Close communication amongst school sharing the same risks.	15

OSG top risks - 1.03.2018

Risk levels	
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20-25	High level risk, should be constantly monitored and managed

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1	Lead and support the Schools in the fulfilment of the ES mission	Staff Risk	Unfilled management positions	<p>REASONS:</p> <ul style="list-style-type: none"> - Members states seem less ready to propose candidates for management positions other than the pedagogy related ones. - Our package is not attractive enough <p>CONSEQUENCES:</p> <ul style="list-style-type: none"> - Delays in the promotion of Important topics; - Failure to implement projects on time, among others the new governance model; - Continued findings of the CoA with respect to the internal control system. 	15	Reduce	<ul style="list-style-type: none"> - Inform Board of Governors and implement new decisions - Head of HR: Ask BoG to set a deadline for start of secondment
2	Lead and support the Schools in the fulfilment of the ES mission	Staff Risk	Difficulties in retaining and recruiting highly qualified and specialized AAS	<p>REASONS:</p> <ul style="list-style-type: none"> - Package compared to other Belgian companies is not competitive (particularly the salary, but also possibilities for telework, company car); - Limited career opportunities. <p>CONSEQUENCES:</p> <ul style="list-style-type: none"> - Valuable employees leave the OSG; - Low quality of candidates for certain posts; - Delays in all areas concerned. 	15	Reduce	See agenda item 19: Enhancing high qualified staff salaries

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3	Provision of multi-lingual, high quality education from early childhood to secondary school.	Strategic Risk	Cost balance between member states and EU Institutions in danger	<p>REASONS:</p> <ul style="list-style-type: none"> - Member states second less teachers (7% since 2014) while pupil numbers increase (9,5% since 2014). <p>CONSEQUENCES:</p> <ul style="list-style-type: none"> - Increase of number of LRT; - Unnecessary and unjustified increase of the contribution of the of the EU Commission; - Unilateral budget reductions by EU Commission; 	15	Reduce	<ul style="list-style-type: none"> - Further analysis of the situation - Assessment of the cost shoring agreement
4	Provision of multi-lingual, high quality education from early childhood to secondary school.	Operational Risk	5th School in Brussels expected for 2019 will not be available before 2024	<p>REASONS:</p> <p>5th School for 2500 pupils was expected for September 2019, but will not be available before 2024 because a suitable site that would have been ready was not found.</p> <p>CONSEQUENCES:</p> <ul style="list-style-type: none"> - Negative impact on school life in the four schools who will be all overcrowded (3 of them are already overcrowded since many years); - Particular impact on safety and security. <p>=> temporary solutions for next 5 years urgently needed as of September 2019.</p>	12	Reduce	<p>Taskforce to</p> <ul style="list-style-type: none"> - propose alternative solution for next 5 years - prepare permanent solution (analysis of discuss
5	Support and facilitate the creation of Accredited European Schools	Financial Risk	Pedagogical Coordination and cost neutrality of Accredited European Schools	<p>REASONS:</p> <p>Accredited European Schools Regulations foresee cost neutrality for the tasks performed at the Office of the Secretary-General (OSG) (art.17). Nevertheless the work of a large proportion of staff working at the OSG is already impacted by the existence of the AES. These costs are not taken into account.</p> <p>CONSEQUENCES:</p> <p>Cost neutrality is no longer given.</p>	8	Reduce	See agenda item 20: Cost neutrality of AES