

Risk Policy



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Approver	Senate		

1 Purpose

- (A). The purpose of this **Policy** is to —
- (1). establish the **Risk Management Framework**; and
 - (2). express the **Risk** management practices of the **University**.

- (B). In this Policy —

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- (C). This Policy is to be read in conjunction with —

- (1). Risk Management Guideline; and
- (2). Compliance Management Guideline.

2 Scope

2.1 Institutional Scope

- (A). The scope of this Policy applies to the University.

2.2 Individual Scope

- (A). The scope of this Policy applies to —
 - (1). Senate members;
 - (2). Audit and Risk Committee members;
 - (3). Employees;
 - (4). Students; and
 - (5). Contractors.

3 Risk Management Framework

- (A). Risk Management Framework means the organisational arrangements, practices and supporting tools required to embed consistent Risk management into the culture, processes and systems of the University. The Risk Management Framework includes the Risk Policy, Risk Matrix, Risk Appetite Statement, Risk Management Guidelines and Compliance Management Guidelines.
- (B). UWA Risk will develop and manage the Risk Management Framework to assist the Executive in managing Risk on behalf of the **Senate**.

4 Risk

- (A). Risk means the effect of uncertainty on objectives as defined by Standards Australia (AS/NZS ISO 31000: 2018; Risk Management – Guidelines) and is expressed by reference to a potential event occurring, and measured in terms of a combination of the likelihood of the event occurring and the consequence if the event was to occur.

5 Risk Type

- (A). The University will manage Risks differently according to the following types —
 - (1). **Strategic Risk** means Risk that expose the University to failure against strategic objectives;

- (2). **Operational Risk** means Risk that expose **Business Units** to failure against performance targets and delivery of outcomes;
 - (3). **Compliance Risk** means Risk arising from failure to meet the University's obligations, including but not limited to those required by law, industry standards, codes of good governance and community commitments; and
 - (4). **Project Risk** means Risk that exposes Business Units to failure against change initiative or project deliverables, timelines, milestones, activities, budgets and output quality.
- (B). The University will manage Risks in accordance with the Risk Management Framework.

6 Risk Appetite

- (A). **Risk Appetite** means the degree of Risk that the University is willing to accept in pursuit of its strategic and operational objectives.
- (B). Employees must consider the Risk Appetite Statement during University planning and decision-making, to enable decisions that reflect the University's position on risks that are acceptable and necessary in pursuing strategic and operational objectives.
- (C). Senate will approve the University's Risk Appetite Statement, which will be available on the Staff Intranet.
- (D). UWA Risk will facilitate annual reviews of the Risk Appetite Statement.

7 Risk Owners

- (A). The Vice-Chancellor will assign an **Executive Member** as an owner for each Risk listed in the University Strategic Risk Register.
- (B). The head of a **Business Unit** or project sponsor, as appropriate, will assign an owner to each Risk listed in a local Business Unit Risk register or Project Risk register.

8 Risk Assessment

- (A). **Risk Assessment** means the process of identification, analysis and evaluation of Risks to strategic and operational outcomes.
- (B). Business Units must perform a Risk Assessment at least once a year in accordance with the Risk Management Framework, which includes tools for —
- (1). identifying, analysing and evaluating Risks;
 - (2). developing and implementing Risk treatment strategies; and
 - (3). monitoring and reviewing the effectiveness of strategies.
- (C). Employees must conduct Risk Assessments prior to undertaking or planning new projects or

activities.

9 Risk Registers

- (A). The Executive Members must establish a Strategic Risk Register for the University as a whole.
- (B). The Strategic Risk Register must document key Risks that would likely impact the University's ability to achieve its strategic objectives, in accordance with the Risk Management Framework.
- (C). UWA Risk will maintain the University Strategic Risk Register on behalf of the Executive.
- (D). The following must also establish local Risk registers —
 - (1). the head of a Business Unit, in relation to that unit; and
 - (2). the sponsor or project manager, in relation to strategic projects and major initiatives.

10 Reporting

- (A). All Employees must report Risks in accordance with this Policy and the Risk Management Framework. Reporting obligations are articulated in the Risk Matrix and Risk Management Guidelines.
- (B). Failure to meet obligations imposed by legislation (including breaches and near misses) must be reported in accordance with the Compliance Management Guidelines.

11 Risk Delegations

- (A). Senate will be accountable for the oversight of Risk management at the University. Senate must demonstrate, and assure itself, that the University is operating effectively and sustainably through —
 - (1). establishing and managing effective safeguards and controls, including but not limited to, independent auditing;
 - (2). considering and responding to reports about the University's Risks and their management;
 - (3). resourcing an Audit and Risk Committee; and
 - (4). approving the Risk Appetite and tolerance levels for the University.
- (B). The Audit and Risk Committee will be responsible for —
 - (1). monitoring the application of the Risk Management Framework; and
 - (2). considering and responding to reports about the University's Risks and their management.
- (C). The Executive Members will be responsible for —

- (1). maintaining oversight of the University's Risks (including ownership of Strategic Risks) and advising the Vice Chancellor and Senate in relation to Risks of strategic and operational significance, including new and emerging Risks;
 - (2). considering and responding to reports about University's Risks and their management;
 - (3). promoting a positive and effective Risk culture across the University; and
 - (4). overseeing the allocation of resources to enable effective Risk management.
- (D). Heads of Business Units will be responsible for —
- (1). identifying, evaluating and managing Risks to the achievement of the University's strategic objectives where such Risks are relevant to the Business Unit operations;
 - (2). identifying, evaluating and managing Risks to the achievement of the Business Unit's own operational objectives;
 - (3). monitoring the effectiveness of Risk control measures;
 - (4). assigning an owner to each Risk listed in their local Risk Register; and
 - (5). reporting and escalating identified Risks in accordance with the Risk Management Framework.
- (E). Risk Owners will be responsible for —
- (1). considering the Risks assigned to them;
 - (2). devising and implementing appropriate Risk management plans to manage Risk in accordance with the Risk Management Framework; and
 - (3). reporting and escalating identified Risks in accordance with the Risk Management Framework.
- (F). All Employees have a role in the effective management of Risk across the University and will be responsible for —
- (1). identifying and familiarising themselves with Risks associated with their role; and
 - (2). assessing and managing Risks consistently in accordance with this policy and the Risk Management Framework.
- (G). Students and Contractors have an important role in managing risk at the University by considering risk as part of their daily activities.

Breach of Policy

- (H). Failure to comply with this Policy may be considered a breach of the Code of Conduct and may result in disciplinary action.

Definitions

Business Unit is defined in the Policy Framework.

Compliance Risk is defined in section 5

Contractor is defined in the Policy Framework Policy.

Employee is defined in the Policy Framework Policy.

Executive Member is defined in the Policy Framework Policy.

Operational Risk is defined in section 5

Policy is defined in the Policy Framework Policy.

Project Risk is defined in section 5

Risk is defined in section 4

Risk Appetite is defined in section 6

Risk Management Framework is defined in section 3

Senate is defined in the Policy Framework Policy.

Senate Member is defined in the Policy Framework Policy.

Strategic Risk is defined in section 5

Student is defined in the Policy Framework Policy.

University is defined in the Policy Framework Policy.

University Community is defined in the Policy Framework Policy.

End