

Risk Management Procedure

Purpose

1. This Procedure gives effect to the Risk Management Policy and articulates the process for identifying, monitoring, mitigating and managing strategic, financial, academic, student, operational, project, regulatory and compliance and reputational risks of Global Higher Education (GHE).

Scope

2. This Procedure applies to all GHE staff and members of governing bodies.

Definitions

3. Definitions for key terms are presented in the Glossary of Terms which may be accessed on the GHE website at <https://www.globalhe.edu.au/policy>

Suite documents

4. This Procedure is linked to the following suite documents:
 - a) Risk Management Procedure;
 - b) Risk Register.

Procedure

Identifying and managing risk

Types of risk

5. Eight types of risk have been identified for GHE:
 - a) Strategic Risk: is any risk to the achievement of GHE's strategic objectives. These risks are directly related to strategic priorities, directions and targets set out in the strategic plan as approved by the Board of Directors.
 - b) Financial Risk: is any risk to GHE maintaining and sustaining financial viability of GHE's higher education operations and to maintaining robust independent financial audit;
 - c) Academic Risk: is any risk to the integrity of GHE's academic operations and the achievement of GHE's academic objectives. These risks are directly related to the academic priorities, directions and targets set out in the academic planning. Academic risk also relates to any threat to GHE's reputation as a registered higher education provide under the *TEQSA Act (2011)* and could impact on Australia's international higher education reputation;
 - d) Student Risk: is any risk related to current or future GHE students including their wellbeing, access to transparent information, student experience and success in achieving graduate outcomes. These may be operational or academic in nature;
 - e) Operational Risk: is any risk linked to operational priorities and targets set out in the business plans and which may adversely impact GHE's higher education operations including personal safety; business continuity, critical incidents; facilities and resources including workforce;

- f) Project Risk: is any risk related to the purpose, objectives and benefits of a project as set out in the project business case and/or plan;
- g) Regulatory and Compliance Risk: is any risk related to GHE's regulatory profile and the maintenance of standards required under statutory legislation, regulations and professional accreditation requirements where relevant of GHE and its partners or agents;
- h) Reputational Risk: is any risk related to maintaining and sustaining GHE's standing, integrity and reputation in the Australian and international education sector with respect to GHE, its partners and agents.

Managing risk

- 6. All staff, Committee members and Board Directors of GHE are responsible for identifying and reporting risks.
- 7. Different types of risks are identified, managed and reported differently, with the Board of Directors having overall accountability for governing risk, while the Audit and Risk Committee oversees and reports to the Board of Directors the GHE's risk and its control measures.
- 8. Leadership in risk management is provided by the CEO for the following types of risks:
 - a) strategic;
 - b) financial;
 - c) student;
 - d) operational;
 - e) project;
 - f) regulatory and compliance;
 - g) reputational.
- 9. Leadership for Academic Risk is provided by the Academic Director and Academic Board.
- 10. The Chief Education Officer (CEO) and Academic Board provide regular reports to the Audit and Risk Committee.
- 11. The Audit and Risk Committee provides a consolidated report on risk regularly to the Board of Directors.

Identifying and classifying risk

- 12. Risk identification occurs either as a *structured* or *ad hoc* process.

Structured process for risk identification and classification

- 13. Structured risk identification is a controlled process where time is allocated, and appropriate staff are convened.
- 14. This process for structured risk identification and classification is outlined below, with reference to the eight types of risk outlined in Clause 5:
 - a) collate information from the annual quality cycle and other internal and external inputs to inform the risk profile;
 - b) at least once per year the relevant Board/Committee specifically assesses future and current risk that is within their remit;
 - c) changes to the current risk profile are approved by the relevant Board/Committee and incorporated into the risk register for endorsement by the Board of Directors.

Ongoing process for risk Identification and classification

15. Ongoing risk identification is the identification of risks during business as usual. Where within the remit of the staff member these risks are managed at the time and reported by staff, through their line manager, to:
 - a) the Academic Director for academic risk;
 - b) the CEO for all other risk types.
16. Where a supervisor or Project Manager assesses that a project risk may impact on another risk type these risks are treated as ad-hoc risks and reported as outlined in Clause 11.
17. Where required the CEO will convene an extraordinary meeting of either the Board of Directors, Academic Board or Audit and Risk Committee to consider and classify the risk(s) identified outside the structured process.

General requirements for risk classification

18. Risks must be classified and entered in the Risk Register with reference to the following:
 - a) the related risk type;
 - b) the risk exposure level;
 - c) a description of the intended control and the rating of the control;
 - d) the residual risk;
 - e) an evaluation of GHE’s risk exposure.

Risk exposure levels

19. The exposure level provides an indicator of a risk’s influence on GHE’s ability to achieve its objectives. As a risk increases in potential frequency or effect, the magnitude of exposure is indicated in the risk profile.
20. Risk exposure levels are categorised based on the likelihood and impact ratings on a set matrix (Table 1). Risk exposure is deemed to be Critical, High, Medium, Low or Very Low.

Table 1: Risk exposure matrix

		Likelihood				
		Almost Never	Unlikely	Possible	Likely	Almost Certain
Impact	Severe	High	High	High	Critical	Critical
	Major	Medium	Medium	High	High	Critical
	Moderate	Low	Medium	Medium	High	High
	Minor	Low	Low	Low	Medium	Medium
	Insignificant	Very Low	Very Low	Low	Low	Low

21. A risk’s impact is the effect of the consequences if the risk occurs on GHE’s sustainability, success or competitive advantage (Table 2).
22. These ratings apply to both inherent risk (risk rating prior to the enactment of a control) and residual risk (risk rating after controls have been deployed).

Table 2: Corporate risk impact ratings

Rating	Definition
<i>Severe</i>	The impact from the consequences of the risk, if they were to occur, would result in a severe impact to GHE's higher education operations.
<i>Major</i>	The impact from the consequences of the risk, if they were to occur, would pose a significant threat to GHE's higher education operations.
<i>Moderate</i>	The impact from the consequences of the risk, if they were to occur, represents residual but moderate impact to GHE's higher education operations.
<i>Minor</i>	The impact from the consequences of the risk, if they were to occur, would impair GHE's higher education operations.
<i>Insignificant</i>	The impact from the consequences of the risk, if they were to occur, can be managed by GHE so as not to impact GHE's higher education operations.

23. The likelihood of a risk reflects the potential frequency of the risk occurring within the current risk mitigation environment (Table 3).

Table 3: Corporate risk likelihood ratings

Rating	Definition
<i>Almost Certain</i>	This risk is present or expected to occur: <ul style="list-style-type: none"> • multiple times within a 12-month period; or • more than 80% of the time.
<i>Likely</i>	The risk is expected to occur: <ul style="list-style-type: none"> • once within a 12-month period; or • 61% – 80% of the time.
<i>Possible</i>	The risk will probably occur: <ul style="list-style-type: none"> • within a 5-year period; or • 31% – 60% of the time.
<i>Unlikely</i>	The risk may occur: <ul style="list-style-type: none"> • within a 10-year period; or • 5% – 30% of the time.
<i>Almost Never</i>	The risk will only occur in exceptional and unforeseen circumstances.

Controls

24. Controls are documents, processes or systems in place to assist in mitigating risk.

Table 4: Types of existing controls

Type	Definition
<i>Framework/Plan/Policy</i>	Documented framework/plan/ policy approved by the relevant governance board or committee.
<i>Procedure</i>	Documented procedure supporting a policy approved by the relevant governance board or committee.
<i>Subsidiary Documents</i>	Procedural reference documents such as guidelines and templates.
<i>Ad hoc</i>	<i>Ad hoc</i> business unit controls are measures that are not pre-defined and have no procedural reference documentation.
<i>Monitoring process</i>	Documented process for monitoring a business activity, during the conduct of that activity.
<i>Review process</i>	Documented process for the review of a business activity, after the completion of that activity.
<i>Benchmarking</i>	Survey of business activity performance measured against similar assumed or known industry performance.

Control rating

25. Risk treatments are proposed measures which once in place will reduce or contain future exposure to a risk. Each treatment is assigned a rating (Table 5).

Table 5: Control ratings

Rating	Definition
<i>Effective</i>	The existing control is appropriate for the risk and is achieving the majority of its intended capacity to modify exposure to the risk.
<i>Sound</i>	The existing control is appropriate for the risk and is achieving some of its intended capacity to modify exposure to the risk.
<i>Minimal</i>	The existing control is not currently appropriate for the risk or is only achieving a small amount of its intended capacity to modify exposure to the risk.
<i>Unsatisfactory</i>	The existing control is inappropriate for the risk.
<i>Non-existent</i>	No existing controls are in place to modify exposure to the risk.

Risk appetite

26. The purpose of the corporate risk appetite statement is to express GHE's attitude towards its exposure or vulnerability to risk. It defines the amount of risk to which it is willing to expose itself, in pursuit of its objectives.
27. The GHE Board of Directors will assess its risk appetite on an annual basis and will consider the impact of changes in attitude upon the risk register.
28. The risk appetite statement will guide the management of risk across the organisation and the selection of risk treatment approach.

Risk treatment

29. GHE has defined five methods of managing risk:
 - a) avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
 - b) increasing the risk in order to pursue an opportunity;
 - c) removing or reducing the risk;
 - d) sharing the risk with another party or parties (including contracts and risk financing);
 - e) retaining the risk by informed decision.

Monitoring, reviewing and reporting on risk and risk exposure

30. Risks with a risk exposure rating of medium or higher will be monitored by the relevant Board or Committee and will be reported to the Board of Directors as a standing item via the Risk Register.

Roles and responsibilities

31. The Board of Directors is responsible for approving and monitoring the risk management plan, management of risk including risk identification, risk mitigation and risk treatment of all risks including risks to regulatory compliance, academic quality and integrity.
32. The Audit and Risk Committee is responsible for the risk management of the GHE including the oversight of risk and reporting to each meeting of the Board the GHE's risk and its control measures.
33. The Academic Board is responsible for:
 - a) oversight and governance of academic risk including the monitoring and proposal of corrective action to manage, minimise or report academic risk related to admission standards, student performance, academic integrity, teaching quality, academic leadership, scholarship, or any matters related to academic quality;
 - b) provision of a regular report to the Audit and Risk Committee in relation to academic risk.
34. The Chief Executive Officer is responsible for the management of all risk other than academic risk.
35. The Manager, Quality and Compliance is responsible for:
 - a) ensuring compliance with this policy and related procedures;
 - b) ensuring that staff are adequately notified of the existence of this policy and the related procedures;
 - c) benchmarking policy and standards with those adopted elsewhere in the tertiary sector;
 - d) the monitoring of information available from the review of records relating to the implementation of this procedure;
 - e) all records management arising from this Policy and Procedure.
36. The Academic Director is responsible for the management of academic risk.
37. All staff are responsible for becoming familiar and complying with this procedure and related templates and guidelines.

Associated information

Related Internal Documents	Risk Management Policy Risk Register Delegation of Authority Policy and Schedule Governance Framework Intellectual Property and Copyright Policy Quality Assurance Policy Student Academic Integrity and Academic Misconduct Policy Glossary of Terms
Related Legislation, Standards and Codes	<i>Tertiary Education Quality and Standards Agency Act 2011</i> <i>Higher Education Standards Framework (Threshold Standards) 2021</i> <i>Education Services for Overseas Students Act (ESOS) 2000</i> <i>National Code of Practice for Providers of Education and Training to Overseas Students 2018</i> <i>Australian Qualifications Framework 2013</i> <i>Copyright Act 1968</i>
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Change history

Version Control	Version 1.3	
Change Summary	20-Jan-20	V1.0 Draft considered by 31 January meeting of Audit and Risk Committee (ARC) and recommended to Board of Directors (BoD) for approval with major amendments
	6-Mar-20	V1.1 Revised draft approved by BoD 21-Feb-20 including minor amendments requested by BoD plus administrative updates
	20-Aug-20	V1.2 minor amendments to risk treatment options (cl 29) plus administrative updates recommended by ARC 14-Aug-20
	10-Oct-23	V1.3 administrative updates following TEQSA registration

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