1. RISK MANAGEMENT

1.1 Risk Management Policy

The management of risk is an integral component of effective Corporate Governance. In order to embed the good practice principles, the University is implementing a risk management program which is based on the Australian/New Zealand Risk Management Standard AS 4360 1999, (revised 2004).

The risk management program seeks to align business opportunities and the taking of risks to the ever present challenges to the University in achieving its mission and core objectives. It encompasses the whole spectrum of risk ranging from the high level University wide strategic business risks to individual faculty/school/institute/divisional/section operational risks including identification of risks at the project level.

The risk management program should be integrated with other planning, budgetary and management activities. In particular, the risk management program is intrinsically linked to the strategic and operational planning processes through close liaison with the Executive Director, Planning and Development. Links to a Fraud and Corruption Management Plan (currently being drafted) which aims to raise staff awareness of potential fraud within business activities by undertaking fraud risk assessments will also be established.

The benefits of implementing a risk management program include the following:-

- Demonstrating due diligence in planning and day to day management activities;
- Promoting proactive management rather than reactive with the early identification and treatment of risks;
- Improving the focus on the University’s key strategic goals leading to:-
  - a more sound basis for strategic planning as key elements of risk have been identified;
  - more effective allocation of resources to key services and areas of high risk improving service delivery;
  - an improved level of accountability and responsibility;
  - better informed decisions about opportunities and new initiatives/projects;
  - the avoidance of taking unnecessary opportunistic risks and,
  - an acceptance of the changing patterns of risk and opportunity in an increasingly competitive environment.

The University’s Risk Management Policy Statement was approved by Council in November 2004 and can be found at: http://www.utas.edu.au/universitycouncil/legislation/pol3.html#att2
1.2 Risk Management Framework

This framework provides a comprehensive approach for the University to adopt in identifying and managing risks, which if not realised, could prevent the University in effectively achieving its business goals and strategies.

The University operates in a complex environment with ever increasing competition, greater accountability and higher quality standards of service delivery which are placing more pressure on resources. The implementation of a robust and transparent risk management program becomes increasingly important in order for the University to adapt and meet these challenges in a structured way so it can continually align its priorities and objectives against a background of changing risk and uncertainty.

This framework has been developed to:

- allow the University to proactively manage its risks in a systematic and structured way and to continually refine its processes to reduce the University’s risk profile thereby maintaining a safer environment for all its stakeholders;
- ensure appropriate strategies are in place to mitigate risks and maximise opportunities;
- embed the risk management process and ensure it is an integral part of the University’s Planning process at a strategic and operational level;
- help create a risk awareness culture from a strategic, operational, individual project and fraud perspective;
- give credibility to the process and engage management’s attention to the treatment, monitoring, reporting and review of identified risks as well as considering new and emerging risks on a continuous basis;
- recognise the need for, and align, the holistic University wide “top-down” strategic assessment with the “bottom-up” operational and strategic risk assessment.

1.3 Accountability and Responsibility for Risk Management

Everyone in the University is responsible for the ensuring that effective risk management is carried out for their own personal safety and to maintain a safe and secure environment. Management is responsible for developing and implementing strategies to reduce and mitigate risks.
The Vice-Chancellor is ultimately accountable to the University Council for ensuring that there is a risk management program in place as part of the University’s Corporate Governance framework.

The Senior Management Team, is responsible for implementing the risk management program, reporting on the University’s risk profile to the Vice Chancellor, Audit Committee and Council.

The Director Risk Management and Audit Assurance has been designated as the Risk Management Coordinator and has responsibility for the coordination of the risk management program across the University.

All Faculties and Administrative Budget Units have nominated Risk Management Advocates to act as a liaison officer between their respective school/institute/section management and the Risk Management Coordinator and to facilitate embedding the risk management principles into their management processes.

Heads of Subsidiary Companies/Entities of the University are responsible to their respective Boards for risk management programs.

1.3.1 Accountability and Responsibility for the University Wide Strategic Risk Assessment and Management Action Plan

Accountability has been designated to the officer who is ultimately accountable to the University Council for the risks identified.

Responsibility for implementing the action plans has been assigned to the officer responsible for ensuring that the actions/targets set have been achieved for the year in question.

The Council are required to sign off the University Wide Strategic Risk Assessment and Management Action Plan annually.

1.3.2 Accountability and Responsibility for the Faculties and Administrative Budget Units’ Operational and Strategic Risk Assessments

Accountability has been assigned to the Dean of the Faculty, the head of Research Institute or Head of the relevant Administrative Budget Unit.

Responsibility has been assigned to the officer either directly responsible for ensuring that actions have been implemented to mitigate risks or to the officer who co-ordinates the response.
1.4 Reporting Requirements

The identification and treatment of risks will be reported to the appropriate Committees as follows:-

1.4.1 Senior Management Team (SMT)

- Bi-annually reporting of the progress of action plans from the Faculties and Divisional Strategic and Operational Risk assessments (April and Oct).

- University-Wide Strategic Risk Assessment and Management Action Plan annually (April).

1.4.2 Audit Committee

- As per SMT for noting and information (May and Nov).

- Bi-annual report of the updated University Wide Strategic Risk Assessment and Management Action Plan (August and December).

1.4.3 Council

- Bi-annual report of the updated University-Wide Strategic Risk Assessment and Management Action Plan (July and December).

1.4.4 Annual Performance Review

A final end of year assessment of the risk treatment plans will be provided as part of the Faculties and Divisional annual performance against plan.

This will also include a final review of the University-Wide Strategic Risk Assessment and Management Action Plan.

1.5 Approach to Risk Management

The risk management process adopted by the University and set out in this framework is based on the Australian/New Zealand Standard 4630-1999 (revised 2004).

Other good practice documents have also been referred to, in particular, the good practice guide prepared by Pricewaterhouse Coopers for the Higher Education Funding Council in England (HEFCE).
An overview of the Risk Management process is illustrated below:

*Source – AS/NZ 4360 -1999 (revised 2004)*
2. **ESTABLISHING THE CONTEXT**

Establishing the context involves an understanding and appraisal of the University’s external relationships, its own internal and organisational environment and the risk management environment in which the stages of the risk management process are followed. This also assists in establishing the assessment criteria for risk analysis as to whether the risks are acceptable or not.

Any activity under review should relate to the strategic objectives, strategies and targets of the University so that any identified risks are linked directly to the objectives which are most critical to the success of the University.

### 2.1 The External/Strategic Context

Prior to undertaking a risk assessment, it is important to understand the external environment in which the University operates, for example, from a strategic perspective, there is a need to consider business, social, political, economic, financial, competitive, regulatory, legislative and cultural factors.

External stakeholders should be consulted and may include, government departments, the community, contractors, and suppliers etc. Their views and perceptions should be considered together with an assessment of the University’s strengths, weaknesses, opportunities and threats.

The University of Tasmania Plan 2005 – 2007 sets out the University’s vision over the next 5 - 10 years. The University has critically examined what is required in the next 5 to 10 years to enable it to fully realise its Vision and Mission. The four cornerstones for building a strong and vibrant institution that emerged through consultations were Excellence, Differentiation, Growth and Engagement. These will give UTAS the EDGE in its teaching, research and community service.

The longer term goals can be distilled under the headings of Reputation, People and Position and a number of goals and strategies have been determined under these heads with headline performance and operational indicators.

The University Plan is reviewed annually to identify changes in the University’s external strategic environment, measure performance against the targets set and adjust strategies. *See Appendix 1.*

The University-wide Strategic Risk Profile (currently in draft form) and proposed Management Action Plan will address the risks at a high level and are aligned to the University Plan.
2.2 The Internal/Operational Context

Before undertaking a risk assessment, the internal and operational context should be established which includes an understanding of the University’s goals and objectives, management and organisational structures, systems, processes, resources, key performance indicators, and other drivers.

Internal stakeholders should be consulted and may include, management, staff, students, student associations etc. and their views and perceptions considered accordingly.

The focus of the annual Faculty/Divisional Operational Plans is to advance the University Plan and EDGE agenda.

Faculty and Divisional strategic and operational risk assessments are to be aligned to the individual Operational Plans.

2.3 The Risk Management Context

The reasons for the risk assessment being carried out needs to be established, in particular:

- define the scope and objectives of the assessment, for example, compliance with new legislation, project evaluation, etc;
- specify the nature of the decisions that have to be made;
- define the extent of the project activity or function in terms of time and location;
- identify resources and planning requirements;
- identify the roles and responsibilities of the various parts of the organisation participating in the risk management process.

2.4 Setting Risk Criteria

General guidelines for the criteria against which risk is to be evaluated are laid out in the tables attached in Appendices 2, 3, and 4. Consideration is given to the following important criteria:

- Risk Impact – to assess if the risk actually occurred, and the consequences, in particular, the impact on areas such as business continuity, human and financial resources, the community, the environment, image, reputational damage, legal and political implications etc.
- Risk Likelihood – to assess the likelihood of a particular risk occurring.
- Management Control Ratings – an assessment of the management controls in place which will have a bearing on the outcome of the residual risk ratings.
• Net Risk Ratings are the ratings allocated after the management controls have been applied. The outcome of these ratings will determine further actions and treatments required.

The University Senior Executive has agreed that risks identified as *Extreme or High* require further formal action and monitoring.

### 2.5 Risk Management Register

The University’s Risk Management Register will be maintained at two levels, the University-wide strategic risks and the Faculty and Divisional individual operational risks. Both documents will be cross referenced and linked to the University Strategic and Operational Plans. Examples are attached in *Appendices 6 and 7*.

The Risk Management Registers are maintained as Word documents but the intention is to migrate to an Access database and online access be made available to all appropriate officers at a later time.

The Risk Management Registers contain the following information:-

- Reference Category to the Strategic/Operational Plans
- Risk description
- Net Risk Rating
- Action Plans
- Accountable/Responsible Officer
- Timescales for the implementation of action plans

The Risk Management Registers will be reviewed and updated throughout the year on a regular basis. In particular the process should help inform the annual Performance Reviews and Planning process.
3. IDENTIFY RISKS

3.1 Risk Identification methods

In order not to exclude critical risks, it is important to undertake a systematic and comprehensive identification of all risks including those not directly under the control of the University. The following questions should be addressed and “What If Scenarios” considered when undertaking an initial assessment:

- What can happen?
- Where can it happen?
- When can it happen?
- Why can it happen?
- How can it happen?
- What is the impact?
- Who is responsible?
- Are there any fraud or corruption aspects?

Approaches used to identify risks include:

- Use risks already identified in the risk registers, strategic plans, operational plans, and other key University source documents;
- checklists, surveys, questionnaires
- team based brainstorming, structured interviews, focus groups, personal experiences;
- facilitated workshops;
- flow charting, systems analysis;
- experience, local and overseas knowledge
- records, databases, insurance claims
- past organisational experiences
- internal and external reports/audits.

For consistency of approach, and alignment to the University’s objectives, all levels of risk assessments should be carried out under the risk groupings and risk areas (see paragraph 2.1 above) but also being mindful of the risk impact criteria categories (see Table 1 Appendix 2) thereby ensuring a lateral approach to risk identification.

3.2 Risk Documentation

All risks identified are documented in the risk management registers (see paragraph 2.5 above).
4. ANALYSE AND EVALUATE RISKS

4.1 Risk Analysis

Risk analysis helps inform decisions about which risks require treatment strategies. The University considers risks based on the combination of the consequence of occurrence and likelihood of occurrence (as per the tables 1 and 2 in Appendices 3 and 4 respectively).

There are many tools and techniques available for analysing risks and the following sources of information may be referred to:

- Past records;
- Practice and relevant experience;
- Published literature;
- Market research;
- Experiments and prototypes;
- Economic and system models;
- Specialist and expert judgement;
- Focus groups;
- Structured interviews, questionnaires.

4.2 Risk Evaluation

Risk evaluation involves comparing the level of risk found during the analysis process with the risk criteria established.

The University formally evaluates risks at two levels, the gross risk rating, i.e. before management controls have been considered and the net risk rating, i.e. the gross risk rating combined with an assessment of management controls.

4.2.1 Consequences

The information contained in Table 1 Appendix 2 provides a guide as to the consequence rating which should be applied as per the categories stated.

4.2.2 Likelihood

The assessment of likelihood of the risk occurring should be assessed against the criteria set out in Table 2 Appendix 3.

4.2.3 Risk Rating Table

This is the combination of the Likelihood rating and Consequence. The risk ratings are stated in Table 3 Appendix 4.
4.2.4 Management Controls including Fraud Prevention controls

A management control is a process put in place to mitigate risks and should be regularly reviewed for effectiveness. There are three levels used to rate control effectiveness as per Table 4 Appendix 4.

Generic management controls:-

- Strategies;
- Policies and procedures;
- Management systems and structures;
- Planning process in place;
- Adequate resourcing and organisational structures;
- Assignment of accountability and or responsibility;
- Clear lines of reporting;
- Regular reviews, reconciliations;
- Training;
- Appropriate delegations in place;
- Regular review of systems and processes for effectiveness.

Generic fraud prevention controls:-

- Adherence to all organisational procedures including documentation and authorisation of transactions;
- Staff acknowledgement of polices, procedures, etc;
- Physical security over assets, restriction of access etc;
- Training of employees;
- Independent review and monitoring of tasks;
- Separation of duties so that one employee is not responsible for tasks from start to finish;
- Conflict of interest statements are enforced;
- Rotation of duties;
- Regular independent audits undertaken;

(These are not exhaustive lists)

4.2.5 Set Risk Priorities

The University Senior Executive has agreed that risks identified are categorised as per the risk groupings and risk areas outlined in 2.1 above. There are two levels of risk assessment, namely:-

- **University-wide Strategic Risks**: These will be monitored and reported to the Senior Management Team, Audit Committee and University Council half yearly by the assigned Accountable and Responsible officers.
• **Faculty and Divisional Strategic and Operational Risks:** These will be closely monitored and reported to the Senior Management Committee twice per year and progress against action plans to be signed off by the Accountable Officer.
5. TREAT AND MANAGE THE RISKS

It is important that where risks have been assessed as *Extreme* or *High*, that action plans are put into place to manage and mitigate the risks. It is unlikely that risks will ever be entirely eliminated, but by demonstrating that actions are being implemented, the risks may be reduced to a more acceptable level.

There are a number of options available for treating risks. These should be considered in the light of cost and benefit for implementing action.

**Accept the Risk**: Where risks are identified as unavoidable or no suitable treatment plans are available, the University should accept the risk.

**Reduce the Likelihood and Impact**: This may be achieved by consideration of the following actions:
- Structured training and supervision of staff;
- Periodic testing of controls, e.g. fire alarms,
- Enhanced management controls such as reviewing polices and procedures, quality control checks;
- Improved compliance monitoring and audit programs
- Contingency planning such as Disaster Recovery plans, Business Continuity plans
- Fraud and Corruption control programs;
- Better contractual arrangements;
- Introduce more preventative and corrective measures

**Transfer the Risk**: This involves other parties bearing or sharing the risk either partially or in full. This may be through insurance arrangements, contracts, partnerships and/or joint ventures.

**Avoid the Risk**: This can be done by deciding not to start or continue with a particular activity that gives rise to the risk. However, the business objectives still need to be borne in mind and inappropriate risk aversion may increase other risk areas.

5.1 **Evaluate risk treatment options and select option**

Selecting the most appropriate risk treatment option should be made by considering the following issues:

- The cost of managing risks must be balanced against the benefits obtained;
- The extent of risk reduction gained;
- The extent to which there is an ethical or legal duty to implement a risk treatment option which may override any cost/benefit analysis;
• How sensitive is the risk to the University’s image and reputation and its perception by stakeholders and external parties. This may warrant implementing costly actions.

5.2 Prepare and implement treatment plans

The risk management treatment plan (see Appendix 6) includes the following:-

• Risk identified;
• Proposed actions;
• Cost/benefit analysis (where appropriate);
• Cross referenced to the operational plan
• Accountable and Responsible Officers
• Timescales

For the treatment plans to be successfully implemented, there is a requirement for an ongoing review and reporting of the progress against the actions stated.
6. MONITOR AND REVIEW

Risk Management is a dynamic process and, to be effective, requires ongoing monitoring and review to ensure that the risk environment in which the University operates is constantly up to date.

6.1 Review and Reporting

The progress of the Faculty and Divisional action plans will be reported to the Audit Committee twice during the year and will form part of the annual performance against plan.

The progress of actions contained in the University-Wide Risk Assessment and Management Action Plan will be reported to the Audit Committee and Council twice during the year.

6.2 Documentation

Documentation of the risk management process should be carried out at each stage for the following reasons:-

- It gives integrity to the process and is an important part of good corporate governance;
- It provides an adequate audit trail and evidence of a structured approach to risk identification and analysis;
- It provides a record of decisions made which can be used and reviewed in the future;
- It provides a record of risks for the University which can be continuously developed.
7. COMMUNICATE AND CONSULT

Communication and consultation should be carried out at each stage of the Risk Management process with all relevant parties and University stakeholders. Strong communication and consultation allows buy-in from senior management and ownership of risks and engages fully with the experts from Faculties and Divisions.

Faculties and Divisions will be asked to nominate Risk Management Advocates to facilitate this process and regular communication will be held on a one to one basis and group level during the year. The Risk Management Advocates will also act as liaison officers between their school/institute/section management teams and facilitate the further embedding of the risk management process.
## GOALS OF THE UNIVERSITY

<table>
<thead>
<tr>
<th>CORE AREA</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reputation</strong></td>
<td>UTAS will strengthen its international reputation through enhanced performance, so that it is equal to one of the current G8 universities.</td>
</tr>
<tr>
<td><strong>Reputation</strong></td>
<td>UTAS will maintain world leadership in key areas, and will develop new areas of international collaboration.</td>
</tr>
<tr>
<td><strong>Reputation</strong></td>
<td>UTAS will be increasingly acknowledged by all levels of government and industry as a vital partner in State, regional and national development, and will be recognized by the community for this contribution.</td>
</tr>
<tr>
<td><strong>Reputation</strong></td>
<td>UTAS will enhance teaching so that it is ranked in the top ten Australian universities with respect to teaching performance.</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>UTAS will be renowned for its distinctive, quality student experience – ‘the natural choice’ for study in Australia and be a first-choice destination for local, interstate and international students.</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>UTAS will have a staff profile, an organizational culture and a working environment that supports its aspirations and recognizes and rewards achievement.</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>UTAS will enhance strategic alliances and demonstrate leadership in regional, national and global partnerships.</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>UTAS will have grown significantly, with a strategic mix of domestic and international students and staff from diverse backgrounds.</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>UTAS will balance the development of campuses to maximize the advantages of community, location and networks. Campus profiles will be developed strategically, mixing and balancing courses, students and staff in real and virtual learning environments.</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>UTAS will have administrative structures, budget processes, business systems and infrastructure that effectively and efficiently support its strategic priorities.</td>
</tr>
<tr>
<td><strong>Position</strong></td>
<td>UTAS will have a clear brand that is recognised and attractive both locally, nationally and internationally, and a marketing profile that supports its strategic objectives.</td>
</tr>
</tbody>
</table>
APPENDIX 2 Table 1 – Risk Consequence Criteria

<table>
<thead>
<tr>
<th>Description</th>
<th>Financial, Legal, Commercial</th>
<th>Human Resources</th>
<th>Business Interruption and Infrastructure</th>
<th>Environmental and the Community</th>
<th>Political, Reputation &amp; Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples of Risk</td>
<td>Budgetary control; Fraud and theft; Loss of grants/funding; Foreign exchange; Conflict of interests; Non compliance with legislation; Litigation threats; Intellectual Property commercialisation; Contractual obligations; Marketing &amp; competition</td>
<td>Loss of staff &amp; knowledge; Recruitment &amp; retention; Health &amp; safety; Inadequate communication; Training and development;</td>
<td>Lack of system integrity; Continuity planning; Repairs and maintenance of buildings – fire, flood &amp; power interruption; Asset Management; Project and contract management;</td>
<td>Chemical hazards; Environmental Health &amp; Safety; Community &amp; Stakeholder relationships;</td>
<td>Changes to Government Policy; Adverse media coverage; Reputation and goodwill; Quality Management; Curriculum development; Research activities; Equal Opportunities; Brand Image</td>
</tr>
<tr>
<td>Severe</td>
<td>Above $20m</td>
<td>Multiple deaths</td>
<td>Critical service loss for more than one month</td>
<td>Long term harm</td>
<td>Reputation and standing of the University affected nationally and internationally</td>
</tr>
<tr>
<td>Major</td>
<td>$10m to $20m</td>
<td>Single death</td>
<td>Critical service loss for up to one month</td>
<td>Significant harm</td>
<td>Embarrassment for the University, including adverse media coverage</td>
</tr>
<tr>
<td>Moderate</td>
<td>$2.5m to $10m</td>
<td>Injury or hospital</td>
<td>Critical service not back in agreed time</td>
<td>Moderate harm</td>
<td>Student and or community concern, heavy local media coverage</td>
</tr>
<tr>
<td>Minor</td>
<td>$500K to $2.5m</td>
<td>Injury/ treatment</td>
<td>Local only, service loss for minimum period</td>
<td>Transient harm</td>
<td>Issue raised by students and/or local press</td>
</tr>
<tr>
<td>Insignificant</td>
<td>Up to $500K</td>
<td>First Aid</td>
<td>Negligible impact, brief loss of service</td>
<td>Brief pollution</td>
<td>Issue resolved promptly by day to day management processes</td>
</tr>
</tbody>
</table>
### APPENDIX 3 Table 2 – Risk Likelihood Criteria

<table>
<thead>
<tr>
<th>Description</th>
<th>Likelihood of Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rare</td>
<td>Event may only occur in only exceptional circumstances</td>
</tr>
<tr>
<td>Unlikely</td>
<td>The event could occur at some time, say once in every 10 years</td>
</tr>
<tr>
<td>Moderate</td>
<td>The event might occur, say once in every 3 years</td>
</tr>
<tr>
<td>Likely</td>
<td>The event will probably occur in most circumstances, say once per year</td>
</tr>
<tr>
<td>Almost Certain</td>
<td>The event is expected to occur in most circumstances, say several times per month</td>
</tr>
</tbody>
</table>

A combination of the criteria in Tables 1 and 2 above gives the Net Risk Ratings as shown in Table 3 below.
APPENDIX 4 Table 3 – Net Risk Ratings

<table>
<thead>
<tr>
<th>LIKELIHOOD</th>
<th>CONSEQUENCE</th>
<th>Insignificant</th>
<th>Minor</th>
<th>Moderate</th>
<th>Major</th>
<th>Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost Certain</td>
<td>High</td>
<td>High</td>
<td>Extreme</td>
<td>Extreme</td>
<td>Extreme</td>
<td></td>
</tr>
<tr>
<td>Likely</td>
<td>Moderate</td>
<td>High</td>
<td>High</td>
<td>Extreme</td>
<td>Extreme</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
<td>High</td>
<td>Extreme</td>
<td></td>
</tr>
<tr>
<td>Unlikely</td>
<td>Low</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
<td>Extreme</td>
<td></td>
</tr>
<tr>
<td>Rare</td>
<td>Low</td>
<td>Low</td>
<td>Moderate</td>
<td>High</td>
<td>High</td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 4 Table 4 – Control Effectiveness Rating Table

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Controls are strong and operating properly, providing a reasonable level of assurance that objectives are being met.</td>
</tr>
<tr>
<td>Some weakness</td>
<td>Some control weaknesses/inefficiencies have been identified. Although these are not considered to present a serious risk exposure, improvements are required to provide a reasonable assurance that objectives will be achieved.</td>
</tr>
<tr>
<td>Weak</td>
<td>Controls do not meet an acceptable standard, as many weaknesses/inefficiencies exist. Controls do not provide reasonable assurance that objectives will be achieved.</td>
</tr>
<tr>
<td>Key Operational Area</td>
<td>Nature of Risk (Brief Description)</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Improving performance and productivity through effective use of staff performance management system</td>
<td>Poor productivity and performance due to breadth of staff responsibilities.</td>
</tr>
</tbody>
</table>

---

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## APPENDIX 6B Faculty/Divisional: Risk Assessment Action/Treatment Plan (Example)

<table>
<thead>
<tr>
<th>Risk</th>
<th>(Year) Proposed Action Plans</th>
<th>Result of cost benefit analysis</th>
<th>Cross Ref to Operational Plan</th>
<th>Accountable Officer Responsible Officer (R)</th>
<th>Expected date of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>QUALITY PEOPLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor productivity and performance due to breadth of staff responsibilities.</td>
<td>Use PMS to gain insight into issues for general staff.</td>
<td>N/A</td>
<td>1.1</td>
<td>Dean (A&amp;R)</td>
<td>Xx/xx/xxx</td>
</tr>
<tr>
<td></td>
<td>Feedback into a staff planning process.</td>
<td></td>
<td></td>
<td>Executive Officer (R)</td>
<td></td>
</tr>
<tr>
<td>Accountable Officer</td>
<td>.........................................................</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dean/HOD</td>
<td>.........................................................</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Performance and productivity.

<table>
<thead>
<tr>
<th>2005 Strategic Plan Perspective Category Reference</th>
<th>Risk</th>
<th>Consequence</th>
<th>Current and Proposed Action Plans/Strategies to mitigate risk</th>
<th>Management Control (MC) rating</th>
<th>Net Risk Rating (NRR)</th>
<th>Accountable Officer</th>
<th>Responsible Officer</th>
</tr>
</thead>
</table>
| Performance and productivity                     | Performance and productivity are affected by increase in workloads for both teaching and general staff. | Staff may leave due to undue work pressures. Staff unable to meet service expectations. | **Current Strategies**
  The 2005 EBA established a workload management framework.
  Heads of School/Institute have to annually certify that workloads have been allocated in accordance with the framework.
  Ensuring that the results of the annual staff appraisal systems are used effectively to improve performance at all levels of the University.
  Staff exit surveys (in particular reasons for leaving) are monitored and reported annually to the Strategic Staffing | **MC = Satisfactory**
**NRR = Low** | Executive Director Finance and Administration | HOS |

All responsible officers

Director Human Resources
<table>
<thead>
<tr>
<th>2005 Strategic Plan Perspective Category Reference</th>
<th>Risk</th>
<th>Consequence</th>
<th>Current and Proposed Action Plans/Strategies to mitigate risk</th>
<th>Management Control (MC) rating Net Risk Rating (NRR)</th>
<th>Accountable Officer</th>
<th>Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance and productivity (cont…).</td>
<td>Committee.</td>
<td>Proposed Actions/Targets 2006</td>
<td>The 2005 EBA is to be implemented during 2006.</td>
<td></td>
<td>Director Human Resources</td>
<td>Director Human Resources</td>
</tr>
<tr>
<td>Operational Plan Strategies Category</td>
<td>Risk</td>
<td>RR Rating</td>
<td>Identified by</td>
<td>Action Plans - 2006</td>
<td>*Accountable/Responsible Officer</td>
<td></td>
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<tr>
<td>--------------------------------------</td>
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<td>---------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Improving performance and productivity through effective use of performance management system</td>
<td>Poor productivity and performance due to breadth of staff responsibilities.</td>
<td>M</td>
<td>SET Human Resources</td>
<td>Use PMS to gain insight into issues for general staff. Feedback into a staff planning process. Workloads framework in 2005 EBA will be implemented. Review of position descriptions and ensure tasks are achievable in the time provided. Develop and document staff:student ratio for use of academic services and employ the appropriate number of staff to provide the services. Development and communication of clear information about student service capacity to key stakeholders. Assess staffing, needs both immediate and longer term, for general staff. Develop a comprehensive general staff plan.</td>
<td>Dean/Executive Officer, Dean/HOD, All Directors, Dean, Executive Officer</td>
<td></td>
</tr>
<tr>
<td>Inability of staff to meet work responsibilities within the timeframe of a working week which may lead to illness and/or resignation.</td>
<td></td>
<td>L</td>
<td>Student and Academic Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff may be unable to meet service expectations.</td>
<td></td>
<td>L</td>
<td>Student and Academic Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff unable to deliver satisfactory outcomes.</td>
<td></td>
<td>L</td>
<td>SET</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

APPENDIX 8 FACULTIES & DIVISIONAL CONSOLIDATED STRATEGIC & OPERATIONAL RISK ASSESSMENTS 2006 (extract)
<table>
<thead>
<tr>
<th>Operational Plan Strategies Category</th>
<th>Risk</th>
<th>RR Rating</th>
<th>Identified by</th>
<th>Action Plans - 2006</th>
<th>*Accountable/Responsible Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Resource the plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Implement for current year</td>
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<td></td>
</tr>
</tbody>
</table>
## APPENDIX 9 GLOSSARY OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk</td>
<td>Risk is the chance that something will happen that will impact on the achievement of strategic objectives. It is measured in terms of impact and likelihood.</td>
</tr>
<tr>
<td>Risk Management</td>
<td>A logical and systematic method of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximize opportunities. Risk Management is as much about identifying opportunities as avoiding or mitigating losses.</td>
</tr>
<tr>
<td>Risk Management Advocate</td>
<td>An officer nominated by all Faculties and Administrative Budget Units to promote the risk management process and act as a liaison officer between their respective schools/institutes and sections and the Risk Management Coordinator.</td>
</tr>
<tr>
<td>Risk Management Coordinator</td>
<td>The Officer responsible for co-coordinating the risk management process across the University.</td>
</tr>
<tr>
<td>Risk Management Register</td>
<td>A formal record of all risks that have been identified.</td>
</tr>
<tr>
<td>Risk Acceptance</td>
<td>An informed decision to accept the likelihood and the consequences of a particular risk by the University’s management and/or staff.</td>
</tr>
<tr>
<td>Gross Risk Rating</td>
<td>An assessment of the risk before any actions or controls are put in place to mitigate risk.</td>
</tr>
<tr>
<td>Net Risk Rating</td>
<td>An assessment of the risk after actions or controls are put in place.</td>
</tr>
<tr>
<td>Management Controls</td>
<td>Processes in place to mitigate risks. Controls may be policies, procedures, management systems and structures to assist the University in its operations.</td>
</tr>
<tr>
<td>Senior Management Team</td>
<td>The SMT is responsible for the identification and development of policies and advice to eliminate or control risks faced by the University.</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>The Audit Committee advises Council on the effectiveness and efficiency of internal control systems and on risk and processes relating to the governance of the management of risk.</td>
</tr>
</tbody>
</table>