

# RISK MANAGEMENT POLICY

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## 1 PURPOSE

- 1.1 This policy confirms the commitment of CQUniversity to good governance through risk management. It outlines the composition of the risk management system and the broad accountabilities the University will maintain in order to manage its risks.

## 2 SCOPE

- 2.1 This policy applies to:
- CQUniversity as whole
  - all controlled entities and partnerships
  - strategic, corporate (University) and project activities
  - all employees of the University whether permanent, temporary, full-time, part-time or casual, and
  - any contractor, consultant or person who works in any other capacity for the University.

## 3 POLICY STATEMENT

- 3.1 Risk management is recognised as an essential governance arrangement and supports the achievement of the University’s strategic goals.
- 3.2 The University is committed to making risk management an integral part of all the University processes and embedding risk management into the key decisions and approval processes of all major business processes and functions of the University.

- 3.3 This policy has been adopted by the University in recognition that:
- the effective management of risk is vital to the continued growth and success of the University
  - the risks inherent in the University's operating environment need to be considered and managed in an informed way
  - by understanding and managing risk, the University provides greater certainty and confidence to all stakeholders
  - explicit and effective risk management is a source of insight and competitive advantage, and
  - risk arises in many forms and can have positive or negative impacts on the University's ability to achieve its strategic goals.
- 3.4 The University is committed to well-managed risk taking in pursuit of its strategic goals within the boundaries defined in the University's [Risk Appetite Statement](#).
- 3.5 The implementation of a health and safety risk management process to ensure a systematic framework is adopted to identify workplace hazards, assess, control and reviewed hazards where they cannot be eliminated is regulated by the [Occupational Health and Safety Policy](#) and related legislation and documents.
- 3.6 All significant projects and activity proposals, including commercial activities, will include a business plan incorporating a current risk assessment.
- 3.7 Projects will be conducted using approved University methodologies which incorporate risk management.

### **Risk management system**

- 3.8 Risk management is a system comprised of a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk awareness throughout the organisation. The major elements of the University's risk management system include:
- [Risk Management Policy](#)
  - [Risk Appetite Statement](#)
  - [Enterprise Risk Management Framework](#)
  - University Risk Register/s.

### **Risk appetite**

- 3.9 The risk appetite is a fundamental concept of risk governance and is defined and articulated by the University Council. The risk appetite shall be:
- strategically and directly related to the achievement of the University's strategic goals
  - a mutual understanding between the University Council and Senior Executive
  - a statement of the risk – reward balance
  - reviewed annually.

### **Enterprise risk management framework**

- 3.10 The University's approach to enterprise risk management is based on a holistic, enterprise-wide model that seeks to articulate the main components, responsibilities and relationships of the University's key risk management controls in order to develop organisational resilience and achieve effective governance and assurance.

- 3.11 The enterprise risk management framework provides a systematic approach to integrating risk management into all aspects of University business. Where appropriate, the framework will be consistent with the International Risk Management Standard ISO 31000:2018 and is designed to:
- provide guidance in identifying potential risk impacts that could affect the University
  - enable the consistent management of risk within a defined risk appetite
  - provide guidance in identifying the potential opportunity impacts within projects and activities to provide a balanced view for decision making purposes, and
  - provide reasonable assurance on the achievement of strategic objectives.
- 3.12 All University business processes and functions will adopt a risk management approach in line with the framework and this policy.

### **Risk assessment**

- 3.13 All divisions and business units will follow the approach for identifying, analysing, evaluating, treating and recording risks as set out in the framework.

### **Risk registers**

- 3.14 Risk registers are a tool for documenting risks, and actions to manage each risk. The University's risk registers are based on the risk types of strategic, corporate and project risks and as applicable risks are identified they are entered on the register and actions are taken to respond to the risk.

## **4 RESPONSIBILITIES**

### **Compliance, monitoring and review**

- 4.1 The Audit, Risk and Finance Committee is responsible, on behalf of the Council, for monitoring the adequacy and effectiveness of risk management within the University.
- 4.2 Ex-officio members of the University Management Committee are responsible for incorporating risk management into their standard management practices by:
- identifying and determining appropriate actions to address risks and business continuity within their area of responsibility in accordance with University policies and procedures
  - documenting their risk management processes within the University's register of risks
  - implementing actions with respect to risk management as directed by the Audit, Risk and Finance Committee, and
  - upward reporting of significant or emerging risks.
- 4.3 Periodic independent review of the effectiveness of the University's risk management approach will be commissioned by the Audit, Risk and Finance Committee and reported to Council.
- 4.4 The risk owner is a nominated position responsible for:
- overseeing the effective and timely management of a specific risk
  - selecting appropriate risk treatment strategies to address a specific risk
  - continual monitoring and reporting of a specific risk, and
  - confirming mitigating controls are operating effectively and adequately address the risk exposure.
- 4.5 The Chief Operating Officer and Deputy Director Strategic Planning, Risk and Insurance are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.

## Reporting

- 4.6 Strategic, corporate and project risks that affect the University as a whole will be reported to the Audit, Risk and Finance Committee at regular intervals as outlined in the framework and more often when the Committee identifies a need to monitor more regularly.
- 4.7 The Secretariat shall report the Council and Audit, Risk and Finance Committee's acceptance or remedial action for risks.

## Records management

- 4.8 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.9 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email [records@cqu.edu.au](mailto:records@cqu.edu.au)).

## 5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

**Risk:** the chance of something happening that will have an impact on objectives.

**Risk appetite:** the organisation's approach to assess and eventually pursue, retain, take or turn away from risk<sup>1</sup>

**Risk management:** coordinated activities to direct and control an organisation with regard to risk<sup>2</sup>

**Risk tolerance:** the boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long term objectives<sup>3</sup>

## 6 RELATED LEGISLATION AND DOCUMENTS

[Enterprise Risk Management Framework](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Higher Education Standards Framework \(Threshold Standards\) 2021](#) (Cwlth)

ISO 31000:2018 Risk management – Guidelines

[Risk Appetite Statement](#)

[Standards for Registered Training Organisations \(RTOs\) 2015](#) (Cwlth)

[Work Health and Safety Act 2011](#) (Qld)

[Work Health and Safety Regulation 2011](#) (Qld)

[Work Health and Safety Codes of Practice](#)

## 7 FEEDBACK

- 7.1 Feedback about this document can be emailed to [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

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<sup>1</sup> ISO 13000 Guide 73:2018

<sup>2</sup> ISO 13000 Guide 73:2018

<sup>3</sup> Risk Appetite and Tolerance – Guidance Paper, Institute of Risk Management

## 8 APPROVAL AND REVIEW DETAILS

<b>Approval and Review</b>	<b>Details</b>
Approval Authority	Council
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Administrator	Chief Operating Officer
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