Risk Management Policy

1. Purpose

   a. Effective risk management is an essential part of good governance, and contributes to the successful achievement of strategic, operational and project objectives and improved performance and organisational resilience.

   b. This policy supports the University’s Risk Management Framework by setting out the principles for fostering a “risk-smart” culture across the University, and specifying risk management responsibilities.

   c. This policy and the Risk Management Framework are consistent with the principles contained in AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

2. Scope

   This policy applies to all controlled entities; and to all University staff, contractors and people with academic status when engaging in University activities.

3. Risk Management Framework

   The University’s Risk Management Framework comprises:

   - this Policy
   - the Risk Management Procedures
   - the Enterprise Risk Register
   - the University Operational Risk Register
   - other policies and procedures relating to specialised risk areas, including work health and safety, regulatory compliance, fraud, information security, conflicts of interest and commercial activities.

4. Policy Principles

   a. Risk management is integrated by all staff into the University’s culture, including strategic planning, operational policy and procedures, project management, and day-to-day education, research and engagement activities.
b. Risk appetite provides clearly articulated boundaries for the exercise of academic and professional skills, and gives staff freedom to make agile and aligned decisions within those boundaries.

c. Risks, including emerging risks, are regularly identified, recorded in a prescribed risk register, reviewed and updated.

d. Risk management, either generally or for a particular risk, is reviewed if an adverse event or change in circumstances occurs.

e. Decision-making involves the consideration of the potential reward, assessment of the degree of risk and what can be done to mitigate it to acceptable levels.

f. Incidents which result in injury, loss or damage, or other adverse outcomes, are promptly reported in the prescribed form.

5. Risk Appetite Statement

a. The amount and type of risk that the University is prepared to pursue, retain, accept or tolerate in pursuing the achievement of its strategic and operational objectives is set out in the Risk Appetite Statement.

b. The Risk Appetite Statement must be taken into account in strategic and operational decision making.

c. The risk appetite level is to be interpreted in accordance with the University’s approved risk assessment methodology.

<table>
<thead>
<tr>
<th>Material risk category</th>
<th>Risk appetite level</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Risk (i.e. risks arising from or to the University's strategic activities)</td>
<td>Moderate</td>
<td>For risk in areas related to strategic initiatives for which the potential return justifies the risk. This level enables the University to remain agile and responsive to emerging opportunities.</td>
</tr>
<tr>
<td>Operational Risk (i.e., risks of loss arising from inadequate or failed internal processes, people and systems or from external events)</td>
<td>As low as reasonably practical</td>
<td>For all operational risks other than internal and fraud, or those for which an appetite is separately defined in this document.</td>
</tr>
<tr>
<td>Fraud</td>
<td>Zero</td>
<td>For internal and external fraud risks.</td>
</tr>
<tr>
<td>Safety</td>
<td>Zero</td>
<td>For risks to the safety of all people to whom the University has a duty of care.</td>
</tr>
<tr>
<td>Legislative Compliance</td>
<td>Zero</td>
<td>For knowingly breaching legislation, regulatory requirements and codes of practice under which the University has obligations.</td>
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<tr>
<td>Environmental Sustainability</td>
<td>As low as reasonably practical</td>
<td>For risks to the sustainability of the internal and external environment.</td>
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<tr>
<td>Academic Integrity</td>
<td>Zero</td>
<td>For risks to the academic quality and standards of the University.</td>
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</tbody>
</table>

6. Responsibilities

Council

a. Oversee and monitor the assessment and management of risk across the University, including commercial undertakings (s.5(2)(f) Flinders University of South Australia Act 1966 (SA)
### Audit Committee

b. Advise Council (as set out in the Audit Committee Charter) on:
- the adequacy of measures to improve the internal controls framework of the University to ensure mitigation of fraud and other risk, and accuracy of financial reporting
- the adequacy of the framework in place to ensure that risks are effectively identified and managed across the University (noting that responsibility for the assessment and management of risk under the framework rests with management)
- the University's insurance program, having regard to the range of insurable risks associated with the University's activities (including coverage related to director's and officer's liability)
- the adequacy of measures to ensure compliance by the University with relevant legislation and regulations.

### Risk Management Committee

c. As set out in the Risk Management Committee charter:
- The Risk Management Committee provides a dedicated forum, and over-arching University-wide perspective, for the monitoring and management of enterprise and operational risk, by:
  - undertaking an annual review of the Enterprise Risk Register and receiving regular risk updates from risk owners;
  - providing decision-making on operational risk management matters;
  - monitoring the University’s risk management performance, including review of risk incidents, statistics and trends; and
  - monitoring the status and level of preparedness for emerging risks.
- The Risk Management Committee will provide advice to the Vice-Chancellor on strategic and policy matters related to risk management.
- The scope of responsibility of the Risk Management Committee expressly excludes Workplace Health and Safety risks as these are the responsibility of the University Health and Safety Committee.
- Summary reporting of significant risk issues identified by the Risk Management Committee will be provided to the Audit Committee.
- The purpose and function of the Risk Management Committee will be reviewed every three years.

### Senior Executives

d. Be responsible and accountable for the implementation of risk management within their area of responsibility including allocation of appropriate resources.

e. Identification of enterprise risk.

f. Monitor and mitigate assigned enterprise risks.

g. Ensure that risk appetite is taken into account during the strategic planning process.

h. Foster a risk smart culture throughout the University so opportunities for growth and reward are maximised whilst minimising the risk of negative outcomes.

### Deans / Directors and Equivalent

i. Be responsible and accountable for the day-to-day management of risk in their areas of responsibility, including, to ensure operational risks are identified and mitigation strategies are in place and operating effectively, and added to the University Operational Risk Register.
j. Develop, implement and coordinate frameworks, policies, standards and processes to define the requirements for risk management, including:
   • Establish and maintain the risk management policy and framework in accordance with better practice principles and relevant standards.
   • Oversee and ensure consistent implementation of the risk management policy and framework across the University.
   • Maintain the Enterprise Risk Register.
   • Maintain the University Operational Risk Register.
   • Facilitate risk management education, including workshops, training and advice.
   • Report to executive management, Audit Committee and Council in accordance with the risk management framework and Committee Charters.

k. Comply with all applicable policies, procedures and manuals.

l. Act in accordance with the University’s values.

m. Report all identified operational risks and incidents in accordance with the Risk Management Procedures.

n. Assist with risk analysis and implementation of risk treatment plans as required.

o. Adopt a risk management culture in daily activities.

7. **Supporting Procedures**

Supporting procedures are part of this policy and provide additional detail to give practical effect to the policy principles.

Risk Management Procedures *(under development)*

<table>
<thead>
<tr>
<th>Approval Authority</th>
<th>Council</th>
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</thead>
<tbody>
<tr>
<td>Responsible Officer</td>
<td>Director, Integrity, Governance and Risk</td>
</tr>
<tr>
<td>Approval Date</td>
<td>22 August 2017</td>
</tr>
<tr>
<td>Effective Date</td>
<td>22 August 2017</td>
</tr>
<tr>
<td>Review Date*</td>
<td>August 2023</td>
</tr>
<tr>
<td>HPRM file number</td>
<td>CF11/1331</td>
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* Unless otherwise indicated, this procedure will still apply beyond the review date.

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