



**IONA COLLEGE**  
**TRINITY**

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## **Risk Management Framework**

*Approved by the Board of Directors on 28 September 2021*

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## 1. Introduction

Risk management is the coordination of activities to manage the potential impact of uncertainty (that is, risk) to an organisation's objectives.<sup>1</sup> As the future is uncertain, risk exist and the source of the risk can come from within the organisation (e.g. staff turnover) or from outside (e.g. pandemics). As managing risks is critical to an organisation realising its objectives, Iona Trinity College of Higher Education (**the College**) is committed to embedding a culture of risk awareness and risk-based decision making. It is through managing risks that the College can achieve its strategic plan.

This *Risk Management Framework* (the Framework) articulates the College's approach to establishing and maintaining a risk aware organisation.

## 2. Principles of Risk Management

The College will manage risks having regard to the following principles:

- Managing risks is **integrated** in all aspects of the College's activities
- The College's approach to managing risks is **structured and comprehensive**
- The framework and process for managing risks are **customised** and proportionate to the College's external and internal context
- Risk management is **inclusive**; Internal stakeholders are involved in a timely way and where appropriate to enable their knowledge, views and perceptions to be considered
- Risk management will be **dynamic**; that is, it anticipates, detects, acknowledges and responds in an appropriate and timely manner to changes that are external and/or internal to the College
- Historical and current information, and future expectations are the **best available information** that the College will rely on in managing risks
- All aspects of risk management at the College will be influenced by **human and cultural factors**, and
- The College's risk management framework will **continuously improve** through learning and experience.

## 3. Core Elements of the Risk Management Cycle

The College will follow a risk management cycle that includes the following key elements:

- **Identify** potential risks that the College may face, and where, when, why and how they could arise and the impact of these risks on the College's ability to achieve its strategic objectives. A key step in this process is to define the internal and external factors that could be a source of uncertainty, in order to support the remainder of the risk management process.

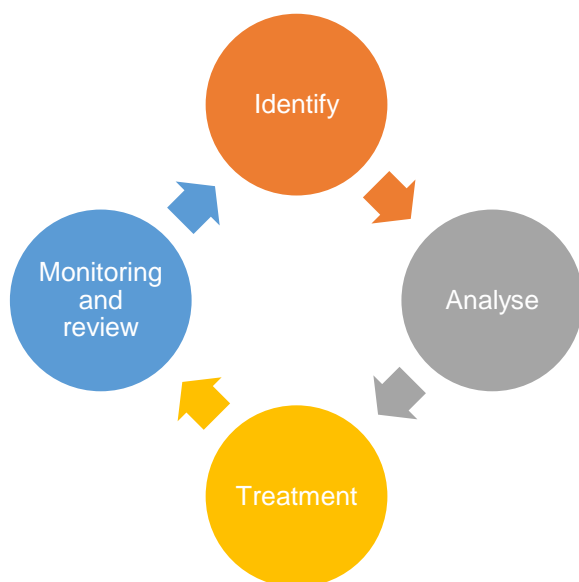
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<sup>1</sup> Definition is adapted from the International Organisation for Standardisation (ISO), *Guide 73:2009 Risk Management Vocabulary* and the AS/NZS/ISO31000:2018 *Risk Management – Guidelines*

- **Analyse** the risks to determine the consequences of the risks and the likelihood of those consequences occurring. A key step in this process is to evaluate risk by applying a consequence and likelihood matrix that assesses the risks in relation to each other. This supports prioritisation and highlights differences. The *Risk Register* of the College is the outcome of risk analysis. Appendix 1 sets out the College's measurement of risks.
- **Treatment** of the risk involves identifying options for reducing or mitigating the risks, which the College has incorporated into the *Risk Register*.
- **Monitoring and review** confirms the risks and the effectiveness of the risk treatments, which are reported to manage changing contexts and priorities, and to identify emerging risks.

The risk management cycle described above is Illustrated below (Figure 1).

Figure 1. Risk management process at the College



To support and embed within the College, a culture of risk awareness and management, a *Risk Incident Register* will be maintained and stored within the *Risk Register*.

All incidents that have caused (or could cause) loss or damage (e.g. financial losses, reputational damage, compliance breaches) must be entered in the *Risk Incident Register*. By recording these incidents, systemic weaknesses in internal controls can be identified and rectified.

#### 4. Risk Appetite

The risk management cycle described above and represented in Figure 1 is undertaken with the College's appetite for risk, which is established by the Board of Directors, with advice from the CEO, the Academic Board and senior leaders.

The College seeks to maintain a medium risk profile to reflect the College's early stage of operations in the higher education sector, our commitment to compliance with stringent standards and the importance of reputational risks on ongoing sustainability of our new venture.

## 5. Categories of Risk

Risks listed in the *Risk Register* are grouped according to the following six categories:

Academic	Key risks relate to the appropriateness of course structure and content, and student outcomes
Financial	Key risks could impact on revenue growth and financial sustainability due to insufficient pipeline of students and competition from other institutions
Operational	Key risks relating to the effective administration of the College, such as infrastructure planning, occupational health and safety, and managing partnership arrangements
Regulatory	Key risks to the College's regulatory profile and compliance with the HESF and other legislation and regulations (Australian and international)
Reputation	Key risks that impacts the College's standing and reputation in the higher education sector
Workforce	Key risks impacting effective management of corporate and academic staff due to casualisation of staff, particularly academic, poor retention and succession planning

## 6. Responsibilities

All students and staff have a role in contributing to effective risk management within their area of influence.

Staff members are responsible for adhering to the College's *Risk Management Framework*. Managers and supervisors assist in fostering a risk-aware culture and will ensure that staff members within their areas understand their responsibilities.

The Principal is responsible for

- Overseeing the implementation of the College's *Risk Management Framework* across the operations
- Supporting the ongoing implementation of risk management, including maintaining and updating the *Risk Register* and the *Risk Incident Register*
- Ensuring staff members understand their responsibilities with respect to risk management
- Fostering a positive, risk-aware culture across the organisation, and
- Reporting risks to the Board of Directors, or its delegate, as required.

The Board of Directors is responsible for:

- Approving the College's *Risk Management Framework*
- Overseeing the risk management processes, including monitoring and approving the *Risk Register*.

## 7. Definitions

For the purposes of this Framework, the following terms have been adapted from the AS/NZS/ISO31000:2018 *Risk Management – Guidelines*:

<b>Consequence</b>	Outcome/impact of an event or situation, expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event
<b>Event</b>	Occurrence or change to a set of circumstances
<b>Inherent Risk</b>	Probability of loss arising out of circumstances or existing in an environment, in the absence of any action to control or modify the circumstances (before controls)
<b>Likelihood</b>	Chance of an event happening
<b>Residual Risk</b>	Exposure to loss after other known risks have been countered, factored in, or eliminated through control activities (after controls)
<b>Risk</b>	The chance of something happening which will have an impact upon objectives. Appendix 1 contains the formula for calculating 'Risk'
<b>Risk Assessment</b>	Overall process of risk identification, analysis, and evaluation. It provides an understanding of risks, their causes, consequences, and likelihood
<b>Risk Treatment</b>	Selection and implementation of appropriate options for dealing with risk. Conceptually, treatment options will involve one or a combination of the following five strategies. Once a treatment has been implemented it becomes a control. Treatments for a risk can be to: (1) avoid the risk, (2) reduce the likelihood of occurrence, (3) reduce the consequences of occurrence, (4) transfer the risk and/or (5) retain/accept the risk.

## 8. Version History

Version #	Changes	Approval Body	Approval Date
1.0	Original version	Board of Directors	28/09/22

## 9. Additional Information

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Policy Status	Approved
Policy Owner	Principal
Next Review Date	3 years from Approval Date
Associated Internal Documents	Risk Register
Higher Education Standards Framework (Threshold Standards) 2021	Standard Section 6.2.1e
National Code of Practice for Providers of Education and Training to Overseas Students 2018	No relevant standard
Other Applicable Legislation and Instruments	Tertiary Education Quality and Standards Agency Act 2011

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