QAF006 Risk Management Framework

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1. Purpose

This framework articulates the commitment of the 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 Institute'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. The *Risk Management Framework* includes a *Risk Appetite Statement* as in *Appendix 1*.

2. Scope

The scope of this framework applies to all HELI staff and ECA staff working for HELI, 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 practices 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, *TEQSA Risk Assessment Framework. Version 2.3, Tertiary Education Quality and Standards Agency Act, TEQSA. 2011 and TEQSA Guidance Note: Corporate Governance. Version 2.4*.

- 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 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 (BOD) decision-making and accountability (advised by the Academic Board (AB) and Audit and Risk Committee (ARC)), 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: Five decisions 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 BOD, AB, ARC, 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, Welfare, and Safety
2. Staff and Resources
3. Learning and Teaching, Research and Academic Integrity
4. Academic Quality
5. Regulatory Compliance and Legal
6. Academic and Corporate Governance
7. Financial Sustainability, Viability, and Reputation
8. Business Continuity

The *Risk Register* includes:

a. **Consequence of Risk**: If the risk occurs, then the outcome of that risk, expressed qualitatively or quantitatively, is 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 the operational performance of a specific area of the College.
Medium	If this risk eventuates, the 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, the 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 the probability or frequency of the risk occurring.

Likelihood of Occurrence	Description
Unlikely	The risk could occur rarely.
Possible	The 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 of that risk
- to modify the likelihood of the risk by trying to reduce or eliminate the likelihood of negative outcomes
- to try modifying the consequences in a way that will reduce losses whilst ensuring academic quality, safety and welfare of the students and staff are maintained
- to share the risk with other parties facing the same risk (insurance and assurance arrangements)

d. **Residual Risk Rating:**

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

Residual Risk Rating	Description
Low	Risk is appropriately mitigated
Medium	The risk could be mitigated further and reported to ARC as required.
High	Risk requires constant monitoring and mitigation strategies need to be improved and immediately informed to the ARC for further guidance.

7. Responsibilities

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

a. Board of Directors

The HELI BOD 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 BOD receives updates on the status of risks from the ARC Chair (from each ARC meeting) as well as the AB Chair (on all academic risks). In certain circumstances, the BOD may commission independent audits of the operations via its ARC or by engaging an external consultant. The HELI *Governance Charter* provides specific details of the BOD's responsibilities with respect to risk management as below:

- Oversee the assessment and management of risk across HELI. (HESF 6.2.1e)
- Monitor the effectiveness of the management and mitigation strategies implemented to address the identified risks to operations. (HESF 6.2.1e)
- Oversee, review, and monitor the effectiveness of -the management of HELI's educational offerings and sustainability.
- Ensure that there are credible business continuity plans and adequately resourced financial and tuition safeguards to mitigate disadvantages to students who are unable to progress in a course of study and that safeguards are appropriate to the student cohort. (HESF 6.2.1i)
- Monitor the occurrence and nature of formal complaints, academic misconduct breaches, and critical incidents and the action taken to address the underlying causes of such incidents. (HESF 6.2.1j)
- Ensure that HELI continues to meet the Higher Education Standards Framework, that lapses in compliance with the Higher Education Standards Framework are identified and monitored, that prompt corrective action is taken, and that the effectiveness of corrective actions is evaluated. (HESF 6.2.1k)

b. Audit and Risk Committee

The BOD delegates to the 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. ARC assists the BOD in establishing the Risk Framework and monitoring the implementation and effectiveness of the management of risk. The ARC reports the reported risks to the BOD with recommendations The HELI *Governance Charter* provides specific details of the ARC's responsibilities with respect to risk management as below:

- Assist the BOD in establishing the Risk Framework and monitor the implementation and effectiveness of the management of risk. (HESF 6.2.1e)
- Oversight of fraud and corruption, including policies and actions to prevent unauthorised or fraudulent access to private or sensitive information. (HESF 7.3.3b)
- Monitor actions taken by management in respect of the Annual Audit Report, if applicable, and this Committee's recommendations. (HESF 6.2.1d)
- Undertake special investigations initiated by the ARC or upon request from the BOD.

c. Academic Board

The primary focus of the AB (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 sub-committees of AB report any risks related to their terms of reference to the AB. The AB monitors all academic risks and the quality of operations and reports to the BOD with any recommendations and mitigation strategies The HELI *Governance Charter* provides specific details of AB's responsibilities with respect to academic risk management as below:

- Maintain oversight of academic and research integrity, including monitoring of potential academic risks, and ensure strategies address identified risks. (HESF 6.3.2d, 5.2.1-5.2.4)
- Review, monitor and approve preventative actions in relation to academic risks, including risks to students, and risks to course quality and graduate outcomes. (HESF 6.3.2d, also 5.3.2, 1.3.4)

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 ARC with recommendations for appropriate strategic decisions and actions to maintain acceptable risk exposure
- Monitoring the efficiency and effectiveness of 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 ARC and AB
- Ensure all relevant policies & guidelines and operations are aligned with Risk management strategies
- Ensure the Risk Register is updated/ included after the discussion at the ARC, AB and/or BOD meetings.

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 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
- Coordinate with the Academics and the AB sub-committees to gather all the risks. Regularly report academic operations risks to the Executive Management Committee.

g. General Manager Operations

Among the key responsibilities of the General Manager Operations, 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 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 administration and operation risks and student support risks to the Executive management committee

8. Monitoring, Reporting and Review of Risk

The review of the risk register and risk management report, to the ARC, are detailed in the HELI *Governance Reporting Matrix.*

- The Executive Management Committee updates the risks, the mitigation strategies, and the residual risks before these are presented to BOD, ARC and AB for discussion and feedback.
- A **comprehensive review** of the *Risk Register* is completed annually by the BOD, advised by the ARC and AB.

- The **interim review** of the *Risk Register* and in general the risks is achieved through*:
  - In each ARC meeting (as in the *Governance Reporting Matrix),* the GM Quality presents the *Risk Management Report* as a standing item along with the risk register.
  - The ARC Chair presents the summary of the risks from every ARC, through the ARC Chair's report to the BOD (the ARC Chair sits in the BOD as a Director) and recommends any further actions to be endorsed by the BOD.
  - The AB sub-committee discusses any potential risk or update of any mitigation strategies to be implemented. The GM Quality/ Dean discusses/ presents any academic risks to at least three ABs in a year.
  - The AB Chair presents the summary of the academic risks from AB, through the Chair's report to the BOD (as the AB Chair sits in the BOD as a Director) and recommends any further actions/ audits to be approved by the BOD.

9. 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)

10. Related Documents

- Governance Charter
- Risk Register
- Governance Reporting Matrices
- Risk Appetite Statement
- Quality Assurance Framework

11. Version Control

Policy Category	Corporate
Document Owner	General Manager Quality
Review Date	15 April 2027

Version	Change Description	Approved	Review Date
1.0	Document Established. HELI had a Risk Management Plan which included a register. This has been replaced by the Risk Management Framework as a part of the harmonisation of the 3 IHEs and the outcome of the Winchester Review.	16 December 2022 by BOD. Reviewed by ARC	16 December 2024
2.0	The responsibilities of the BOD, ARC, and AB have been updated based on the Governance Charter. The monitoring and reporting process has been explicitly stated. The Risk Appetite Statement and Risk Tolerance have been defined in Appendix 1. The responsibilities of executive management have been updated. The Risk Register categories were updated. The responsibility of updating of Risk Register was updated. Monitoring and Reporting steps have been updated.	20 September 2024. by BOD. Reviewed by ARC.	15 September 2026
2.1	Risk Appetite column 1 Regulatory, Compliance, Legal and Governance has been updated.	15 April 2025 Board of Directors Audit and Risk Committee	15 April 2027

12. Appendix 1- Risk Appetite Statement

The Risk Appetite Statement communicates the amount of risk that HELI is willing to accept in its pursuit of strategic objectives. It identifies HELI's risk appetite and outlines the acceptable risk tolerance levels that HELI should consider when pursuing its strategic objectives and business planning processes, while also taking into account the interests of its customers, staff, and other stakeholders. The Risk Appetite Statement applies to all HELI operations and projects.

HELI's Risk Appetite Statement guiding principles are that:
- Research, projects or initiatives outside 'business as usual activities' are essential for growth objectives;
- HELI needs to be compliant with legislative and regulatory frameworks; and
- HELI has implied risks more than potential returns and is outside the risk tolerance.

The *HELI Risk Appetite Statement* forms part of HELI's *Risk Management Framework* and is integrated into all decision-making processes with the following approach:
- The implementation of regular review and monitoring of the HELI *Risk Register*;
- Guiding management and business decision-makers when making strategic decisions;
- Providing a reference point for the development and review of the HELI's Policy Framework and its associated procedure framework;
- Integration with ECA's enterprise-wide risk management mechanisms and compliance frameworks; and
- Supporting the due diligence process for new projects and existing operations.

Risk Categories: HELI identifies the below six categories for risk appetite

1. Regulatory Compliance, Legal and Governance
2. Financial, Strategic and Business Continuity
3. Reputation, Fraud, Ethics, and Integrity
4. Academic Quality, Student Load, Experience and Outcomes
5. Welfare, Safety and Culture
6. Resources and Operations

Risk Tolerance
VERY LOW TOLERANCE:
- Activities in this category pose significant risks as they could impact students, staff, business continuity, and stakeholders.
- Management must take action and report to the BOD/ARC/AB.

LOW TOLERANCE:
- Activities in this category must be discussed and mitigation strategies implementation followed up by respective committees/ board.
- Management can take measured risks to operate and grow the business or process involved and include them in the risk management report.

MEDIUM TOLERANCE:
- Activities in this category must be pursued subject to the effective implementation of processes regarding planning, reporting, and accountability.
- Management may explore opportunities to grow these areas of the business within the appetite levels.

HIGH TOLERANCE:
- Activities that are fundamental to qualitative aspects of the business.
- These activities are to be pursued, but appropriate monitoring and review processes must be in place to ensure any activities undertaken in this category do not become medium to low risk.
- These are opportunities that will not impact the business, academic or regulatory integrity of the business.

Regulatory Compliance, Legal and Governance	Financial, Strategic and Business Continuity	Reputation, Fraud, Ethics, and Integrity	Academic Quality, Student load, experience and outcomes	Welfare, Safety and Culture	Resources and Operations
Meet HESF 2021 standards: VERY LOW TOLERANCE for non-compliance Higher Education Standards through self-assurance reports as high residual risks.	**Business continuity** - VERY LOW TOLERANCE for business disruption to critical functions and processes.	**Academic/ Research Integrity:** VERY LOW TOLERANCE for risks to the integrity of academic and research.	**Student experience:** VERY LOW TOLERANCE for reduced students experience.	**Bullying, Harassment and Discrimination:** VERY LOW TOLERENCE to risk to Student/staff welfare and safety, sexual assault/ sexual harassment/ gender-based violence/ discrimination/ bullying	**Infrastructure and library:** VERY LOW TOLERANCE for non-availability of library resources and well serviced infrastructure.
Meet ESOS Act and National Code standards: VERY LOW TOLERANCE for non-compliance National Code and ESOS act through self-assurance reports as high residual risks.	**Strategic Alignment:** LOW TOLERANCE for executing projects outside the strategy not aligned with an approved business case.	**Illegal Activity:** VERY LOW TOLERANCE for fraudulent behaviour, which may include bribery, fraud and corruption	**Academic delivery quality:** VERY LOW TOLERANCE for risks to quality of academic delivery	**Work Health and Safety:** VERY LOW TOLERANCE for exposing staff, students, contractors and other visitors to serious WHS risk.	**Staffing:** LOW TOLERANCE to Student to Staff ratio over 30 whilst maintaining the quality of education.
TCSI reporting- LOW TOLERANCE for errors in reporting whilst learning to adapt with the system	**Financial Viability:** LOW TOLERANCE for doing anything which prevents maintaining profitability and long-term financial viability whilst meeting the strategic objectives.	**Brand Reputation:** VERY LOW TOLERANCE for anything which will damage the College/Institute brand as a leading education provider in Australia whilst providing enhanced student experience.	**Student Outcomes:** LOW TOLERANCE for low students' retention and progression rates whilst providing quality academic delivery and student experience.	**Infrastructure and Security:** VERY LOW TOLERANCE for infrastructure availability and student areas without a security officer or swipe cards during afterhours whilst always providing safe environment.	**Technology** - LOW TOLERANCE for systems which do not maintain data accuracy, data protection resulting data privacy and data breaches issues.
Visa Risk Rating – MEDIUM TOLERANCE to high SSVF (as recently visa rejection involves more external factors than internal processes and policies), whilst VERY LOW TOLERANCE for fraudulent documents for admissions.	**Budget Tracking**- MEDIUM TOLERANCE for material variance to budget without an agreed action plan.	**Agents:** LOW TOERANCE for agents who breach the agreements in any form whilst VERY LOW TOLERANCE for fraudulent documents.	**UEQ and QILT for student experience** LOW TOLERANCE for low student satisfaction levels whilst providing best student support and enhanced student experience.		**Staff working across 3 IHEs** - MEDIUM TOLERANCE for academic, research and professional staff to work across the 3 IHE to learn from the best practice whilst maintaining the KPI and performance review to provide quality education and enhanced student experience.
	Business Model - MEDIUM TOLERANCE for initiatives challenging existing approaches to achieving strategic outcomes.		**Student Load and business continuity:** MEDIUM TOLERANCE for change in student load whilst maintaining good quality staff and maintaining Students Staff ratio.		Senior Leaders working across 3 IHEs: HIGH TOLERANCE for senior leaders to work across the 3 IHEs whilst supporting in aligning and harmonisation of processes, policies and procedures.
	New Partnership -MEDIUM TOLERANCE for strategic partners who share values and for innovation and research projects within allocated budget		**New Courses:** MEDIUM TOLERANCE for exploring and development of new and innovative courses to meet the strategic objectives.		**New systems and processes** HIGH TOLERANCE for systems improve efficiencies and support continuous improvement and quality services
	New Venture - MEDIUM TOLERANCE for engaging in business ventures that have long term potential.		**Innovation and Research:** MEDIUM TOLERANCE for exploring new and innovative research whilst maintaining the low to medium risk research topics.		**Attracting and keeping Workforce :** HIGH TOLERANCE for attracting, developing, retaining appropriately skilled staff and developing staff for future leadership
			Partnerships between 3 IHEs: HIGH TOLERANCE for forming alliances with APIC, CHS to improve business and/or academic outcomes.		

VERY LOW TOLERANCE - Management must act and report to the BOD/ARC/AB.	
LOW TOLERANCE - Business can take measured risks to operate and grow the business or process with adequate control framework to contain the risk involved and inform the BOD/ARC/AB	
MEDIUM TOLERANCE- Business may explore opportunities to grow these areas of the business within the appetite levels and inform ARC/BOD/AB	
HIGH TOLERANCE - opportunities that will not impact the business, academic or regulatory integrity of the business	

Figure 1 Risk Appetite and Risk Tolerance Scale