POLICY STATEMENT

1 Intent

The Risk Management Policy CORP 13.1 provides a commitment to a culture in which opportunities may be seized, and risks may be taken, in a risk aware way across UTAS, with risk management being integral to management practice.

2 Scope

This Policy applies to all members of the University and to UTAS controlled entities and partnerships. It applies to all strategic and operational activities.

3 Objective

Risk management is part of the UTAS approach to realising opportunities and benefits and the acceptance and management of associated risks.

The objective of the Risk Management Policy CORP 13.1 is to provide a policy background against which:

- Senior leadership team members lead by example with sound risk management practice;
- All UTAS stakeholders support a risk aware culture;
- All extreme and high inherent risks are identified, analysed, treated, managed, monitored and reported;
- There is appropriate consideration of risk relating to – teaching and learning, research and research training, community engagement, international activities, duty of care, EDGE objectives, resource management and compliance.

4 Definitions and Acronyms

**Inherent risk**  
This is the risk before mitigation strategies and controls are put in place.

**Residual risk**  
This is the risk that remains after mitigation strategies and controls are put in place.

**Key Risk**  
Any extreme or high inherent risk.
5 Policy Maker

Vice-Chancellor

6 Policy Provisions

6.1 Effective Risk Management

UTAS is committed to building an organisational culture where risk awareness and active and effective risk management form an integral part of all University activities and are a core management capability and responsibility. Effective risk management requires:

- A strategic focus;
- Forward thinking and proactive approaches to management;
- An astute balancing of the cost of managing risks with the anticipated benefits;
- Contingency planning for the eventuality that mission critical threats are realised.

6.2 Risk Management

UTAS is committed to risk management at a number of levels including:

- Risk aware culture;
- Risk (strategic, operational and project) identification, management and reporting;
- Clear risk assessment and management parameters;
- Core incident management investigation and reporting parameters.

6.3 Risk Aware Culture

UTAS will engender a risk aware culture in which staff make informed decisions based on a reasonable analysis of foreseeable opportunities, risks and their associated impacts on the implementation of University strategies and the attainment of goals.

UTAS will encourage staff to identify risks before making decisions by:

- Taking the time to think about what risks may be involved;
- Conducting a basic risk assessment;
- Proceeding appropriately where the risks are low;
- Where the risks are high or extreme, pursuing further analysis, communication, involvement of others and triggering actions or controls to reduce risks.

6.4 Risk Appetite and Tolerance

UTAS risk appetite and tolerance principles include:

- Residual extreme risks are only accepted at the highest level after full consideration by the Senior Management Team;
- Strategies and controls are established to move all residual extreme
risks to ‘high’ or less, as soon as possible and within 12 months;
• Residual high risks are actively pursued with strategies and controls to reduce them to moderate or lower, within 2 years;
• Residual high risks are only accepted in the long term where they are of a rare likelihood, and then are reviewed 12 monthly;
• A commitment to managing risks to the level of ‘as low as reasonably practicable’ (ALARP).

6.5 Responsibility and Assistance in Capturing and Using Risk Information

Responsibility for ensuring key risks are identified, managed and reported rests with the:

• Vice-Chancellor, Deputy Vice-Chancellor (Academic) and Provost, and Senior Management Team for UTAS wide key risks;
• Deputy Vice-Chancellor (Academic) and Provost, Pro Vice-Chancellors and Executive Directors for respective Division key risks;
• Deans for Faculty key risks;
• Principal for AMC key risks;
• Directors for respective Institute / Centre / Consolidated and Associated Entity key risks;
• Project Director / Manager for respective key project risks.

Where Boards are in place (e.g. AMC Board, Menzies Board, etc.) they are responsible for overseeing the actions of the Director / Principal in ensuring that their organisation’s key risks are identified, managed and reported, both within their respective organisation and, where appropriate, across the broader UTAS context.

6.6 Risk Matrix

UTAS adopts a standardised Risk Matrix for all UTAS risk assessments as set out in the supporting documents and set out on the RMAA web site. A transitional approach is accepted under which all UTAS risk management activities are expected to move to the UTAS Risk Matrix by December 2010.

The Risk Matrix provides guidance for:

• particular risk levels relating to:
  − Authority to accept risk / risk delegation level;
  − Notification / communication requirements;
  − Formal recording / reporting requirements;
  − Inherent risk review and control requirements.

• particular incident / event consequences relating to:
  − Authority to sign off an incident report, accept an investigation report and sign off of both response and preventive action;
  − Notification / communication requirements;
  − Formal recording / reporting requirements;
  − Investigation requirements.
7.7 **Use of Key Risk Information**

UTAS will use key risk information to:

- Maximise opportunities and minimise losses;
- Ensure higher level risks are identified and receive appropriate focus and treatment;
- Ensure all risks are managed at acceptable levels (see defined risk appetite);
- Assist in the management of mitigation strategies and controls and monitor their implementation;
- Provide a foundation for prioritising:
  - future strategic initiatives;
  - resourcing of capital and operating requirements;
- Influence the program of internal audit and review.

6.8 **Incident Management and Reporting**

UTAS commits to reporting of all incidents as a key component of the risk management system. This will support:

- Immediate response, containment, stabilisation and mitigation of risk events;
- Investigation and analysis of events to an appropriate level;
- Making good or recovery from a risk event;
- Improvements in the long term prevention and management of risks;
- Monitoring, review (including longer term trends) and validation of existing risk management strategies.

Through a transitional period to December 2010 the existing systems may need to be refined and additional systems established to ensure all contemporary components of the risk management system are met for all risks.

7 **Supporting/Related Documents**

- Governance Level Principle 2: Risk Management

8 **Key Words**

- Risk
- Risk management
- Risk matrix
- Compliance
- Audit

9 **Supporting Procedures/Guidelines**

- RMAA web site
- UTAS Risk Matrix
RESPONSIBILITIES

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<thead>
<tr>
<th>Implementation</th>
<th>Senior Management Team Directors/Principals/Project Managers (as specified in clause 6.5)</th>
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<tbody>
<tr>
<td>Compliance</td>
<td>Senior Management Team Institute Boards Manager, Risk Management and Audit Assurance Audit and Risk Committee</td>
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<td>Monitoring and Evaluation</td>
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<td>Manager, Risk Management and Audit Assurance Audit and Risk Committee</td>
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<td>Interpretation and Advice</td>
<td>Manager, Risk Management and Audit Assurance</td>
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WHO NEEDS TO KNOW THIS POLICY?

All members of the University community, including staff and Council members.

EFFECTIVENESS OF THIS POLICY

Periodic independent review of the effectiveness of the University’s risk management approach is commissioned by the Audit and Risk Committee and reported to Council.

POLICY HISTORY

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<tr>
<th>Policy No.</th>
<th>CORP 13.1</th>
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<tr>
<td>Date</td>
<td>December, 2009</td>
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<tr>
<td>Council</td>
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