

Risk Management Framework

Responsible Officer	Chief Quality Officer
Approved by	Board of Directors
Approval date	29 August 2023
Effective date	1 January 2024
Relevant legislation	Higher Education Standards Framework (Threshold Standards) 2021 (Cth)

1. Purpose

The Risk Management Framework (the framework) provides the overarching direction for risk management at the Institution. It formalises the risk management approach and supports risk owners and their teams in understanding their risks. The framework facilitates the integration of risk management into all aspects of the Institution’s business. It sets out the processes and procedures to be followed to effectively manage risk.

2. Scope

The policy applies to all staff and to all areas of the Institution.

3. The Framework

The key elements of the framework are:

The framework (this document) - the framework is as described in section one above. It outlines the processes for managing risk and is designed to ensure that a consistent approach to risk management is taken across the organisation. It also sets out key roles and responsibilities.

Risk Management Policy – the Risk Management Policy (the policy) affirms the Institution’s commitment to embedding a positive risk culture in which risks are proactively and effectively managed.

Risk Appetite Statement – the Risk Appetite Statement (the statement) sets the Institution’s appetite and tolerance for risk in various key areas.

Risk Management Guide – the Risk Management Guide (the risk guide) is a practical ‘how to’ guide for risk owners and their teams.

Risk Register – the Risk Register (the risk register) captures the Institution’s strategic, academic and operational risks, mitigating controls and planned actions.

Audit, Risk and Compliance Committee – the Audit Risk and Compliance Committee (ARCC) oversees risk management, the annual audit program and compliance at the Institution.

4. Risk Appetite Statement

The purpose of the statement is to articulate a shared Institution view regarding the amount and level of risk the Institution is willing to take in key areas of the business, considering the risks and benefits. The statement helps guide decision making by ensuring decisions are taken in line with the Institution’s approach to risk. The statement includes the risk criteria that align to the purpose and vision of the organisation and the amount of risk the Institution is willing to take in relation to the different criteria.

5. Integration

Risk management is an integral part of business planning and supports the delivery of the strategic plan and achievement of the Institution’s strategic goals. The risk register is mapped to the strategic plan which supports a holistic approach to risk management and delivery against the objectives in the strategic plan.

Risk management is incorporated into the business planning cycle at the appropriate level. The planning process includes: identifying high and key risks, and assessing the level of effectiveness of controls; identifying issues or areas for improvement; and making recommendations for improving the controls or addressing the risk in some other way.

Risk management is also built into planning and budgeting cycles, project and program management and the development and review of policies and procedures.

6. Methodology

The Institution’s risk management methodology is based on AS ISO 31000:2018 Risk management — Guidelines (the risk management standard) and is targeted to the Institution’s operating environment and context. The risk management standard defines risk as the effect on uncertainty on objectives and risk management as coordinated activities to direct and control an organisation regarding risk. Risk encompasses both threats and opportunities for an organisation.

The methodology adopted by the Institution to manage risk involves communication and consultation, establishing the context, assessing, treating, monitoring, reviewing, recording, and reporting on risk, as per the risk management standard and illustrated in Figure 1 below.

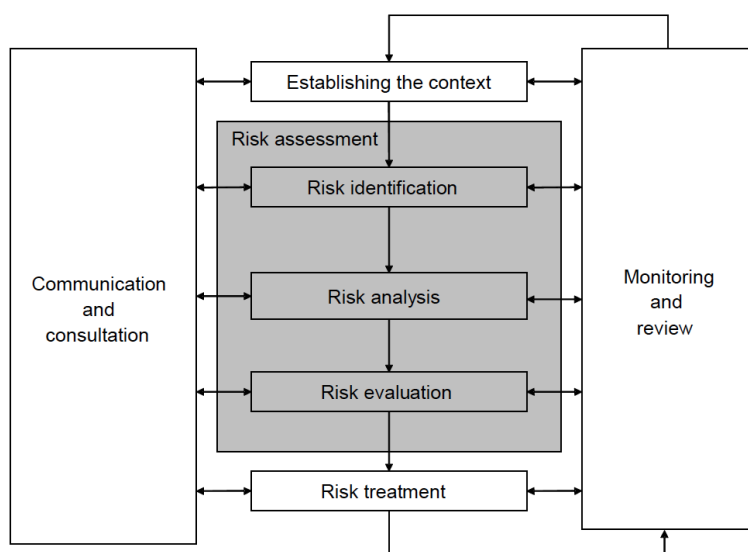


Figure 1: Risk Management Methodology

6.1 Establishing Context

This requires an understanding of the current conditions in which the Institution operates in, in an internal, external and risk management context. This includes the Institution’s regulatory environment, and appetite for risk. It is important for risk owners to understand not only their own unique operating environment and the higher education sector’s regulatory landscape but also wider national and global issues that may affect the Institution.

6.2 Risk Assessment

The risk management standard defines risk assessment as the overall process of risk identification, risk analysis and risk evaluation. The Institution adopts a systemic approach to risk management, as evidenced by the implementation of this framework. We work collaboratively with our stakeholders throughout the risk assessment process and take an iterative approach to the management of our risks.

6.2.1 Identify

As a private tertiary education provider in Australia, the Institution operates in a complex local public policy and regulatory environment, and an increasingly competitive global marketplace, characterised by rapid technological change. In regard to the regulatory framework, the Institution's activities are governed principally by the:

- Tertiary Education Quality and Standards Agency Act 2011
- Higher Education Standards Framework (Threshold Standards) 2021
- Higher Education Support Act 2003
- Education Services for Overseas Students Act 2000
- National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2018
- National Vocational Education and Training Regulator Act 2011.
- Standards for Registered Training Organisations (RTOs) 2015
- Standards for VET Accredited Courses 2021

Risks are identified through environmental scanning (keeping ourselves updated on our operating environment), our strategic, marketing and financial planning processes, major projects, investigating incidents (risk assessment and mitigation actions are essential elements), internal monitoring (regular audit and inspection) and throughout the change management process.

Guidance is provided to risk owners on the factors to be considered in the risk assessment process in the risk guide.

6.2.2 Analyse

To analyse our risks, the Institution considers uncertainties, the sources of risk, the consequences, likelihood, events, scenarios, controls and the effectiveness of controls. Qualitative and/or quantitative techniques will be used in the risk analysis and the result of the risk analysis will contribute to the decision on whether the risk is accepted or treated and the most appropriate treatment options.

6.2.3 Evaluate

In evaluating its risks, the Institution compares the results of the risk analysis with the risk criteria within the statement to determine the most appropriate course of action. This can include accepting the risk and doing nothing, maintaining existing controls, undertaking further treatments, and reconsidering decisions.

6.3 Treatment

The treatment of risks involves the development of strategies for controlling and exploiting the various risks. Noting that the definition of risk incorporates positive as well as negative outcomes, the response to identifying, assessing and prioritising the range of risks that the Institution will encounter involves both managing risks and seizing opportunities related to the achievement of objectives. The risk management standard gives a list of ways to treat a risk including:

- avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk
- taking or increasing the risk to pursue an opportunity
- removing the risk source
- changing the likelihood
- changing the consequences
- sharing the risk with another party or parties
- retaining the risk by informed decision.

6.4 Monitoring and review

The Institution must conduct ongoing monitoring and periodic review of the risk management process and the outcomes from that process. This takes place at all stages of the process and is captured through regular reporting by risk owners (which requires a reassessment of their identified risks) as well as periodic (at least every two years or earlier if required) review of the whole risk framework.

6.5 Communication and consultation

Figure 1 shows how these various elements of risk management are related to each other, with risk assessment central to what is a comprehensive, integrated, whole of Institution approach.

Communication and consultation with everyone in the organisation is critical at every stage of what is an on-going, iterative business activity.

The risk owner (the manager of the work area or process being assessed) is responsible for carrying out the risk assessment process. The risk owner undertakes this assessment because this person is best placed to identify and monitor the risk, to initiate action if the risk becomes more serious, or to escalate the matter to senior management if necessary. Risk owners are responsible for regularly reporting to relevant governance committees on their identified risks.

Detailed guidance for managers on implementing the risk assessment process in practice, including risk assessment criteria is available in the risk guide.

7. Risk register

The risk register captures the risks faced by different areas of the organisation and separately records strategic, corporate, and academic risks. The risks are assigned to risk owners who are responsible for reporting on the status of their risks to the Academic Board, ARCC, Executive Management Group and Board of Directors as required. The risk register contains details of the inherent risk rating, mitigating controls and subsequent residual risk rating. The risk register also provides for any further action required and a statement as to whether the risk will be treated or accepted.

Risk owners are responsible for reviewing and updating the risk register regularly, including when their risk reports are due, and at any other time should the risk rating change significantly or when new key risks arise, or when the environment and other contextual changes occur. This includes seeking to take advantage of opportunities.

The risk register contains a matrix providing a clear snapshot of the high, medium, and low risks the business faces and can be a focus for Board and management discussion.

8. Roles and responsibilities

Role	Responsibility
Academic Board	The Academic Board oversees academic integrity and monitoring actions to mitigate potential risk' (AB Functions 2.d.)
Audit, Risk and Compliance Committee	The ARCC oversees risk management, the annual audit program and compliance at the Institution, reporting to the Board of Directors to enable them to discharge their duties.
Board of Directors	The Board of Directors identifies and monitors any risks to operations and ensure that the Institution manages and mitigates those risks effectively' (BoD function 2.g.).
President and Managing Director (President)	The President has ultimate responsibility for ensuring the implementation of, and compliance with this framework.

Role	Responsibility
Chief Quality Officer	The CQO is responsible for promoting effective governance, overall risk reporting and oversight of the implementation of the framework.
Associate Vice President (Quality, Accreditation and Risk)	The Associate Vice President (Quality, Accreditation and Risk) administers and updates the framework including the policy and statement, and co-ordinates detailed risk reports from the risk owners.
Executive Management Group	The Executive Management Group monitors non-academic risks and initiate corrective actions as required' (EMG function 2.c.).
Risk owners	Risk owners are nominated individuals responsible for leading the assessment of their assigned risks, developing appropriate treatment strategies, monitoring their risks, including emerging risks, and reporting to the relevant governance committees.
Managers and key staff	Managers and staff with key responsibilities such as management of information technology projects, security, work health and safety, financial management and business continuity planning, project oversight, managing a business unit, etc. are responsible for ensuring that appropriate risk management practice is an integral part of routine business management.
Staff	<p>Staff are required to support a positive risk culture in the Institution, including understanding this risk management framework.</p> <p>All staff are required to manage risks within the scope of their roles. This means being aware of their team's key risks when making decisions or conducting activities within their area of responsibility and implementing controls to reduce those risks.</p>