



## Department of Enterprise, Trade and Employment Risk Appetite Statement

### Introduction to DETE

The Department of Enterprise, Trade and Employment (DETE) leads in advising and implementing the Government's policies of stimulating the productive capacity of the economy and creating an environment which enables employment creation and sustainability. The Department is also charged with promoting fair competition in the marketplace, protecting consumers and safeguarding workers.

Our mission is to lead on sustainable economic development through the creation and maintenance of high quality employment across all parts of our country: by championing enterprise; ensuring a competitive business base to incentivise work, sustainable enterprise, innovation and investment; strengthening global connections and trade; promoting fair and competitive markets, responsible business practice; as well as safe, flexible and decent workplaces through the regulatory and enforcement work of the Department, its Offices and its Agencies.

### Risk Appetite Summary

Risk Appetite levels associated with each strategic goal set out in the **Department's Statement of Strategy 2023-2025** are detailed in this document. These are summarised as follows:

Statement of Strategy Goal	Risk Appetite Level
<b>Goal 1: Sustain full employment and ensure strong regional economic development.</b>	Moderate to High in relation to developing enterprise policy, attracting investment and developing business supports. Zero to low in respect of the financial and compliance obligations related to the delivery of supports.
<b>Goal 2: Advance the green and digital transitions to ensure the competitiveness and sustainability of Irish-based enterprise.</b>	Moderate to High in relation to developing climate and digital supports; Zero to Low in respect of the financial and compliance obligations related to the delivery of these supports.
<b>Goal 3: Promote safety, better pay and conditions, good quality jobs and inclusivity in the workplace.</b>	Zero in relation to Workplace Health and Safety, chemicals policy, etc. Modest in relation to innovative approaches to achieving our goals.
<b>Goal 4: Enhance our business regulatory environment and Ireland's attractiveness as a place to do business.</b>	Zero in relation to areas such as consumer safety. Zero to low in relation to financial and compliance obligations. Modest in relation to innovative approaches to achieving our goals
<b>Goal 5: Deepen and extend Ireland's global business and trade in a responsible, fair and sustainable manner supportive of high living standards and grow further the all-island economy.</b>	Moderate in relation to engaging proactively to further our interests. Zero to low in relation to security and compliance with international agreements.
<b>Goal 6: Build an innovative and agile Department with a strong public service ethos driving effective and responsible policy implementation.</b>	Moderate to High in relation to innovative approaches to achieving our goals. Zero to Low in respect of compliance with governance obligations

## Public Service Obligations

Government Departments are custodians of significant public funds and must ensure the highest standards of governance, oversight and value for money in respect of these funds, on behalf of the public. The business of the Department is underpinned by a wide range of specific legislation, both at national and EU level, and compliance with our legal obligations, is accorded high priority across the business units of the Department. The Department is subject to compliance with the range of legislation governing businesses, for example, employment law, health and safety legislation, tax and finance legislation and data protection. The Department also has non-statutory obligations under government decisions, administrative and policy initiatives and civil service guidelines and direction.

The Department fosters a culture of accountability, efficiency, innovation and value for money which is rooted in a public service ethos of independence, integrity, impartiality, openness, dignity and respect. As Civil Servants the staff of the Department espouse the highest standards of professionalism, honesty, objectivity, integrity, and quality, which are central to fulfilling our role in supporting the democratic process and serving our customers and stakeholders. There is zero risk appetite for behaviour that would result in serious reputational damage for the Department, such as fraud, staff misconduct etc and the Department is committed to meeting all statutory and other obligations.

Low risk-appetite can restrict opportunities for improvement, and, in this context, the Department is open to opportunities that can positively impact on the achievement of its goals and objectives. The Department seeks to balance the trade-off between risk and reward to ensure a managed approach to achieving appropriate outcomes. It is also important to recognise that, as an agent of Government, the Department is mandated to implement policies and carry out certain activities that may have an inherent level of risk attached to them and the Department may be obliged to take certain well managed risks for the public good.

## Definitions of Risk Appetite levels used in this Statement

<b>Zero</b> Risk Appetite	Avoidance of risk and uncertainty is a key organisational objective.
<b>Low</b> Risk Appetite	Preference for ultra-safe business delivery options that have a low degree of inherent risk and may only have a potential for limited reward.
<b>Modest</b> Risk Appetite	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
<b>Moderate</b> Risk Appetite	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
<b>High</b> Risk Appetite	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

Note: The risk appetite levels ascribed in this Statement reflect the position before mitigating measures are put in place by the Department

## Statement of Strategy 2023-2025

The Department's **Statement of Strategy 2023-2025** sets out six high level goals aimed at delivering on its broad mandate, including commitments assigned to us under the Programme for Government:

### **Goal 1: Sustain full employment and ensure strong regional economic development.**

DETE is the lead government Department championing the development of a competitive and conducive environment for enterprise and employment, to attract investment and to drive productivity growth across all regions of the country. We work closely and ambitiously with other Departments, Agencies and EU institutions that play a role in delivering a business friendly policy environment, focusing on ensuring optimal policy responses in areas such as tax, finance, infrastructure, skills, trade, energy and climate change as well as protecting consumers, promoting fair competition in the marketplace and safeguarding workers.

The Department is responsible for informing and implementing Government policy in a number of important areas. This includes stimulating the productive capacity of the economy and creating an environment which supports job creation and job maintenance, facilitating the start-up and growth of indigenous enterprises, attracting foreign investment, increasing exports, improving competitiveness, promoting innovation and growth, and investing in company research and development.

- In areas such as the development of enterprise policy, the attraction of investment and the provision of supports to businesses, the Department has a moderate to high risk appetite and is eager to be innovative and to choose options offering potentially higher level outcomes.
- However, on aspects of these policy areas, in particular non-compliance with State Aid Rules and unauthorised use of Agency funding our risk appetite is zero to low.

The Department diminishes the likelihood of risks under this goal through a range of mitigation actions, such as, wide stakeholder engagement in policy development, evaluation of expenditure programmes, use of economic models to support investment decisions, use of pilot schemes to trial new initiatives and the use of surveys to measure outcomes from initiatives.

### **Goal 2: Advance the green and digital transitions to ensure the competitiveness and sustainability of Irish-based enterprise**

The Department has an important role to play in contributing to Ireland's climate ambition by developing and implementing policies to deliver on the enterprise targets in the annual Climate Action Plans.

In addition, the Department aims to make progress towards Ireland becoming a leading digital economy to enhance productivity and to decouple economic growth from resource consumption.

We will work towards our goals in this sphere by introducing financial and technical measures to assist industry and to support their competitiveness in moving to more sustainable environmental practices.

- The Department has a moderate to high risk appetite in this area and is willing to consider innovative approaches to achieving our objectives.

**Goal 3: Promote safety, better pay and conditions, good quality jobs, gender equality and inclusivity in the workplace;**

and

**Goal 4: Enhance our business regulatory environment and Ireland's attractiveness as a place to do business.**

The Department ensures that workplace relations structures are in place to support a strong economy and a fair society by balancing flexibility and security and providing protection for those in employment. The Department ensures that employment rights legislation, including insolvency and redundancy, continues to be fit for purpose. The Department ensures that the machinery for the resolution of workplace disputes is supported to deliver a fast and efficient service. DETE delivers an efficient employment permits process to regulate the entry of individuals from non-EEA countries, which is sufficiently flexible to react to changes in the labour market. As the safety and health of all workers is critical, DETE supports work-related safety and health in all sectors and the safe use of chemicals.

The Department works closely with stakeholders and other Government Departments, to develop and maintain a stable, transparent and modern company law framework in Ireland. It continues to improve corporate legislation through review, modernisation and consolidation of relevant legislation. It responds to new and emerging challenges in the area of competition and consumer policy to ensure that its policies provide an appropriate balance between the expected high standards of consumer protection and facilitating a level playing field in markets so that businesses can compete, learn and grow internationally. We will continue to build a regulatory environment to reinforce positive and responsible business behaviours and to deliver strong accountability and transparency frameworks, including through corporate sustainability reporting.

- In areas of its remit, such as workplace health and safety and consumer safety, the Department prioritises avoidance of risk and uncertainty to ensure safety considerations are to the forefront in all policy formulations.
- In areas such as workplace relations and economic migration policy, competition, company law and consumer protection policies, the Department has a modest risk appetite and is willing to consider a range of approaches to achieving its goals.

**Goal 5: Deepen and extend Ireland's global business and trade in a responsible, fair and sustainable manner supportive of high living standards and grow further the all-island economy.**

As part of its strategy, the Department engages ambitiously at bilateral, EU and international level to influence emerging policies that will support the delivery of our jobs, enterprise, competitiveness and growth, as well as trade policy and promotion. The Department endeavours to build the alliances

necessary to advance our interests and defend our positions in multilateral fora and will continue to develop our deep and positive relationship with the UK.

Values based trade is a key tenet of our national Trade and Investment Strategy 2022-26 'Value for Ireland, Values for the World'. The Department will retain our strong commitment to open and inclusive trade with the WTO at the core of a rules based multilateral system, while promoting our values in relation to human rights, environment and climate, social and labour rights, sustainable development and gender equality. The Department will ensure that Ireland has a robust legal and operational framework for regulating the export of controlled goods in support of global security and to screen third country investment into Ireland.

- The Department is willing to engage proactively to further our trade and economic interests and has a moderate risk appetite in this area.
- In areas of its remit, such as the issuing of export licences under EU and other international agreements, the Department prioritises avoidance of risk and uncertainty to ensure safety and values-based considerations are to the forefront in all policy formulations.

#### **Goal 6: Build an innovative and agile Department with a strong public service ethos driving effective and responsible policy implementation.**

The Department is focused on optimising our resources to support us in achieving our strategic objectives and in implementing a programme of continuous improvement. DETE will strive to seek efficiencies in how we work and to improve customer service by constantly examining and evaluating the ways in which we work to ensure that innovative new ideas can be incorporated. We seek to take action on feedback from staff and customers to help improve our service delivery and ensure value for money.

The achievement of the Department's strategic goals is dependent on the excellence and efforts of our staff. DETE's People Strategy 2021-2024 sets out how we will invest in learning and career development to enable each staff member to grow their capacity to make a valuable contribution to the work of the Department. We aim to build on wellbeing, blended working, EDI and other relevant initiatives in the Department and deliver a clear and compelling 'responsible business' offering, as part of our ambition to be an Employer of Choice.

- The Department has a moderate to high risk appetite in these areas and is eager to pursue innovative solutions, including the introduction of new technologies that have the capacity to improve our productivity, taking decisions that involve increasing the capabilities and wellbeing of staff or transforming the organisational culture to support renewal and reform of the Civil and Public Service.
- Our appetite for risk in areas of governance will always be zero to low e.g. failure to comply with the standards expected of Civil Servants.
- The Department has a moderate risk appetite in respect of media coverage, recognising that this is an inescapable aspect of taking a proactive approach to communicating with our stakeholders, with our target audiences, and with the general public.

## Delivery of Goals through the Offices and Agencies of the Department

The successful achievement of many of our strategic goals is dependent on the delivery of programmes through our Offices/Agencies.

The Department works through Offices/Agencies to progress its policy objectives including to:

- Facilitate the start-up and growth of indigenous enterprise,
- Attract foreign direct investment;
- Increase exports;
- Promote innovation and growth through investment in company research, development and commercialisation and protection of industrial property rights;
- Safeguard the rights of workers, including their entitlement to occupational health and safety;
- Support and facilitate a positive workplace relations environment;
- Enforce competition, company and consumer legislation;
- Support and facilitate a cost-efficient settlement of personal injuries claims.

Offices of the Department are an integral part of the Department, but are identified as distinct from the Department for both customer benefit and because the Head of the Office has independent statutory decision-making powers, e.g. the Companies Registration Office (CRO) and the Intellectual Property Office of Ireland. Offices are staffed by Civil Servants, who are employees of the Department. These staff are subject to the same values, standards and behaviours for Civil Servants and the same governance arrangements which apply to other employees of the Department.

Agencies of the Department are established as independent statutory bodies, with defined governance structures. Governance arrangements in Agencies are subject to codes of practice for the governance of State Bodies and to audit by the Comptroller and Auditor General. Agencies are generally funded by monies voted annually to the Department from the Exchequer to deliver the mandate of the relevant Agency.

In respect of these Offices/Agencies:

- The Department has low tolerance for risk with regards to the oversight of its Office and Agencies and has a number of mitigations in place. With regard to the Agencies, these mitigations include the requirement that they have appropriate governance structures in place to oversee their activities (including being subject to the Code of Practice for Governance of State Bodies, independent audits by the C&AG, Departmental representatives on State Boards (where relevant). Oversight and Performance Delivery Agreements or Memorandums of Understanding are signed between the Department and Offices/Agencies (as appropriate) each year. Regular meetings are held by the Department with the Offices and Agencies. The Department also ensures a balanced allocation of resources to the Offices and Agencies, through workforce planning.

- In terms of the policy delivery by the Offices/Agencies, the Department has a moderate risk appetite and is open to considering a range of potential delivery options in most areas, including those which may carry a moderate level of risk. The Department wants to ensure that innovative solutions are considered by its Offices/Agencies where they have the potential to deliver significant outcomes. However, in respect of enforcement activity by the Offices/Agencies, the Department recognises that enforcement objectives are, by their nature, bound by the statutory framework in which such activity takes place (including the independence of those Offices/Agencies in their enforcement activities). The Department has a low risk appetite in respect of these enforcement activities.

### **Risk Management**

In addition to the risk mitigation set out in this statement, the Department has in place a detailed Risk Policy and a dedicated Risk Management Committee which meets regularly. The Committee is chaired at Assistant Secretary level and draws its membership from across all Divisions of the Department. In addition, the Department maintains a comprehensive Risk Register on the OGCI0's eRisk system to track, monitor and mitigate against risks. A high-level risk register is extracted from the Risk Register and is reviewed regularly by the Risk Committee, the Management Board and the Audit Committee.