

RISK MANAGEMENT POLICY AND PROCEDURE (FMPM)



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1 PURPOSE

- 1.1 Risk management is a core component of CQUniversity governance integrating with strategy and planning, management, reporting processes, values and culture.
- 1.2 The purpose of risk management is to ensure the University:
 - develops a culture of risk awareness whilst maintaining institutional innovation and agility to identify and realise opportunities
 - meets its legislative and governance responsibilities, and achieves organisational goals
 - provides clarity, consistency, transparency and accountability in decision-making, and
 - improves organisational learning and resilience ensuring systems and processes are ‘fit for purpose’.

2 SCOPE

- 2.1 This policy and procedure applies to CQUniversity as whole, its controlled entities and partnerships. It applies to all strategic, corporate (University), operational and project activities.
- 2.2 This policy applies to 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.
- 2.3 The implementation of health and safety risk management process to ensure a systematic framework is adopted to identify workplace hazards, access, control and reviewed hazards where they cannot be eliminated is regulated by the [Work Health and Safety Policy](#) and related legislation and documents.
- 2.4 All significant projects and activity proposals, including commercial activities, will include a business plan incorporating a current risk assessment.
- 2.5 Projects will be conducted using approved University methodologies which incorporate risk management.

3 POLICY STATEMENT

- 3.1 Effective risk management is necessary for competent strategic decision making and the conduct of efficient, effective and robust business processes, allowing the University to identify and take up opportunities while meeting required standards of accountability, compliance, probity and transparency. The University is committed to managing its opportunities and risks, as a component of its standard management responsibilities, and in the process reducing high inherent risk exposures to acceptable levels and maintaining continuity of key business processes.
- 3.2 CQUniversity is committed to the management of risk as an integral part of its operations, focusing on strategies to minimise risks to the University's mission and objectives. The objectives of this policy are to:
- outline the University's approach to risk management;
 - integrate risk management into daily operations and project management of the University, and
 - consider the risk appetite determined by Council in decision making.
- 3.3 The University seeks to comply with relevant statutory requirements and contractual obligations to the best of its endeavours. The University will look to satisfy compliance requirements in the simplest and most effective way possible.

Risk Appetite

- 3.4 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 objectives
 - a mutual understanding between the University Council and Senior Executive
 - a statement of the risk – reward balance
 - reviewed annually.

4 PROCEDURE

- 4.1 In the application of this policy, the University is committed to:
- achieving its business objectives while minimising the impact of significant risks that the University can meaningfully and realistically control
 - protecting and enhancing the University's reputation
 - behaving as a responsible and ethical corporate citizen, protecting staff, students and the broader community from harm and protecting physical property from loss or damage
 - ensuring business decisions are underpinned through a sustainability focus and social responsibility, essential to achieving a balance between meeting our needs today and considering future generations
 - establishing the right balance between the cost of control and the risks it is willing to accept as part of the business environment within which it operates
 - recognition and exploitation of opportunities, and
 - establishing resilience and increased efficiency in relation to risk management,
- 4.2 CQUniversity manages risk in accordance with the process set out in the Australian/New Zealand Risk Management Principles and Guidelines (AS/NZS ISO 31000:2009) in order to benefit the University and manage the cost of risk. To meet this commitment, risk is to be every employee's business. All employees are required to be responsible and accountable for managing risk in so far as is reasonably practicable within their area of responsibility.

- 4.3 The University's approach to Enterprise Risk Management (ERM) 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.
- 4.4 Underpinning the ERM are various plans, policies and processes that act as significant mitigation strategies for some of the University's key risks. Where a risk has been identified, the [Risk Register Template](#), supporting resources and documentation is available at [Strategic Planning and Risk Management](#) website.
- 4.5 An interactive [Risk Dashboard](#) is available within Sharepoint making the risk exposure of the University visible and transparent. The Risk Dashboard is a graphical presentation of the organization's strategic, university, operational and project risks.
- 4.6 The University faces a variety of risks. These may be external, and therefore largely out of the immediate control of the organisation. Internal risks arise both at the strategic and University (organisation-wide) level and at the operational (business units) and project management level. The University will maintain processes and procedures to provide a systematic view of the risk faced in the course of its academic, administrative and business activities.

Risk Analysis

- 4.7 The level of risk is determined by the relationship between the likelihood (frequency or probability) and the consequences (impact or magnitude of the effect) if the risk occurs. The likelihood and consequences are assessed, taking into account the adequacy and enforcement of controls. The resultant consequences and likelihood are combined to produce a level of risk. The most readily used approach to defining consequences tends to be qualitative whereby managers use experience, judgement and intuition to make decisions.
- 4.8 Many risk analysis are directed to the negative consequences of risks, and the consequence scales reflect the losses or undesired outcomes that may arise. However, the risk management approach can be used to identify and prioritise opportunities or 'positive' risks with little change to the process.

5 RESPONSIBILITIES

Compliance, monitoring and review

- 5.1 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.
- 5.2 Ex-officio members of the Vice-Chancellor's Advisory 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.
- 5.3 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.
- 5.4 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.

Reporting

- 5.5 Strategic, operational and project risks that affect the University department as a whole will be reported to the Audit, Risk and Finance Committee at least quarterly and more often when the Committee identifies a need to monitor more regularly.
- 5.6 The Secretariat shall report the Council and Audit, Risk and Finance Committee's acceptance or remedial action for risks.

Records management

- 5.7 Staff must maintain all records relevant to administering this policy and procedure in a recognised University recordkeeping system.

6 DEFINITIONS

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

Terms and definitions

Inherent risk: risk before mitigation strategies and controls are put in place.

Residual risk: risk that remains after mitigation strategies and controls are put in place.

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

Risk Appetite: the organisations approach to assess and eventually pursue, retain, take or turn away from risk¹

Risk Management: coordinated activities to direct and control an organisation with regard to risk².

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.³

7 RELATED LEGISLATION AND DOCUMENTS

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

[Financial and Performance Management Standard 2009 \(Qld\)](#)

[Higher Education Standards Framework \(Threshold Standards\) 2015](#)

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

[Work Health and Safety Act 2011](#) and relevant Regulation and Codes of Practice

8 FEEDBACK

- 8.1 University staff and students may provide feedback about this document by emailing policy@cqu.edu.au.

¹ ISO 13000 Guide 73:2009

² ISO 13000 Guide 73:2009

³ Risk Appetite and Tolerance – Guidance Paper, Institute of Risk Management

9 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
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Advisory Committee to Approval Authority	Audit, Risk and Finance Committee
Administrator	Deputy Vice-Chancellor (Finance & Planning)
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Notes	This Policy and Procedure consolidates and replaces the Risk Management Policy (FMPM) and Risk Management Framework and Guidelines.