

Departmental Risk Analysis

The department employs risk assessment processes to identify the risks faced by the organization and a risk management strategy to address the identified risks. Manitoba Education and Early Childhood Learning seeks to minimize both the likelihood and extent of threats that might compromise the department's ability to achieve its objectives. Areas of risk that are managed include matters related to operations, physical, financial, and human resources, policy, legislation, governance, and natural disasters.

Our approach to risk evaluation involves a systematic process of managing the organization's risk exposures to ensure decisions support the achievement of corporate objectives while minimizing unexpected loss. This requires that departmental staff have a sound understanding of the department's operations, applicable legislation, the Manitoba Risk Management Policy, governance structures and processes in order to effectively identify and manage risk.

Guided by the department's comptrollership plan, and in adherence to the Manitoba Risk Management Policy, risks are identified, assessed and prioritized. Risk mitigation strategies are developed which include loss prevention, loss reduction, and risk transfer measures. The department continues to work to strengthen stewardship, improve internal controls, and advance staff understanding of the department's values, while also increasing awareness of fraud prevention measures. We endeavour to implement best practices for effective financial management and accountability. The following outlines some of the activities carried out by the department to satisfy its risk management responsibilities:

- The Executive Management Committee (EMC) approves key decisions, considers opportunities and risks that must be managed, and oversees the development and implementation of the Department Plan.
- Reviews of departmental risks and rankings of risk priorities are completed on an annual basis, and are considered when identifying areas for audit or review.
- The Financial and Administrative Services branch conducts transaction testing, to evaluate compliance with government policy and provides recommendations for best practices.
- All branches have developed Business Continuity plans which provide a detailed, step-by-step strategy for restoring minimum operations during a work disruption that could impair operations.

The following reflects key risks identified by the department:

Financial Management Risk

Risk exposure associated with the structures and processes in place to ensure sound management of financial resources and compliance with financial management policies and standards.

Risk 1 – Payment Processing Error

Potential Consequence – financial loss due to improper payment, including duplicate payment, incorrect vendor, incorrect payment amount, payment delays.

Likelihood – Likely

Impact – Low to Moderate

Treatment Plan – Regular central oversight of transactions to ensure appropriate controls and compliance with Manitoba government policies and processes. Mitigating controls including review of daily logs.

Treatment Plan Due Date – June 30th (annually)

Risk Status – Mitigated (Ongoing monitoring)

Human Resources Management Risk

Risk exposure associated with staff/management turnover; employment/work culture; recruitment, retention and staffing processes and practices; succession planning and talent management; and employee development, training and capacity building.

Risk 2 – Personnel Turnover

Potential Consequence – knowledge loss, workforce attrition, overburdened staff, decline in staff morale, decreased efficiency and capacity.

Likelihood – Likely

Impact – Moderate to Severe

Treatment Plan – Process documentation, development of succession planning strategy, implementation of knowledge transfer and cross-training practices.

Treatment Plan Due Date – Ongoing

Risk Status – Ongoing monitoring

Fraud Risk

Risk exposure associated with unexpected financial, material or reputational loss as the result of fraudulent action of persons internal or external to the organization. Fraud Risk is customarily split into internal and external fraud.

Risk 3 – Internal Fraud Exposure

Potential Consequence – Diminished standards of accountability, integrity and conduct, decline in staff morale, public embarrassment and loss of trust, financial, legal, regulatory or reputational damage.

Likelihood – Unlikely

Impact – Severe

Treatment Plan – Strict adherence to the central government Fraud Policy as outlined in the Financial Administration Manual. Regular communication to all departmental staff delivering clear instructions and requirements regarding the roles, responsibilities and procedures for identifying and reporting fraud.

Treatment Plan Due Date – March 31st (annually)

Risk Status – Mitigated (Ongoing monitoring)

Hazard Risk

Risk exposure associated with property loss, liability or disruption of operations arising from unplanned events/happenings beyond the control of the entity.

Risk 4 – Unplanned Event Exposure

Potential Consequence – suspended or incapacitated operations, financial loss.

Likelihood – Unlikely

Impact – Moderate to Severe

Treatment Plan – Adherence to the Manitoba Risk Management Policy. Risks are identified, assessed and prioritized, and risk mitigation strategies are developed. All branches have developed Business Continuity plans.

Treatment Plan Due Date – March 31st (biennially)

Risk Status – Mitigated (Ongoing monitoring)