

## Risk Management Policy HEPP16

### PURPOSE

The purpose of this policy is to:

1. support compliance with the Higher Education Standards Framework (Threshold Standards) 2021, particularly Standards 6.2, 6.3, and 7.2, by ensuring risks—academic and corporate—are identified, monitored, and mitigated effectively.
2. ensure that Southern Cross Education Institute (Higher Education) management and staff remain mindful of risk whilst maintaining a culture which rewards innovation and the achievement of realistic opportunities;
3. ensure compliance with risk management processes that are mandated by the legislative frameworks which inform the Institute's operations; and
4. integrate and align risk management systems with the Institute's business processes; and encourage continuous review and improvement of the Institute's risk assessment and risk management processes.

### OBJECTIVE

The objectives of the risk management policy are to:

1. ensure that corporate risks are considered when making strategic management decisions;
2. ensure that the management of operational risk is integrated into standard management and accountability processes; and
3. develop and foster an environment in which staff assume appropriate responsibility for managing risk.

### SCOPE

This policy applies to Southern Cross Education Institute (Higher Education) as a whole and to all academic and corporate staff involved in operational and academic decision-making.

### DEFINITIONS

Consequence	The outcome or impact of an event
Event	An occurrence of a particular set of circumstances
Frequency	A measure of the number of occurrences of an event per unit of time
Loss	Any negative consequence or adverse effect which derives from an event, financial or otherwise.
Monitor	To check, supervise, observe or measure the progress of an activity, action or system on a regular basis in order to identify change from the performance level which is expected.
Residual Risk	The risk remaining after implementation of risk treatment.
Risk	The effect of uncertainty on objectives
Risk Analysis	A process that is used to understand the nature, sources, and causes of risks which are identified and to estimate the level of risk.
Risk Assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk Identification	A process that involves finding, recognising and describing the risks that could affect the achievement of the organisation's objectives.
Risk Management	A coordinated set of activities and methods that is used to control the risks that can affect the ability of the organisation to achieve its objectives.
Risk Treatment	A risk modification process

SCEI-HE	Southern Cross Education Institute (Higher Education)
<b>POLICY</b>	
<ol style="list-style-type: none"> <li>The approach taken by SCEI-HE to risk management supports the strategic goals of the organisation and is consistent with SCEI-HE's business practices.</li> <li>SCEI-HE will maintain a structured risk management framework as an integral component of its organisational philosophy.</li> <li>SCEI-HE's risk management framework encompasses: <ol style="list-style-type: none"> <li>the risk management policy;</li> <li>the risk management plan; and</li> <li>the risk register, which is maintained by the risk committee.</li> </ol> </li> <li>The risk management framework facilitates competent strategic decision-making and supports efficient, effective and robust business processes.</li> <li>SCEI-HE's risk management framework allows the institution to respond effectively to opportunities as they are identified and to implement innovative business strategies while maintaining appropriate standards of accountability, compliance, probity and transparency.</li> <li>The risk management framework facilitates sound management practices based on expertise, innovation and contingency planning that ensure inherent risk exposure remains at acceptable levels. <ol style="list-style-type: none"> <li>SCEI-HE's risk management framework includes identification, monitoring, and mitigation of academic risks, including risks to academic integrity, student outcomes, quality of teaching and learning, scholarly activity, and compliance with regulatory requirements.</li> </ol> </li> <li>SCEI-HE's risk management policy is predicated on the following: <ol style="list-style-type: none"> <li>All staff of SCEI-HE will comply with the risk management policy.</li> <li>SCEI-HE's senior management will coordinate a regular institution-wide risk assessment so that the risk register is maintained according to the risk management plan.</li> <li>SCEI-HE management staff will monitor and manage risks associated with their areas of accountability and document their risk management processes.</li> <li>All new business proposals will include a business plan which includes a risk analysis.</li> <li>Activities for managing risk will be consistent with the principles outlined in the Australian/ New Zealand Standard for Risk Management as AS/NZS ISO 31000:2018.</li> </ol> </li> <li>Audit and Risk Committee: <ol style="list-style-type: none"> <li>The SCEI-HE Audit and Risk Committee meets at least quarterly. The Committee has responsibility for monitoring the risks associated with all of SCEI-HE's corporate activities and for maintaining the SCEI-HE Risk Register.</li> <li>The ARC comprises 3–5 members to ensure appropriate expertise and diversity, as required by HESF Standard 6.1.2. Its membership includes: <ol style="list-style-type: none"> <li><b>Chair:</b> A non-executive, independent member of the Corporate Board (CB) with expertise in auditing or risk management, appointed by the CB.</li> <li><b>Members:</b> 2–4 non-executive CB members, ensuring: <ol style="list-style-type: none"> <li>At least one member has expertise in auditing.</li> <li>At least one member is a qualified accountant.</li> <li>At least one member has experience in higher education governance or risk management.</li> </ol> </li> <li>The <b>Chair of the Academic Board</b> has a standing invitation to attend ARC meetings.</li> <li>The ARC is responsible for ensuring that corporate risks are clearly understood, appropriately defined, effectively monitored, and acted upon. This includes oversight of the implementation of risk mitigation strategies and the accuracy and currency of the SCEI-HE Risk Register.</li> </ol> </li> <li>This policy is based on the following principles (from AS/NZS ISO 31000:2018 Risk management – Principles and guidelines): <ol style="list-style-type: none"> <li>Risk management is an integral part of all organisation processes;</li> <li>Risk management creates and protects value;</li> <li>Risk management is part of decision making;</li> <li>Risk management explicitly addresses uncertainty;</li> <li>Risk management is systematic, structured and timely;</li> <li>Risk management is based on the best available information;</li> </ol> </li> </ol> </li></ol>	

- 9.7 Risk management is tailored;
- 9.8 Risk management takes human and cultural factors into account;
- 9.9 Risk management is transparent and inclusive;
- 9.10 Risk management is dynamic, iterative and responsive to change; and
- 9.11 Risk management facilitates continual improvement of the organisation.

#### RELATED DOCUMENTS

Risk Management Plan HEMIS06  
Risk Register HEREG02

#### LEGISLATIVE CONTEXT

AS/NZS ISO 31000:2018 Risk management – Principles and guidelines  
SCEI-HE Insitutaion Constitution

#### RESPONSIBILITIES

##### Audit and Risk Committee

- Ensures that risks associated with SCEI-HE's corporate operations are understood, defined and acted upon.
- Defines, monitors and reviews risks associated with SCEI-HE's business;
- Analyses each defined risk, so that a consequence, likelihood and rating is determined;
- Implements actions, control systems and processes to mitigate risks; and
- Monitors the effectiveness of SCEI-HE's risk management processes.

##### Management Staff

Incorporate risk management into their standard management practices by:

- sponsoring or championing the risk management process;
- ensuring that risk management policies and procedures are circulated, understood and implemented consistently throughout their operational area of accountability;
- identifying and determining appropriate actions which are necessary to address operational risks within their area of responsibility in accordance with SCEI-HE's policies and procedures;
- reporting on the management of significant emerging or residual risk;
- ensuring the inclusion of risk management responsibilities in position descriptions and key performance indicators;
- ensuring that staff are informed appropriately at induction SCEI-HE's risk management framework;
- ensuring that staff are provided with appropriate professional development in regard to the risk management framework;
- ensuring that performance management processes take in to proper account expectations in regard to risk management processes; and
- ensuring the allocation of sufficient resources for the ongoing implementation of the risk management framework.

##### Managing Director

- Ensures that the SCEI-HE risk management framework is understood and implemented consistently throughout the organisation;
- Approves policies as they apply to risk management;
- Secures the support of all staff in the risk management process;
- Sponsors the risk management process; and
- Oversees risk management and risk assessment processes across the organisation.

##### Academic Board

- Reviews and monitors academic risks and ensures alignment with academic quality, standards, and integrity requirements;
- Ensures academic risk reporting is embedded in the risk management framework and reported regularly to the Audit and Risk Committee and Corporate Board;
- Oversees academic integrity and compliance risks with reference to the HESF standards.



DOCUMENT AND RECORD CONTROL	
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