

Risk Management Policy

1 Purpose & Objective

- 1.1 As an ELICOS and Registered Training Organisation the IIBIT Education Group (IIBITEG) is required to effectively monitor, mitigate and manage strategic, academic and operational risks. It is required to take preventative action to mitigate foreseeable risks to academic and corporate integrity and organisational sustainability.
- 1.2 The objective of the policy is to develop and maintain integrated and effective management of resources, assets and liabilities in order to protect its staff, students, property and income.

2 Scope

- 2.1 This policy applies to all entities governed by the IIBIT Education Group.

3 Policy Statement

Principles

- 3.1 A risk is any action or consequence from an action that that could have a negative impact on IIBITEG as a whole or one its entities. This includes events that could lead to damage to IIBITEG's reputation, especially in respect of its academic standing, death or injury of staff or students; financial loss, adverse media coverage, or damage to the physical environment, including land, water or air quality.
- 3.2 Risk management at IIBITEG is based on AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines.
- 3.3 Risk management at IIBITEG:
 - a) creates and protects the value of the educational service provided to students;
 - b) is an integral part of organisational processes and decision-making process;
 - c) explicitly addresses uncertainty;
 - d) is systematic and structured;
 - e) is based on the best available information;
 - f) takes human factors into account;
 - g) is transparent and inclusive;
 - h) is dynamic, iterative and responsive to change and capable of continual improvement and enhancement; and
 - i) is periodically re-assessed.
- 3.4 Analysis of, and dealing with risk follows the ISO Standard (Clause 3.2 above):
 - a) avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
 - b) taking or increasing the risk in order to pursue an opportunity;

- c) removing the risk source;
- d) changing the likelihood;
- e) changing the consequences;
- f) sharing the risk with another party or parties (including contracts and risk financing);
and
- g) retaining the risk by informed decision.

3.5 To achieve its aim, IIBITEG will:

- a) maintain the highest possible standard of academic and professional integrity;
- b) maintain the highest possible standard of occupational health and safety (OHS) and environment protection for the Institute in line with social and legal requirements including assistance in prevention of incidents and accidents;
- c) minimise the effects of work related accidents both in human and financial terms by providing a professional standard of rehabilitation service;
- d) optimise costs associated with the prevention and management of losses risk financing and risk transfer (through the insurance programme);
- e) manage the Workers Compensation scheme to the highest possible standard; and
- f) manage compliance by conducting self-assessment at least annually.

4 Working Definitions

4.1 Four types of risk have been identified for IIBITEG:

- i. *Strategic Risk*: strategic risks are risks to the achievement of IIBITEG's strategic objectives. These risks are directly related to strategic priorities, directions and targets set out in the strategic plan.
- ii. *Academic Risk*: academic risks are risks to the achievement of IIBITEG's academic objectives. These risks are directly related to the academic priorities, directions and targets set out in the academic planning documentation for each IIBITEG entity. Academic risk also relates to any threat to IIBITEG's reputation as an academic institution.
- iii. *Operational Risk*: these risks are directly linked to operational priorities and targets set out in the business plans for each IIBITEG entity.
- iv. *Project Risk*: these risks are directly related to the purpose, objectives and benefits of a project as set out in the project business case and/or plan.

Risk Exposure Levels

4.2 The exposure level provides an indicator of a risk's influence on the IIBITEG's ability to achieve its objective. As a risk increases in potential frequency or effect, the magnitude of exposure is indicated in the risk profile.

4.3 Risk exposure levels are categorised based on the likelihood and impact ratings on a set matrix (Figure 1). Risk exposure is deemed to be Critical, High, Medium, Low or Very Low.

Figure 1

Impact	Likelihood				
	Almost Never	Unlikely	Possible	Likely	Almost Certain
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

- 4.4 A risk's impact is the effect on the priority from the consequences, if the risk occurs.
- 4.5 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).

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 the objective being unachievable.
<i>Major</i>	The impact from the consequences of the risk, if they were to occur, would render a significant proportion, or component, of the objective unachievable.
<i>Moderate</i>	The impact from the consequences of the risk, if they were to occur, would significantly obstruct IIBITEG's ability to achieve the objective.
<i>Minor</i>	The impact from the consequences of the corporate risk, if they were to occur, would delay or impair our ability to achieve the objective.
<i>Insignificant</i>	The impact from the consequences of the corporate risk, if they were to occur, can be managed by IIBITEG so as not to impede the timely achievement of the objective.

- 4.6 The likelihood of a risk reflects the potential frequency of the risk occurring within the current risk mitigation environment.

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.

Corporate Risk Likelihood Ratings	
<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

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

Types of Existing Controls	
Type	Definition
<i>Policy</i>	Documented 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

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

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

- 4.9 The purpose of the corporate risk appetite statement is to express IIBITEG’s attitude towards its exposure or vulnerability to corporate risk. It defines the amount of risk to which it is willing to expose itself, in pursuit of a corporate objective.
- 4.10 Risk appetite is assigned to strategic, operational and project objectives.
- 4.11 Risk appetite is informed by the IIBITEG’s Risk Appetite Matrix (Table 1).
- 4.12 For risk purposes priorities are categorised as vital, important or competitive.
- Vital: means that meeting the priority is essential for the ongoing sustainability of IIBITEG or associated entity;
 - Important: means that meeting the priority is a significant enabler to the success of IIBITEG or associated entity;
 - Competitive: means that meeting the priority will provide a competitive advantage and/or enable innovation within IIBITEG or associated entity.

Achieving Strategic Priority	Risk Appetite	Control Rating	Residual Risk Rating
VITAL to IIBITEG success	Averse	Effective and Sound	Very Low to Low
IMPORTANT to IIBITEG success	Balanced	Effective and Sound	Very Low to Medium
COMPETITIVE edge for IIBITEG	Positive	Sound to Minimal	Medium to High

5 Roles and Responsibilities

- 5.1 The IIBITEG Board of Governance is responsible for the oversight and governance of strategic risk and the oversight of all risk.
- 5.2 The IIBITEG Audit and Risk Committee is responsible for the governance of operational risk.
- 5.3 The IIBIT-AHE Academic Board is responsible for the governance of academic risk for IIBIT-AHE
- 5.4 The IIBIT Academic Committee is responsible for the governance of academic risk for vocational education, ELICOS and all partnership arrangements.
- 5.5 The CEO is responsible for management of strategic risk.
- 5.6 The Senior General Manager (Operations) is responsible for:
 - a) the management of operational risk.;
 - b) ensuring compliance with this policy and related procedures;
 - c) ensuring that students are adequately notified of the existence of this policy and the related procedures
 - d) benchmarking IIBITEG policy and standards with those adopted elsewhere in the tertiary sector; and
 - e) the monitoring of information available from the review of records relating to the implementation of this procedure.
- 5.7 The Provost and the General Manager (Academic Services and Quality Assurance) are responsible for the management of academic risk.
- 5.8 All staff are responsible for becoming familiar and complying with this policy and the related procedures.

6 Definitions

ACADEMIC INTEGRITY	means the pursuit of learning in an honest and responsible manner which precludes deliberate acts of plagiarism, falsification, misrepresentation or deception
AQF	means the Australian Qualifications Framework
INHERENT RISK	means level of risk before controls have been enacted to manage the risk
RESIDUAL RISK	means the modification of the risk after internal controls have been implemented and monitored

RISK	<p>means the exposure to occurrences that will have an impact, either positive or negative, on IIBITEG’s organisational objectives. Risk arises out of uncertainty and has two elements:</p> <ul style="list-style-type: none"> • the frequency/likelihood of something happening; and • the severity/impact of the consequences arising from the event.
RISK MANAGEMENT	<p>means the culture and processes for the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, assessing, treating, monitoring and communicating risk</p>
STAFF	<p>means employees of IIBITEG employed under the Educational Services (Post-Secondary Education) Award 2010</p>
STUDENT	<p>means an admitted or enrolled student of IIBITEG</p> <p style="margin-left: 40px;">Admitted student means a student who has been admitted to an IIBITEG program of study and who is entitled to enrol in a subject of study.</p> <p style="margin-left: 40px;">Enrolled student means a student who has been admitted to an IIBITEG program of study who is enrolled in a subject at IIBITEG.</p>

7 Associated Information

Related Documents	<ul style="list-style-type: none"> • IIBITEG Governance Framework • Risk Management Procedure • Terms of Reference, Board of Governance • Terms of Reference, Academic Board • Terms of Reference, Academic Committee • Terms of Reference, Audit and Risk Committee • Internal Quality Assurance Policy • Academic Integrity and Misconduct Procedure • Copyright Procedure • Human Research Ethics Procedure
Related Legislation	<ul style="list-style-type: none"> • TEQSA Act 2011 • ESOS Act 2000 • NVETR Act 2011 • Standards for Registered Training Organisations 2015 • Australian Qualification Framework • Higher Education Standards Framework 2015 • National Code of Practice for Providers of Education and Training to Overseas Students 2018 • Copyright Act 1968
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8 Change History

Version Control	Version 2.1	
Change Summary	V2.1 2-May-19	Update responsibility from SGMAC to SGMO, Provost and GMAS&QA and administrative updates
	V2 30-Aug-17	V2: Update to responsibilities with the establishment of the IIBITEG Audit and Risk Committee (Administrative Change