

CHSQF051 Risk Management Policy

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1. Purpose

Risk management is an integral part of best business practice at both strategic and operational levels. This policy articulates the commitment of ECA College of Health Sciences (CHS) Board of Directors to regularly monitor potential risks to its operations and develop strategies to mitigate risks that may eventuate.

2. Scope

CHS's risk management approach and the policy follow risk management principles and processes enshrined in the Australian & New Zealand Risk Management Standard AS/NZS ISO 31000:2018, with the main risk categories corresponding to the domains of the Higher Education Standards Framework (Threshold Standards) 2021. In addition, CHS will evaluate, monitor and mitigate all the risk indicators in TEQSA's Risk Assessment Framework¹. This policy applies to all CHS staff, whether employees or contractors, and encompasses all CHS activities.

3. Objectives

The College's objectives in adopting this Risk Management policy, procedure and processes are to:

- ensure that the major risks faced by the College are identified, understood and appropriately managed based on the best information available;
- ensure that the College's strategic and operational planning focus on best practices to achieve optimum business performance;
- ensure that academic primacy and integrity, whilst taking into account risk management in its operations;
- ensure that risk management is tailored to the circumstances of the College, takes human and cultural factors into account, is transparent and inclusive and is responsive to change;
- minimise the loss where risks eventuate through well-planned incident management, including consultation with relevant stakeholders; and
- create an environment where College staff take responsibility for identifying and managing risk to assure operational integrity and facilitate continual improvement of the College.

4. Risk Management Principles

The principles of this policy are based on AS/NZS ISO 31000:2018.

- Risk management creates and protects value- It contributes to the demonstrable achievement of CHS's objectives and improvement;
- Risk management is an integral part of all organisational processes, including CHS strategic and operational processes;
- Risk management is part of decision-making to make informed choices, prioritise actions and distinguish among alternative courses of action;
- Risk management explicitly addresses uncertainty in CHS's strategic and operational processes;
- Risk management is systematic, structured, and timely and contributes to efficiency and to consistent, comparable, and reliable results;
- Risk management is based on the best information from various sources;
- Risk management is customised to CHS's strategic and operational processes;
- Risk management takes human and cultural factors into account;
- Risk management is transparent and inclusive- Involvement allows stakeholders to be properly represented and to have their views considered in determining risk criteria;
- Risk management is dynamic, iterative, and responsive to change. Risk management continually senses and responds to change;

¹ TEQSA's Risk Assessment Framework. V2.2, April 2018
CHS Risk Management Policy V2.0

- Risk management facilitates continual improvement of CHS.

5. Policy

- CHS is committed to conducting risk management activities in accordance with the principles and processes set out in the Risk Management Standard (ISO 31000:2018) and all other relevant legislative and regulatory instruments. In so doing CHS aims to diminish the possibility of adverse or negative events impacting on educational outcomes and strategic objectives, whilst simultaneously exploiting positive opportunities that further promote CHS's success.
- In order to ensure that this commitment is met and to operationalise this policy, CHS has adopted the CHS Risk Management Framework, which describes the application of the risk management process at varying levels and within specific contexts of CHS and ensures that information about risk derived from the risk management process is adequately reported.
- The information so reported provides the basis for the Board of Directors' decision making and accountability (advised by the Academic Board and Audit and Risk Committee), through enabling the periodic review of the major business, strategic, legal, operational and financial risks, which have been identified, and whether or not CHS is adequately protected against them.
- All normal management strategies and activities in CHS will adopt proper risk management practices.

6. Risk Management Framework

CHS's risk management framework comprises the components defined in ISO 31000:2018 Risk Management Standard as follows:

- Leadership and commitment- assure that systems to mitigate risks are implemented and operating effectively to achieve the objectives of CHS;
- Ensure risk management is integrated into the CHS's strategy and operations;
- Design risk management framework to include both internal and external risks that are likely to affect the achievement of CHS objectives;
- Articulate CHS's objectives and commitment to risk management;
- Responsibilities are delegated to achieve CHS objectives;
- Optimise the resources to manage the risks.

The Framework comprises the CHS Risk Management Policy, processes, appetite statement and risk register.

- Institutional and regulatory contexts are the basis on which the *CHS Risk Management Policy* is framed;
- *CHS Risk Management process* is used to manage the risks and involves identification, analysing, evaluation, and risk treatment.
- *The CHS Risk Register* addresses the risks involved in managing CHS, including but not limited to all the domains of TEQSA's risk assessment framework, which will affect the reputation, financial viability and sustainability, academic integrity, operational activities, student load, progress rates, and completion rates of the College. The register also lists the risk treatment, likelihood of the risk occurring, and the outcome of the risk treatment;
- The *CHS Risk Appetite Statement* which records the amount of risk CHS is prepared to accept to achieve CHS's strategic objectives.

7. Risk Management Process

CHS Executive Management review the risk register every quarter and updates the risks, likelihood of the risks occurring, mitigation strategies, and the residual risks. These updated risks, the top risks and other risks

from the risk register that are identified are then presented to the Audit and Risk Committee for further guidance and feedback.

8. Monitoring and Review

CHS's approach to risk is reviewed annually by the Board of Directors, advised by the Audit and Risk Committee and Academic Board, with particular attention paid to the currency of CHS's risk appetite statement. The review and presentation of risk reports is detailed in the CHS Governance Reporting Matrix. Additional details concerning reporting are detailed in the *CHS Risk Management Framework*.

9. Responsibilities

This policy is implemented through the Board of Director's oversight, tracking, and monitoring by the Audit and Risk Committee based on *CHS's Risk Management process, Appetite Statement, and Risk Register*.

Responsibilities for managing risks at CHS are delineated as follows:

1. The CHS *Board of Directors* (BoD) has the ultimate responsibility for effective oversight of all risks. Directly or through its Audit and Risk Committee, the BoD shall monitor potential risks to CHS operations on a quarterly (or more frequent) basis, ensuring CHS applies prudent strategies to mitigate risks that may eventuate. The Board of Directors will require regular reports on status of risks from the Principal and may commission independent audits of the operations via its Audit and Risk Committee or employing an external consultant.
2. The primary focus of the *Academic Board* (AB) is to exercise vigilance and to monitor academic activities to ensure all risks to students and academic programs and outcomes are properly identified and mitigated by the executive team and that academic primacy, maintenance of standards, academic integrity & quality are upheld in all CHS operations through the sub-committees and delegated authorities.
3. The *Audit and Risk Committee* reviews the Risk Management Policy (this policy), the Risk Management process and the Risk Register, as well as regular reports from the Principal. The Committee further reviews and monitors functional plans and their execution to ensure that risks are mitigated and managed properly, and opportunities are appropriately and sustainably exploited. Risk management performance is assessed by the Audit and Risk Committee based on analysis of risk, the effectiveness of risk treatment actions in the risk log, and risk management activities as recorded in the Risk Register.
4. *Principal*
 - providing appropriate training to support effective application of this policy;
 - communicate risk management strategies to the Executive Management Team and provide direction to them;
 - review and monitor the execution of risk management strategies in each operational function and;
 - train key personnel in the understanding and application of risk management strategies to achieve desired goals and outcomes, which includes incorporating risk management activities into the relevant functional plans;
 - approve risk responses and associated actions prior to implementation;
 - facilitate risk management by all key personnel;
 - regularly reporting risk status to the ARC, with recommendations for appropriate strategic decisions and actions to maintain acceptable risk exposure;
 - escalating identified risks to the College Board where appropriate.

5. *General Manager Higher Education-Quality*

- reviews and revises the Risk Register periodically;
- promotes a risk aware culture across operations and monitors and reports the status of risks and mitigation strategies, based on the review of the Risk Register;
- assists the Principal to review and revise the Risk Management Register periodically;
- ensures risk mitigation strategies are applied prudently across operations;
- reviews risk management performance and proposes process improvements.

6. *Dean*

- exercise leadership regarding the management of academic risks;
- ensure all policies and guidelines and operations are aligned with risk management strategies;
- ensure senior academics have defined roles in managing academic risks;
- gather evidence of effective risk management outcomes;
- regularly report academic risks to AB and operational risks to Principal or nominee.

7. *Registrar*

- exercise leadership regarding the management of administrative services & student support risks;
- ensure all relevant policies & guidelines and operations are aligned with Risk Management strategies;
- ensure staff have defined roles in managing administrative risks;
- gather evidence of effective risk management outcomes;
- regularly report admin risks to Principal or nominee.

10. **Related Documents**

- CHS Risk Management Framework
- CHS Risk Register

11. **Regulations and Legislations**

- Education Services for Overseas Students Act 2000.
- National Code of Practice for Providers of Education and Training to Overseas Students 2018.
- Higher Education Standards Framework (Threshold Standards) 2021.
- ISO 31000:2018. Risk Management – Principles and Guidelines. Geneva: International Standards Organisation.
- Work Health and Safety Act 2011 (NSW).
- Work Health and Safety Act 2011 (Qld).
- TEQSA Risk Assessment Framework. Version 2.3.
- Tertiary Education Quality and Standards Agency Act 2011.
- TEQSA Guidance Note: Corporate Governance. Version 2.4.

12. **Version Control**

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