



# POLICY

**Policy Title:** Integrated Risk Management

**Policy Owner:** Director, Strategic and Governance Services Centre

**Keywords:** Risk Management

**Policy Code:** PL201 [rm001]

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## 1. INTENT

The aim of this policy is to provide a framework for the management of the risks associated with all University activities. At ECU, this includes the culture, processes and structures that are directed towards maximising opportunities by minimising the associated likelihood and consequences of risks.

## 2. ORGANISATIONAL SCOPE

This policy applies to all members of the University community, within Schools, Centres or Controlled Entities, who wish to undertake significant activities and projects in pursuit of the University's strategic priorities.

### 3. DEFINITIONS

Risk management definitions can be found in the definitions section of the Standards Australia risk management standard, *AS/NZS ISO31000:2009 Risk Management – Principles and Guidelines*. The key definitions are:

TERM	DEFINITION
<b>Risk</b>	Potential events and consequences that will have an impact (positive or negative) on how the University achieves its strategic priorities.
<b>Risk Management</b>	Risk Management is a series of coordinated activities to direct and control the University with regard to risk.
<b>Risk Attitude</b>	ECU's approach to assessing and eventually pursuing, retaining, taking or turning away from risk.
<b>Risk Tolerance</b>	Risks that ECU will accept with consultation.
<b>Risk Appetite</b>	Risks that ECU will tolerate and accept without consultation.
<b>Risk Treatment</b>	<p>These are processes for modifying risk. For ECU purposes, risk treatment can involve one or more of:</p> <ul style="list-style-type: none"> <li>• avoiding the risk by deciding not to start or continue with the activity giving rise to the risk;</li> <li>• taking or increasing a risk in order to pursue an opportunity;</li> <li>• removing the risk source</li> <li>• changing the likelihood of the risk occurring;</li> <li>• changing the consequences</li> <li>• sharing the risk with another party or parties via risk financing or contract; and</li> <li>• accepting (or retaining) a risk by an informed decision.</li> </ul>
<b>Residual Risk</b>	The risk remaining after implementation of risk treatment.
<b>Senior Leadership Team</b>	The senior management group comprising the Vice-Chancellor, the Senior Deputy Vice-Chancellor, the Vice-President (Corporate Services); each Deputy Vice-Chancellor and each Pro-Vice-Chancellor.

## **4. POLICY CONTENT**

- 4.1 Considered and structured risk-taking is an essential ingredient in the successful achievement of the University's mission and strategic objectives. To this end, the University will maintain procedures to provide the Council and senior management with a systematic view of the risks faced in the course of all activities. These procedures are detailed in the *ECU Integrated Risk Management Guidelines*.
- 4.2 ECU risk management procedures will be consistent with the principles and standards contained in Standards Australia Risk Management Standard, *AS/NZ ISO 31000 - Risk Management –Principles and Guidelines*.
- 4.3 The risk management process is outlined in the ECU Integrated Risk Management Guidelines.

## **5. ECU RISK APPETITE**

- 5.1 ECU operates in an environment of unlimited actual and potential risk. Furthermore, the University recognises that all activities involve risk because activity outcomes are not always certain. This means that all activities have the potential for adverse consequences to the University and its ability to achieve its objectives. As a consequence, ECU has a risk attitude made up of three parts:
  - 5.1.1. Risks that ECU will not accept.
  - 5.1.2. Risks that ECU will actively manage, tolerate and accept with consultation. This is the University's risk tolerance and they are expressed in form of risk delegations that are contained in the guidelines linked to this policy.
  - 5.1.3 Risks that ECU will actively manage and accept without consultation. This is ECU's agreed Risk Appetite.
- 5.2 Council will approve the ECU Risk Appetite on the recommendation of the Vice-Chancellor. The University's Risk Appetite Statement is included in the Risk Management Guidelines linked to this policy
- 5.3 The University's risk appetite statement and risk delegations will provide guidance for planning and decision making throughout the organisation.

## **6. ACCOUNTABILITIES AND RESPONSIBILITIES**

In relation to this policy, the following positions are responsible for the following

### **6.1 Vice Chancellor**

- 6.1.1 The Vice-Chancellor is accountable for ensuring that a risk management system is established, implemented and maintained in accord with this policy. Assignment of responsibilities in relation to risk management is the prerogative of the Vice-Chancellor.

## **6.2 Quality Audit and Risk Committee**

- 6.2.1 The Quality, Audit and Risk Committee of the Governing Council will be accountable for the oversight of the processes for the identification and assessment of risks within ECU and its controlled entities, reviewing the outcomes of the strategic risk management processes, and for advising Council on risk management matters as necessary.
- 6.2.2 The Quality, Audit and Risk Committee Terms of Reference and Charter will outline the roles and responsibilities for overseeing risk management on behalf of Council.

## **6.3 Senior Leadership Team Members**

- 6.3.1 Senior Leadership Team members are accountable for strategic risk management within their portfolio including the devolution of the risk management processes to operational managers. Collectively the Senior Leadership Team is responsible for:
- The formal identification of strategic risks that impact upon the University's mission; and
  - The development of risk management plans within their portfolios.

## **6.4 Executive Deans, Deans, Executive Directors and Directors**

- 6.4.1 Executive Deans and Directors are accountable to the Vice-Chancellor via their Senior Leadership Team Member for:
- Implementation of this policy within their respective areas of responsibility;
  - Ongoing maintenance of their operational risk registers insofar as they impact on their respective responsibilities; and
  - Providing assurance to the Vice-Chancellor with regard to the extent of the School or Centre compliance with this policy and the status of their risk registers through the annual review process.

## **6.5 Staff**

- 6.5.1 Every staff member of the University has a role in the effective management of risk within the operation of their School, Centre or Office.
- 6.5.2 School and Centre staff with line management responsibilities will be responsible for the development of risk management plans and the implementation of risk treatments and risk management strategies within the scope of their duties, authority and responsibilities.
- 6.5.3 Staff with project management and oversight responsibilities will be responsible for the development and implementation of risk management plans for their project or activity. Risk management processes will be integrated into planning processes and management activities.
- 6.5.4 This policy does not relieve ECU and its staff of the responsibility to comply with all legislation in accordance with the Compliance Policy (RM004).

## **6.6 Specialist Risk Management Functions**

- 6.6.1 The Chief Finance Officer will be accountable for ensuring:
- ECU's compliance with section 57(2)(c) of the Financial Management Act 2006 in respect of financial risks and Treasurer's Instruction 826 – Managing Foreign Exchange Risk.
  - That risk management plans are completed for each commercial venture and business development initiative.
- 6.6.2 The Director Human Resource Centre will be accountable for the occupational health and safety and workers' compensation portfolio, including operational procedures and their administration.
- 6.6.3 The Director IT Services Centre and CIO will be accountable for developing and implementing policies, procedures and guidelines to address risk management issues arising from the deployment and use of information technology within the University including information security.
- 6.6.4 The Director, Strategic and Governance Services Centre will ensure that (where appropriate) strategic recommendations placed before Council contain a risk management plan.

## **6.7 Risk and Assurance Unit**

- 6.7.1 The Risk and Assurance Unit will be responsible for:
- The implementation of this policy in key areas of the University not covered elsewhere in this policy,
  - Developing and maintaining an Integrated Risk Management Framework for the University that will establish the basis of ECU's Risk Registers and risk management planning.
  - The development and maintenance of procedures, guidelines and tools for the development of operational and activity based risk registers and their associated risk management plans.
  - Conducting strategic risk assessments of the University and maintaining a Strategic Risk Register for the University.
  - The provision of advice to the relevant University Executive members and Directors on strategic risk management matters.
  - The management of ECU's insurance portfolio.
  - Responsible for the provision of content and the inclusion of risk management in professional and academic staff development programs.

## **7. RELATED DOCUMENTS:**

- 7.1 The policy is supported by the following Guidelines:
- ECU Integrated Risk Management Guidelines
  - Hazard and Risk Management Guidelines

- 7.2 Other documents which are relevant to the operation of this policy are as follows:
- AS/NZS ISO 31000: 2009 – Risk Management – Principles and Guidelines
  - HB 37:2010 – Communicating and consulting about risk
  - AS/NZ 5050:2010 Business Continuity – Managing Disruption related risk
  - RM003 - Critical Incident Management Policy
  - RM004 - Compliance Policy
  - RM005 - Business Continuity Management Policy
  - RM006 - Fraud and Misconduct Prevention Policy
  - ECU Code of Conduct
  - HR081 – Occupational Health & Safety
  - Occupational Health and Safety Homepage provides information and support to the identification and management of Workplace Safety and Risk Management; refer to the below link:  
<http://www.hr.ecu.edu.au/osh/html/index.cfm>

## 8. CONTACT INFORMATION

For queries relating to this document please contact:

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## 9. APPROVAL HISTORY

Policy Approved by:	Council
Date Policy First Approved:	6 December 2001 (88/11)
Date last modified:	February 2018
Revision History:	April 2004 December 2007 August 2010 February 2014 October 2014 May 2017 February 2018 (Approved by Policy Owner)
Next Revision Due:	February 2021
TRIM File Reference	SUB/4309