

## QAF006 Risk Management Framework

### Contents

1. Purpose	2
2. Scope	2
3. Objectives	2
4. Principles	2
5. Risk Management Framework	3
6. Risk Register and Risk Categories	4
7. Responsibilities	5
8. Monitoring and Review of Risk	7
9. Reporting	7
10. Version Control	7

## 1. Purpose

This framework articulates the commitment of Higher Education Leadership Institute (HELI) to risk management as an integral part of its business practice at the corporate and strategic level and describes the principles, practices, and responsibilities on which the College's risk management processes, strategies and plans are based. The aim is to ensure that HELI successfully manages risk by further developing and maintaining an effective risk management approach that provides the foundations and arrangements that will embed it throughout HELI.

## 2. Scope

The scope of this framework applies to all HELI staff and ECA staff working for CHS, whether employees or contractors, and spans all HELI activities.

## 3. Objectives

HELI's objectives for adopting and implementing rigorous risk management framework, practices and processes are intended to:

- Assure academic primacy and integrity, whilst factoring in risk management in its operations;
- Assure best legislative and regulatory compliance practice and performance;
- Take a structured approach to identify opportunities, threats and their associated risks, including consultation with relevant stakeholders;
- Assure best practice in strategic and operational decision-making and the pursuit of optimised business performance and business continuity;
- Monitor and review corporate governance and academic governance performance;
- Improve stakeholders' confidence and trust;
- Optimise the costs of managing risks; and
- Minimise the loss where risks eventuate through well-planned incident management, including consultation with relevant stakeholders.

## 4. Principles

The Risk Management Framework is underpinned by the following principles and is based on *Risk Management Standard ISO 31000 2018*.

- Risk Management is an integral part of all processes – by operating effectively throughout the Institute and incorporating the risk processes into management processes.
- Risk Management is comprehensive, systematic, structured, and timely – the management of risk is undertaken in a planned, consistent manner contributing to efficiency and comparability.
- Risk Management is based on the best available information – from a variety of sources.
- Risk Management is customised – with the risk profile and set for HELI's experiences and strategy.
- Risk Management takes human and cultural factors into account – taking into consideration the College's culture and communities.
- Risk Management is transparent and inclusive – the risk management processes include the timely involvement of stakeholders and decision-makers across HELI and with controlled and associated entities.
- Risk Management is dynamic, iterative, and responsive to change – the risk profile and framework is reviewed regularly.

## 5. Risk Management Framework

- Heli is committed to conducting risk management activities following 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 Heli aims to diminish the possibility of adverse or negative events impacting educational outcomes and strategic objectives, whilst simultaneously exploiting positive opportunities that further promote Heli's success.
- To ensure that this commitment is met and to operationalise this Framework, Heli has adopted the **Risk Management Framework**, which describes the application of the risk management process at varying levels and within specific contexts of Heli 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), by enabling the periodic review of the major business, strategic, legal, operational, and financial risks, which have been identified, and whether Heli is adequately protected against them.
- **Risk Management Process:** The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, mitigating, monitoring and communicating risk.
- The regulatory and institutional contexts on which the Heli Risk Management Framework are based
- The components of Heli's risk management processes
  - a. **Identifying risk**, requires the following factors to be considered:
    - the purpose for managing risk and links to the College's objectives and other policies
    - the need to integrate risk management into the overall culture of the College
    - the integration of risk management into core business activities and decision-making authorities, responsibilities, and accountabilities
  - b. **Risk Evaluation:** There are five decisions which support the process including:
    - do nothing further
    - consider risk treatment options
    - undertake further analysis to better understand the risk
    - maintain existing controls; or
    - reconsider objectives.
  - c. **Treating risks** involves:
    - implementation of *mitigation strategies* to manage identified risks
    - evaluation of the effectiveness of risk mitigation strategies
- Roles and responsibilities of the Board of Directors, Academic Board, Audit and Risk Committee, and Heli Executive Management in relation to effective risk management
- Monitoring and Reporting provisions and schedules for risk management processes and activities.

## 6. Risk Register and Risk Categories

The *Risk Register* categorises the risks into:

1. Student load, experience, and outcomes
2. Learning Resources
3. Staff Resources and Students safety
4. Learning and Teaching, Research and Academic Integrity
5. Institutional Quality Assurance
6. Corporate and Academic Governance
7. Financial Sustainability, Viability, Institute reputation and
8. Information Management

The *Risk Register* includes:

- a. Consequence of Risk:** If the risk occurs, then the outcome of that risk, expressed qualitatively or quantitatively, being a loss, injury, disadvantage, or gain. There may be a range of possible outcomes associated with the risk.

Consequence of Risk	Description
Low	If this risk eventuates, slight inconvenience/difficulty in operational performance of a specific area of the College.
Medium	If this risk eventuates, operational performance of the Institute would be compromised to the extent that revised planning would be required to overcome difficulties experienced by a specific area of the College.
High	If this risk eventuates, operational performance of a specific area of the Institute would be severely affected.
Extreme	If this risk eventuates, the Institute would be rendered dysfunctional/ operational performance would be compromised to the extent that the Institute is unable to meet obligations and liabilities in core activity areas/ severe accountability implications would result in the Institute being unable to meet regulatory requirements/ the Institute would incur significant financial losses.

- b. Likelihood of Occurrence:** A qualitative description or synonym for probability or frequency of the risk occurring.

Likelihood of Occurrence	Description
Unlikely	Risk could occur at some time
Possible	Risk might occur at some time
Likely	Risk will probably occur in most circumstances

- c. Mitigation Strategies** are designed to:

- to reduce or negate the risk by deciding to stop, postpone, cancel, divert, or continue with an activity that may be the cause for that risk
- to modify the likelihood of the risk by trying to reduce or eliminate the likelihood of the negative outcomes

- to try modifying the consequences in a way that will reduce losses
- to share the risk with other parties facing the same risk (insurance and assurance arrangements)
- to retain the risk or its residual risks.

**d. Residual Risk Rating:**

Residual risk is the risk that remains after the mitigation strategies have been implemented.

<b>Residual Risk Rating</b>	<b>Description</b>
<b>Low</b>	Risk is appropriately mitigated
<b>Medium</b>	Risk could be mitigated further and reported to Audit and Risk Committee as required.
<b>High</b>	Risk requires constant monitoring and mitigation strategies needs to be improved and immediately informed to the Audit and Risk committee for further guidance.

**7. Responsibilities**

The governance of risk management is seen as a collective responsibility, although the ultimate responsibility rests with the Board of Directors. An overview of responsibilities at the governance and management levels is detailed below.

**a. Board of Directors**

The HELI Board of Directors has the ultimate responsibility for effective oversight of all risks and shall regularly monitor potential risks to the Institute operations ensuring the Executive Management Team applies prudent strategies to mitigate risks that may eventuate. The Board receives regular updates on the status of risks from the Audit and Risk Committee as well as the Academic Board. In certain circumstances, the Board may commission independent audits of the operations via its Audit and Risk Committee or by engaging an external consultant. The HELI *Governance Charter* provides specific details of the Board of Directors’ responsibilities with respect to risk management.

**b. Audit and Risk Committee**

The Board of Directors delegates to the Audit and Risk Committee (ARC) the authority to review, monitor, and investigate four key areas: financial reporting and performance, internal control structure, risk management systems, and internal and external audit functions. The Committee will also examine any other matters referred to it by the Board. The HELI *Governance Charter* provides specific details of ARC's responsibilities with respect to risk management. ARC assists the Board of Directors to establish the Risk Framework and monitor the implementation and effectiveness of the management of risk. The ARC reports the reported risks to the Board of Directors with recommendations.

**c. Academic Board**

The primary focus of the Academic Board (AB) is to exercise vigilance and to monitor academic activities to ensure all risks to students, including academic programs and outcomes are properly identified and mitigated by the Executive Team and that academic primacy is reflected in all HELI plans and decisions, including maintenance of academic standards, academic integrity, and assurance of

quality in all operations. The HELI *Governance Charter* provides specific details of AB's responsibilities with respect to academic risk management. The sub-committees of Academic Board report any risks related to their terms of reference to the Academic Board. The Academic Board monitors all academic risks and the quality of operations and reports to the Board of Directors with any recommendations and mitigation strategies.

**d. Chief Executive Officer**

Among the key responsibilities of the CEO the following may be noted (not exhaustive):

- Encouraging all personnel to support risk management activities
- Determining acceptable levels of risk for HELI in consultation with the Board and the senior executive team
- Reviewing the risk management plan
- Facilitating open and honest communication about risks within the Institute
- Facilitating systemic analysis and mitigation of risks
- Approving risk responses and associated actions prior to implementation
- Facilitating risk management by all key personnel
- Escalating identified risks to the Institute Board where appropriate with Audit and Risk Committee with recommendations for appropriate strategic decisions and actions to maintain acceptable risk exposure
- Monitoring the efficiency and effectiveness of the risk management practices
- Commissioning reviews of risk management practices for their effectiveness

**e. General Manager Quality**

Among the key responsibilities of the GM Quality the following may be noted (not exhaustive):

- Exercise leadership with respect to the management of risks related to academic governance, corporate governance, regulatory and quality
- Ensure staff have defined roles in managing risks
- Gather evidence of effective risk management outcomes
- Coordinate with the Executive Management team and committee to update the Risk Register and report to the Audit and Risk Committee
- Ensure all relevant policies & guidelines and operations are aligned with Risk Management strategies

**f. Dean**

Among the key responsibilities of the Dean the following may be noted (not exhaustive):

- Exercise leadership with respect to 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 and operational risks to Executive Management Committee and AB.

**g. Registrar**

Among the key responsibilities of the Registrar the following may be noted (not exhaustive):

- Exercise leadership with respect to the management of admin services and student support risks
- Ensure all relevant policies and guidelines and operations are aligned with Risk Management strategies
- Ensure staff have defined roles in managing admin risks
- Gather evidence of effective risk management outcomes
- Regularly report admin risks and student support risks to Executive management Committee

## 8. Monitoring and Review of Risk

The *Risk Register* is reviewed annually by the Board of Directors, advised by the Audit and Risk Committee and Academic Board. The Executive Management Committee updates the risks, the mitigation strategies, and the residual risks.

## 9. Reporting

The review and presentation of risk reports to the Audit and Risk Committee are detailed in the HELI Governance *Reporting Matrix*. The Academic risks are presented to the Academic Board through the Chairs of the AB sub-committees. The Academic Board Chair presents the academic risks to the BoD with any recommendations. The General Manager Quality presents the overall risks to the ARC. The ARC Chair reports the risks to the Board of Directors.

## 10. Reference and Legislation

- 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.
- TEQSA Risk Assessment Framework. Version 2.3.
- Tertiary Education Quality and Standards Agency Act, TEQSA. 2011.
- TEQSA Guidance Note: Corporate Governance. Version 2.4.
- Work Health and Safety Act and regulation 2011 (NSW)
- Occupational Health and Safety Act 2004 and Regulation 2017 (VIC)
- Work Health and Safety Act and Regulation 2011 (QLD)

## 11. Related Documents

- HELI Governance Charter
- HELI Risk Register
- HELI Reporting Matrices

## 12. Version Control

Policy Category	Corporate
Document Owner	General Manager Quality
Review Date	16 December 2024

Version	Change Description	Approved	Review Date
1.0	<p>Document Established.</p> <p>HELI had a Risk Management Plan.</p> <p>The Risk Management Policy, Framework, and appetite statement are combined into a single Risk Management Framework document.</p>	16 December 2022	16 December 2024