



**MINISTRY OF EDUCATION
UNIVERSIDADE FEDERAL DO RIO GRANDE DO NORTE**

RESOLUTION Nº 016/2017- CONSAD, of May 4th, 2017.

It institutes the Risk Management Policy of the Universidade Federal do Rio Grande do Norte – UFRN and creates the Governance, Risk and Control Committee.

THE PRESIDENT OF THE UNIVERSIDADE FEDERAL DO RIO GRANDE DO NORTE announces that the Administration Council – CONSAD, in exercise of its duties assigned by Article 19th, Item XI, of UFRN’s Statute,

TAKING INTO ACCOUNT the need to establish guidelines for the management of risks in the Universidade Federal do Rio Grande do Norte (UFRN);

TAKING INTO CONSIDERATION the need for further qualification of the academic and administrative management at all levels, as recommended by the Management Policy established in UFRN’s Institutional Development Plan (PDI);

TAKING INTO ACCOUNT what is established by the Joint Normative Ruling nº 01 of May 10th, 2016, of the Ministry of Planning, Budget and Management (MPOG) and of the Office of the Comptroller General (CGU);

TAKING INTO CONSIDERATION what is contained in process nº 23077.025859/2017-90,

DECIDES:

Art.1st. To approve the rules contained in this Resolution, which regulate UFRN’s Risk Management Policy.

CHAPTER I

CONCEPTUAL NATURE, PRINCIPLES, GUIDELINES AND GOALS

Art. 2nd. Risk management is a process to identify, evaluate, manage, control and monitor potential events or situations that may affect the institution’s performance, with a view to establishing a reasonable guarantee as to the fulfillment of its goals.

Art. 3rd. For the sake of the application of the Risk Management Policy, it shall be considered, where appropriate, the concepts established in the Joint Normative Ruling nº 01 of the Ministry of Planning, Budget and Management (MPOG) and of the Office of the Comptroller General (CGU), of May 10th, 2016.

Art. 4th- UFRN's Risk Management Policy is aimed at providing managers with the immediate access to information related to the risks to which the institution is exposed, improving the decision-making process and expanding the possibility of achieving the strategic goals expressed in the Institutional Development Plan (PDI) and in the Management Plan (PG).

Art. 5th. The mission, goals and institutional principles established in its Institutional Development Plan (PDI) are the guiding elements of the implementation and execution of UFRN's Risk Management Policy.

Art. 6th. This policy applies to all units of UFRN, of its Central Administration (Presidency, Vice-Presidencies, Secretariats, Superintendences) and of its Academic Administration (Academic Centers and Units), in the management of the risks that impact their environment.

Single Paragraph. In the implementation of the Risk Management Plan and of its successive reviews, it shall be adopted incremental approaches, with the gradual definition of the goals and associated processes, until the entire institution is integrated into risk management.

Art. 7th. The following are guidelines of this policy:

I – risk management shall be integrated into the strategic planning established in the Institutional Development Plan, taking into account the policies therein established and the university's processes;

II – the risks shall be divided into strategic risks, risks associated to the institutional goals and process risks. These risks shall be grouped into four types, as defined in the relevant concepts (operational, legal, financial/budgetary, image/reputation of the institution);

III – the identification of the risks must obey the following procedures:

the identification of the strategic risks shall be based upon the Institutional Development Plan (PDI);

the identification of the process risks shall be conducted from the mapping of the processes;

IV – the analysis and evaluation of the risks must obey the following procedures:

a) a qualitative and quantitative approach of the assessment of the risks, based on the probability and on the impact of its occurrence;

b) the probability of occurrence shall be defined from categories, as a result of their specifics and complexity. These categories may not exceed the five levels: very high, high, medium, low and very low;

c) the impact shall be analyzed and considered from the following perspectives:

i) financial/budgetary impact;

ii) educational impact;

iii) impact over time;

iv) social impact;

v) other impacts related to the risk event in question;

d) this impact, as well as the probability of occurrence, must be categorized in no more than five levels: very high, high, medium, low and very low;

e) the Probability versus Impact matrix, whose model is showed in Annex I, correlates these two indicators and defines the University's risk response strategy and risk appetite;

V - UFRN, from its Probability versus Impact matrix, shall define the treatment and the monitoring of the risks, taking as reference the model showed in Annex II;

VI – It shall be defined indicators that enable the analysis of the performance of the risk management, taking into consideration the number of risks predicted, the number of risks mapped, the number of risks that occurred, the efficacy of the treatment and monitoring measures/actions adopted, among others;

VII – it shall be defined direct supervisors for each risk, with power to implement the treatment and monitoring measures/actions, who must report directly to the university's Risk Management Committee and its president;

VIII – it shall be used the SIG-UFRN systems as risk management supporting tools;

IX – within the institutional qualification policy, it must be considered specific risk management qualification/courses directed to all the relevant players.

CHAPTER II

RELEVANT AGENTS AND THEIR RESPONSIBILITIES

Art. 8th. For the implementation of risk management in the institution, it is hereby established the responsibilities of the different agents involved:

I – President – To guarantee the continuation and improvement of the Risk Management Policy;

II – Governance, Risk and Control Committee – To prepare the Risk Management Plan and manage it;

III – Vice-Presidents, Heads of Units, Superintendents, Directors of Academic Centers and Specialized Academic Units – To monitor, in his/her relevant environment, the risks mapped, to apply the measures/actions established in the Risk Management Plan and to identify situations that involve risk;

IV – Administration Council – To analyze, evaluate, approve and monitor the Risk Management Plan;

V – Employees – To identify, in their scope of practice, situations that involve risks.

CHAPTER III

GOVERNANCE, RISK AND CONTROL COMMITTEE

Section I Composition

Art. 9th. The institutional risks and their internal controls must be managed in an integrated manner, with a view to establishing an efficient risk control and management environment, a task that shall be performed by the Governance, Risk and Control Committee, which shall include in its composition:

I – the Rector/President, its president;

II – the Vice-President of Administration;

III – the Vice-President of Undergraduate Studies;

IV – the Vice-President of Research;

V – the Vice-President of University Extension;

VI – the Vice-President of People Management;

- VII – the Vice-President of Student Affairs;
- VIII – the Vice-President of Planning;
- IX – the Vice-President of Postgraduate Studies;
- X – the Head of the Project Management unit;
- XI – the Head of the Basic, Technical and Technological Education Office;
- XII – the Superintendent of Informatics;
- XIII – four representatives of the Academic Centers and Units.

Section II

Duties

Art. 10th. The following are duties of the Governance, Risk and Control Committee:

- I – to promote practices and principles of conduct and behavior standards;
- II – to institutionalize adequate governance, risk management and internal control structures;
- III – to promote the continuous development of the public employees/agents and to encourage the adoption of good practices in governance, risk management and internal controls;
- IV – to guarantee the adherence to the regulations, laws, codes, rules and standards, with a view to the accomplishment of the policies and to the provision of public interest services;
- V – to promote the integration of the agents responsible for the governance, risk management and internal controls;
- VI – to promote the adoption of practices that institutionalize the responsibility of the public agents in the accountability, transparency and effectiveness of the information;
- VII – to approve policies, guidelines, methodologies and mechanisms for communication and institutionalization of risk management and internal controls;
- VIII – to supervise the mapping and the assessment of key risks that may jeopardize the provision of public interest services;
- IX – to guide and supervise the institutionalization of risk management and internal controls, providing the necessary support to its effective implementation in the body or entity;
- X – to establish limits of exposition to global risks of the body, as well as the limits of scope to the level of unit, public policy, or activity;
- XI – to approve and supervise a method of prioritization of themes and macroprocesses for the management of risks and the implementation of the internal management controls;
- XII – to issue recommendation for the improvement of the governance, risk management and internal controls; and
- XIII – to monitor the recommendations and directions issued by the Committee.

Art. 11th. The Governance, Risk and Control Committee shall be supported by the Internal Audit unit, which shall provide consultancy services with a view to the improvement of the governance, risk management and management control, by means of the objective assessment as to the efficacy of risk management; orientation as to its stages; provision of tools and techniques used by it in the analysis of risks and controls; and proposition of recommendations, where appropriate.

Single Paragraph. The following are not activities attributable to the Internal Audit, notwithstanding other activities that may jeopardize its independence and objectivity:

- I – to establish the risk appetite or acceptable risk;
- II – to make decisions about response to risks;
- III – to implement the response to risks on behalf of the administration; and
- IV – to take responsibility for the management of risks.

CHAPTER III

GENERAL PROVISIONS

Art. 12th. Within 30 days of the approval of this Resolution, the President shall constitute the Governance, Risk and Control Committee and, within 180 days of its constitution, the committee shall prepare, submit to the analysis of CONSAD [Administration Council] and to start the implementation of the Risk Management Plan.

Art. 13th. This Resolution comes into effect from its date of publication, and any provisions to the contrary are hereby revoked.

Presidency, in Natal, May 4th, 2017.

Ângela Maria Paiva Cruz
PRESIDENT

ANNEX I

Model of Probability Versus Impact Matrix

| PROBABILITY | | Very low | Low | Medium | High | Very high |
|-------------|-----------|----------|----------|-----------|-----------|-----------|
| IMPACT | Very high | Medium | High | Very high | Very high | Very high |
| | High | Low | Medium | High | Very high | Very high |
| | Medium | Very low | Low | Medium | High | Very high |
| | Low | Very low | Very low | Low | Medium | High |
| | Very low | Very low | Very low | Very low | Low | Medium |

ANNEX II

Model of Probability Versus Impact Matrix

| Category | Tolerance | Response strategy | Actions / Measures | Monitoring | Monitoring frequency | Reviewing of the Risks |
|-----------------|------------------|--------------------------|-----------------------------|-----------------------|-----------------------------|-------------------------------|
| Very Low Risk | Tolerable | To accept | None | No Monitoring | No Monitoring | Annual review |
| Low Risk | Tolerable | To accept or mitigate | Containment | Monitoring by reports | Monitoring every 6 months | Annual review |
| Medium Risk | Low Tolerance | To mitigate or transfer | Containment and contingency | Monitoring by reports | Monthly monitoring | Semiannual review |
| High Risk | Intolerable | To mitigate or transfer | Containment and contingency | Online monitoring | Online monitoring | Semiannual review |
| Very High Risk | Intolerable | To avoid or transfer | Containment and contingency | Online monitoring | Online monitoring | Reviewing at each occurrence |