



## Risk Management Policy

### Scope & Purpose

This policy and procedure applies to members of the Russo Business School higher education community.

Risk management is the coordination of activities to manage the potential impact of uncertainty (that is, risk) to an organisation's objectives. As the future is uncertain, risk exists 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, Russo Business School (**RBS**) is committed to embedding a culture of risk awareness and decision making informed by risk.

This Policy outlines the overall approach to managing risk across RBS while recognising the various lenses through which risk is perceived. International Standard ISO 31000:2018 Risk Management - Guidelines has been used as a basis for developing this Policy.

This Policy is supported by other relevant RBS and Sarina Russo Group policies, standards, procedure and practices (PSPP) as applicable.

### Definitions and Abbreviations

**Consequence** is an outcome or 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.

**Event** is the occurrence or change to a set of circumstances.

**PSPP** - means an applicable SRG policy, standard, procedure or practice.

**Risk** is the chance of something happening which will have an impact upon objectives, where:

- *Inherent risk* is the 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).
- *Residual risk* is the exposure to loss after other known risks have been countered, factored in, or eliminated through control activities (after controls).

**Risk Appetite** the amount and type of risk SRG is prepared to accept in the pursuit of its goals and objectives.

**Risk Management** an assurance process whereby activities are co-ordinated to direct, control and monitor risk.

**Risk Tolerance** readiness to bear the risk after risk treatment to achieve objectives.

**Risk treatment** is the selection and implementation of appropriate options for dealing with risk. Conceptually, treatment options will involve one or a combination of the following five strategies: (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. Once a treatment has been implemented it becomes a control.

**Risk Treatment Plan (RTP)** this is the plan recording the Risk Treatments to address any risks that are outside of risk appetite or at risk of moving outside of appetite. This also includes action owners and timelines for completion.

**Risk Wizard** a risk management system that maintains risk registers, incident registers and enables for risk-based reporting.

## Policy

### Objectives

- Provide a framework to protect RBS from those risks of significant likelihood and consequence in the pursuit of objectives.
- Provide a consistent Risk Management framework in which risks concerning the business will be identified, considered, evaluated, treated, monitored and communicated.
- Encourage pro-active rather than re-active management.
- Improve the quality of decision-making throughout RBS
- Meet legal and/or statutory requirements; and
- Assist in safeguarding RBS's students and staff

### Principles

Risk management in RBS is guided by a set of principles comprising of:

- **Comprehensive** – Managing risks is structured and thorough and is integrated in all aspects of activities at RBS.
- **Bespoke** – The framework and process for managing risks are customised and proportionate to RBS' external and internal context.
- **Inclusivity** – Risk management is inclusive and involves input from internal stakeholders to enable their knowledge, views and perceptions to be considered.
- **Dynamism** – Risk management anticipates, detects, acknowledges and responds in an appropriate and timely manner to changes that are external and/or internal to RBS. The risk management framework will also undergo regeneration, as part of continuous improvement.
- **Currency** – Information, historical, current and future anticipations, are inputs into managing risks at RBS.

### Key components of the risk management cycle

The key components of RBS' risk management cycle are:

#### 1. Identification

Identify potential risks likely to be faced by RBS, and where, when, why and how they could arise and the impact of these risks on the ability of RBS to operate and 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.

#### 2. Analysis

A key step in this process is to analyse risks by applying a consequence and likelihood matrix that assesses the risks in relation to each other. This supports prioritisation of risks and highlights differences. The RBS Risk Register is the outcome of risk analysis.

#### 3. Treatment

Risk treatment involves identifying options for reducing or mitigating the risks and which has been built into the Risk Register.

#### 4. Monitor and review

Regular monitoring and review of risks validates the risks and the effectiveness of the risk treatments, which are used to manage changing contexts and priorities, and to identify emerging risks.

RBS will support and maintain a culture of risk awareness and management through the *Risk Register*, which is a repository of any incidents that have caused (or could cause) loss or damage to RBS (e.g. financial losses, reputational damage, compliance breaches). By capturing these incidents, systemic weaknesses in internal controls can be identified and rectified.

## Risk Appetite - General

The risk management cycle described above reflects RBS' appetite for risk, which is established by the Board of Directors, with advice from the CEO, the Academic Board (for academic related risks) and senior leaders. Several factors influence the risk appetite, including the capacity to accept the risk; goals and objectives; stakeholder demands – internal and external and industry / market conditions.

### Risk Appetite Tiers

Tier	Risk Appetite Description
Unacceptable to take risks	Avoid risk / zero tolerance. Never trade off to achieve another objective
Adverse/Cautious	Conservative Trade off only to achieve critical objectives
Flexible	Justification for risk taking strongly demonstrated Willing to trade off if conditions allow Regular reporting of risk rated above 'High'
Open willingness to take risks	Seek Opportunities Willing to trade off downside to achieve objectives

These Risk Appetite Tiers do not operate in isolation and must be balanced when making risk decisions e.g. Investment decisions must be mindful of the return on investment.

RBS has a medium risk profile to reflect RBS' commitment to compliance with regulatory and legislative standards and the importance of reputational risks to RBS' ongoing operations.

The RBS Board of Directors is responsible for ensuring the risk appetite is implemented operationally and drives behaviours and decision making that aligns with the risk appetite at all levels of the organisation. RBS 's risk appetite is operationalised into day-to-day activities qualitatively through policy, procedure or directive and quantitatively (through financial limits, KPI's and delegations of authorities). The table below indicates RBS's Risk Appetite across certain categories:

### Categories of Risks

Seven categories of risks are set out, in the Table below, according to the subject matter of the risk.

#### *Risk Categories and Explanation*

Risk Categories	Explanation of Risks
<b>Academic</b>	Key risks relate to the appropriateness of course structure and content, and student outcomes
<b>Financial</b>	Key risks could impact on revenue growth and financial sustainability due to insufficient pipeline of students and competition from other institutions
<b>Governance</b>	Key risks impacting on effective governance processes
<b>Operational</b>	Key risks relating to the effective administration of RBS, such as infrastructure planning, information management, occupational health and safety, and managing partnership arrangements
<b>Regulatory</b>	Key risks to RBS' regulatory profile and compliance with the Higher Education Standards Framework (Threshold Standards) 2021, the National Code of Practice for Providers of Education and Training to Overseas Students 2018 and other legislation and regulations
<b>Reputation</b>	Key risks that impact RBS' standing and reputation in the higher education sector
<b>Workforce</b>	Key risks impacting effective management of corporate and academic staff

## 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 this 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 CEO is responsible for:

- overseeing the implementation of this 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, as required.

The Board of Directors is responsible for:

- approving this Risk Management Framework;
- ongoing review and improvement of this Risk Management Framework; and
- reviewing the Risk Register at its meetings for relevance, including reviewing the relevance of risk treatments.

## Procedure

To operationalise this policy the COE, Board of Directors, staff and students are responsible in contributing to effective overall risk management. Therefore, Risk Management will be a standing item on all meeting agendas, for which identified risks will be presented and applied to the Risk Register. These risks may be, but not limited to: Academic, Financial, Governance, Operational, Regulatory, Reputation or Workforce related.

Appropriate treatments will be discussed and adopted and then monitored.

## Related legislation and standards to be read in conjunction with

- ISO 9000
- ISO 31000:2018 Risk Management – Guidelines
- ISO 27001 (DESE Information Security Systems Scheme)
- Information Security Management
- Privacy Act 1988
- Relevant Work Place Health and Safety Acts and Regulations (State)
- Fire and Emergency Acts and Regulations (State)
- National Standards for Disability Services
- Relevant Accounting Standards
- TEQSA Threshold Standards 2021
- Higher Education and Support Act 2003
- ELICOS Standards 2018, ESOS Act and National Code
- National Vocational Education and Training Regulator Act 2011 (the NVR Act)

## Related documents

- RBS Risk Management Framework
- RBS Risk Appetite Statement
- RBS Risk Matrix

- RBS Risk Register
- SRG Risk Management Procedure
- SRG Risk Appetite Statement
- SRG Risk Matrix – Consequence and Likelihood Guideline
- SRG Work Health and Safety Management Plan
- Information Security Policy
- SRG Business Continuity Management Plan

#### External documents

- SRG Risk Management Procedure
- SRG Risk Appetite Statement
- SRG Risk Matrix – Consequence and Likelihood Guideline
- SRG Work Health and Safety Management Plan
- Information Security Policy
- SRG Business Continuity Management Plan

#### Delegation

Delegated Authority	Delegation
<b>Governance</b>	
Risk Management and Compliance Committee	Refer to Service Level Agreement Sarina Russo Job Access (Australia) Pty Ltd and Russo Business School
Board of Directors	Refer to the Terms of Reference
<b>Executives</b>	
Chief Executive Officer	Relevant to Accountability Statement

#### Version control

Policy & Procedure Version No	Policy & Procedure Sponsor	Approval Authority	Date of Approval	Date for next review
1/2024	Chief Executive Officer	Board of Directors	26 June 2024	26 June 2026

