Risk Management Procedure

1. Purpose and Scope

1.1 The Risk Management Procedure provides details of the main risk management activities. This procedure should be read in conjunction with the Risk Management Policy.

1.2 This procedure applies to all AIAT staff and all members of Boards and Committees

2. Definition

Refer to *Glossary of Terms.*

3. Procedure

3.1 Risk Management Framework

3.1.1 The primary purpose of the risk management framework is to provide a coordinated and managed approach to critical risks that, if they were to occur, would impact on the achievement of strategic and organisational objectives.

3.1.2 The Risk, Quality and Audit Management Committee will provide an annual report on the performance of the framework as a basis for improvement to the Board of Directors.

3.2 Risk identification

3.2.1 An annual risk identification exercise will be undertaken by the Board of Directors, Academic Board, Finance Committee and the Executive Management Group which involves

a. assessment of the consequence and likelihood of new risks;

b. the development and /or review of individual risk management plans for risks identified which exceed AIAT's acceptable risk as expressed in the Risk Appetite Statement; and

c. updating the Risk Management Register.

3.2.2 All business activities will have a Risk Management assessment, where practical.

3.2.3 Institutional strategic planning and operational and resource management planning processes incorporate risk identification and management.

3.2.4 Unique projects will incorporate risk identification and management.

3.3 Risk Management Register

3.3.1 AIAT maintains a Risk Management Register comprising risks that may impact AIAT's ability to achieve its strategic objectives.

3.3.2 The Director, Quality Assurance and Risk Management reviews/updates the Risk Management Register annually for Risk, Quality and Audit Committee (RQA) consideration and endorsement, which is presented to Board of Directors for approval. A mid-year status report about the Risk Management Register is also prepared for the RQA and Board of Directors.

3.3.3 The Register identifies

a. risk to be managed
b. consequences if the risk occurred
c. likelihood and impact of risk
d. existing controls in place to mitigate the risk
e. Strategic Risk Owner: the group or individual responsible for strategic oversight of the risk; and
f. Operational Risk Owner: the individual responsible for monitoring the risk in the business and reporting if it is improving/reducing on a quarterly basis.

3.4 Annual reports to the Board of Directors include

3.4.1 Risk management activities including any actions.
3.4.2 Risk Management Register status.
3.4.3 Performance of the Risk Management Framework as a basis for improvement.

3.5 Risk Assessment and Management Processes

3.5.1 Risk assessment is undertaken utilising a standard methodology consistent with the International Risk Management Standard ISO 31000 for identifying, analysing and evaluating risks.
3.5.2 Risk management processes are incorporated into quality assurance and improvements systems.
3.5.3 Escalation procedures for risk management are reviewed annually.

3.6 Fraud Prevention

3.6.1 Fraud prevention measures will be incorporated into AIAT policies and procedures. Schedule A provides a table mapping potential areas for fraud and the policy, procedure or other documentation where prevention measures are identified.

4. Roles and responsibilities

4.1 Board of Directors is responsible for:

4.1.1 Management of risk at AIAT on advice from the Risk, Quality and Audit Committee, Finance Committee and the Executive Management Group;
4.1.2 Approving the Risk Management Framework, Risk Appetite Statement and Risk Management Register;
4.1.3 Monitoring key risks and, where applicable, approve major decisions affecting AIAT's risk exposure.

4.2 The Risk, Quality and Audit Committee:

4.2.1 Oversees AIAT's risk management activities;
4.2.2 Recommends the Risk Management Framework, Risk Appetite Statement and Risk Management Register to the Board of Directors;
4.2.3 Liaises with the Academic Board and the Academic Quality, Compliance and Risk Management Committee (AQCRMC) regarding academic risks;

4.2.4 Liaises with the Executive Management Group regarding non-academic risks;
4.2.5 Liaises with the Finance Committee regarding financial risks;
4.2.6 Monitors the Risk Management Register;
4.2.7 Provides annual reporting on risk management activities including any actions taken to the Board of Directors.

4.3 The Academic Board
4.3.1 Oversees and monitors academic risks;
4.3.2 The development and maintenance of academic risk registers via the Academic Quality, Compliance and Risk Management Committee (AQCRMC);
4.3.3 Reporting risks in line with the Risk Management Procedure; and
4.3.4 Makes recommendations to the Board of Directors for mitigating academic risks.

4.4 The CEO is responsible for
4.4.1 ensuring that risk management activities are carried out effectively within AIAT; and
4.4.2 ensuring all decision-makers have been trained on the application of risk management principles.

4.5 The Executive Management Group is responsible for
4.5.1 The development and maintenance of non-academic risk registers;
4.5.2 Reporting risks in line with the Risk Management Procedure;
4.5.3 Ensure staff are adequately trained in risk assessment; and
4.5.4 Foster and encourage an environment where managing risks is accepted as the day-to-day responsibility of all individuals.

4.6 The Finance Committee is responsible for
4.6.1 The identification and monitoring of financial risks; and
4.6.2 Reporting risks in line with the Risk Management Procedure.

4.7 All staff are responsible for diligently identifying, assessing risks and implementing mitigation actions to reduce the risk where required.

Schedule A – Fraud Prevention Table

Area	Example	Policy/Procedure or other documentation where covered
Academic/research	• Academic misconduct (including plagiarism) or breach of *Student Academic Integrity Policy* • Accepting bribes for admission of students or creating fraudulent transcripts for students	Student Academic Integrity Policy Staff Code of Conduct Gifts and Benefits Policy and Procedure Conferring Qualifications Procedure

		Admissions Policy and Procedure Credit Transfer and Recognition of Prior Learning Policy and Procedure
Conflicts of interest	• Failing to disclose an actual, perceived or potential conflict of interest • Failing to actively manage a disclosed conflict of interest • Allowing a conflict of interest to undermine independence of decisions • Receiving a personal benefit for assisting a person or entity to gain work or business at the Institute • Appointing a person to a position due to personal relationships or motives other than merit	Conflict of Interest Policy and Procedure Gifts and Benefits Policy and Procedure Staff Recruitment Policy and Procedure
Cheques, credit cards, EFTPOS	• Making or using forged or falsified documents or signatures	Financial Management Policy Staff Code of Conduct Financial Management Operations Manual
Contract management	• Accepting bribes and/or kickbacks from suppliers • Negligent or deliberate mismanagement of contracts which may include non-compliance with contract schedules or rates, misrepresentation of dates, description of services or identities of contract providers • Incorrect charging for labour and material, misuse of assets or product substitution (substituting a product for one of lesser quality)	Staff Code of Conduct
IT assets and security	• Misappropriation, or the unauthorised or unlawful destruction of data • Unauthorised or unlawful alteration of data • Sharing of usernames and passwords • Accepting bribes for admission of students or creating fraudulent transcripts for students • Interfering with virus protection and/or its settings, cyber security settings, security updates	Information and Communications Technology Policy Acceptable use of ICT Policy and Procedure Privacy Policy Staff Code of Conduct Gift and Benefits Policy and Procedure Conferring Qualifications Procedure Admissions Policy and Procedure

		Credit Transfer and Recognition of Prior Learning Policy and Procedure Operational activities – e.g. security updates, removal of students on exiting,
Misuse of AIAT assets	• Use of the Institute's funds or resources for personal use • Unauthorised sale of the Institute's assets for personal gain	Staff Code of Conduct Delegations of Authority Policy and Procedure Acceptable Use of ICT Policy and Procedure
Purchases and accounts payable	• Entering into a commercial transaction where there is a conflict of interest • Invoice and purchase order splitting to circumvent procedures or delegation levels • False documentation in support of invoices • Creation and payments made to ghost suppliers	Conflict of Interest Policy and Procedure Conflict of Interest Register Delegation of Authority Policy and Procedure Delegations Register Financial Management Operations Manual (to be developed)
Regulatory/compliance	• Providing false or misleading information • Failing to provide information where there is a legal obligation to do so	Staff Code of Conduct Staff Recruitment and Appointment Procedure (clause 3.15.4) Admissions Procedure (Clauses 3.6 and 3.8) Compliance Management Policy and Procedure
Staff records/ confidential information/ privacy	• Use or disclosure of staff information for an improper purpose • Unauthorised or unlawful alteration of staff information	Privacy Policy Information and Communication Technology Policy (Clause 4.7) Acceptable Use of ICT Policy and Procedure
Salaries, wages, allowances	• Payments to ghost employees • Payment to an employee for tasks not performed	Financial Management Operations Manual (to be developed)
Travel	• Luxurious, indulgent or excessive expenditure • Inflated and/or faked expense claims	Travel Policy

5. Procedure Details

Institution	Australian Institute of Advance Technologies (AIAT)
Procedure name	Risk Management Procedure
Procedure Reference No.	PROC – 15
Procedure Approval	Board of Directors
Procedure Authority	Executive Management Group
Responsible Officer	Director: Quality Assurance and Risk Management
Governance Reference Threshold Standards	HESF 6.1.3, 6.2.1
Related Documents	Academic Inquiry and Freedom of Speech Policy Delegation of Authority Policy Disaster Recovery Policy Financial Management Operations Manual (to be developed) Health and Safety Policy Health and Safety Procedure Records Management Policy Risk Management Procedure Staff Code of Conduct Travel Policy
Related Legislation	Anti-Money Laundering and Counter Terrorism Financing Act 2006 Higher Education Standards Framework (Threshold Standards) 2021 (HESF) ISO 31000:2018 Risk Management Guidelines Work Health and Safety Act 2012
References	AIAT has referred and benchmarked with the following institutions and policies during the creation of this procedure: Central Queensland University (2020) Enterprise Risk Management Framework James Cook University (2020) Risk Management Framework and Plan University of the Sunshine Coast (2021) Risk Management – Procedures University of Technology, Sydney (2018) Risk Management Policy
Date of approval	31 March 2022
Review date	December 2026
Policy Category	Governance

6. Document Version Control

Document No	PROC - 15	Last Modify Date	Summary of Changes

Version No	1.0	NA	Initial version approved by Board of Directors
	1.01	31/3/2022	Updates to names of committees and documents.
Created Date	Dec 2021		