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1 PURPOSE

- 1.1 This policy confirms the commitment of CQUniversity to good governance through [risk management](#). It outlines the composition of the risk management system and the broad accountabilities the University will maintain in order to manage its risks.
- 1.2 This policy forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld), by ensuring the existence of an effective risk management system.

2 SCOPE

- 2.1 This policy applies to:
 - CQUniversity as whole
 - all controlled entities and partnerships
 - strategic, corporate (University) and project activities
 - employees of the University whether permanent, temporary, full-time, part-time or casual, and
 - any person who works in any other capacity for the University or is involved in University business.

3 POLICY STATEMENT

- 3.1 [Risk management](#) is an essential governance arrangement that supports the achievement of the University's strategic goals.
- 3.2 The University is committed to making risk management an integral part of all University processes and embedding risk management into the key decisions and approval processes of all major business processes and functions of the University.

- 3.3 This policy has been adopted in recognition that:
- the effective management of risk is vital to the continued growth and success of the University
 - the risks inherent in the University's operating environment need to be considered and managed in an informed way
 - by understanding and managing risk, the University provides greater certainty and confidence to all stakeholders
 - explicit and effective risk management is a source of insight and competitive advantage, and
 - risk arises in many forms and can have positive or negative impacts on the University's ability to achieve its strategic goals.
- 3.4 The University is committed to well-managed risk taking in pursuit of its strategic goals within the boundaries defined in the University's [Risk Appetite Statement](#).
- 3.5 [Significant projects and activity](#) proposals, including commercial activities, will be assessed against a business case that incorporates a risk assessment of known, potential and emerging risks over the time course of the project, its ongoing evaluation and decision-making.
- 3.6 Projects will be conducted using approved University methodologies which incorporate risk management.
- 3.7 The University also has a systematic health and safety risk management framework to identify, assess, control and monitor hazards that cannot be eliminated. This framework is managed under the [Occupational Health and Safety Policy](#) and related legislation and documents.

Risk management system

- 3.8 [Risk management](#) is a system comprised of a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk awareness throughout the organisation. The major elements of the University's risk management system include:
- Risk Management Policy (this document)
 - [Risk Appetite Statement](#)
 - [Enterprise Risk Management Framework](#), and
 - University Risk Register/s.

Risk appetite

- 3.9 The [risk appetite](#) is a fundamental concept of risk governance and is defined and articulated by the University Council. The risk appetite will be:
- strategically and directly related to the achievement of the University's strategic goals
 - a mutual and explicit understanding between the University Council and [Senior Executive](#)
 - a statement of the risk – reward balance, and
 - reviewed annually.

Enterprise risk management framework

- 3.10 The University's approach to enterprise [risk management](#) is based on a holistic, enterprise-wide model that seeks to articulate the main components, responsibilities and relationships of the University's key risk management controls in order to develop organisational resilience and achieve effective governance and assurance.
- 3.11 The [Enterprise Risk Management Framework](#) provides a systematic approach to integrating risk management into all aspects of University business. Where appropriate, the framework will be consistent with the International Risk Management Standard ISO 31000:2018 and is designed to:

- provide guidance in identifying potential risk impacts that could affect the University
 - enable the consistent management of risk within a defined [risk appetite](#)
 - provide guidance in identifying the potential opportunity impacts within projects and activities to provide a balanced view for decision making purposes, and
 - provide reasonable assurance on the achievement of strategic objectives.
- 3.12 University business processes and functions will adopt a risk management approach in line with the [Enterprise Risk Management Framework](#) and this policy.

Risk assessment

- 3.13 Divisions and [business areas](#) will follow the approach for identifying, analysing, evaluating, treating and recording risks as set out in the [Enterprise Risk Management Framework](#).

Risk registers

- 3.14 Risk registers are a tool for documenting risks, and actions to manage each risk. The University's risk registers are based on strategic, corporate and project risks. As applicable risks are identified they are entered on the register and actions are taken to respond to the risk.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Audit, Risk and Finance Committee is responsible, on behalf of the Council, for monitoring the adequacy and effectiveness of [risk management](#) within the University.
- 4.2 Periodic independent reviews conducted at least once every five years of the effectiveness of the University's risk management approach will be commissioned by the Audit, Risk and Finance Committee and reported to Council.
- 4.3 [Heads of business areas](#) are responsible for incorporating risk management into their standard management practices by:
- identifying and determining appropriate actions to address risks and business continuity within their area of responsibility in accordance with University policy documents
 - documenting their risk management processes within the University's register of risks
 - implementing actions with respect to risk management as directed by the Audit, Risk and Finance Committee, and
 - upward reporting of significant or emerging risks.
- 4.4 Each [head of business area](#) is responsible for continuously monitoring their respective area for known, potential, or emerging risks and to report any risks identified as increasing or posing a significant threat to the Director Strategic Planning, Risk, and Insurance in a timely manner.
- 4.5 The Director Strategic Planning, Risk and Insurance are responsible for implementing, monitoring, reviewing and ensuring compliance with this policy.

Reporting

- 4.6 Strategic, corporate and project risks that affect the University as a whole will be reported to Council through the Audit, Risk and Finance Committee, Academic Board and University Management Committee at regular intervals as outlined in the [Enterprise Risk Management Framework](#). These intervals are designed to provide a comprehensive overview of the University's risk profile and enable proactive decision-making by the Committee.

- 4.7 Significant or emerging risks may be reported to the Audit, Risk, and Finance Committee outside of the regular reporting schedule if they are a new risk, the existing risk escalates in severity, or external factors necessitate immediate attention.
- 4.8 The Audit, Risk, and Finance Committee may request additional risk reporting through ongoing monitoring of University activities, discussions with management and stakeholders, or analysis of external factors impacting the business.

Records management

- 4.9 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.10 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

Terms and definitions

Risk: the chance of something happening that will have an impact on objectives.

Risk appetite: the organisation's approach to assess and eventually pursue, retain, take or turn away from risk¹.

Risk management: coordinated activities to direct and control an organisation with regard to risk¹.

Risk tolerance: the boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long term objectives².

Significant projects and activities: falls within the criteria outlined in the risk consequence table of the [Enterprise Risk Management Framework](#) for 'major' or above (e.g. financial investment of >\$2 million).

6 RELATED LEGISLATION AND DOCUMENTS

[Enterprise Risk Management Framework](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Higher Education Standards Framework \(Threshold Standards\) 2021](#) (Cwlth)

International Standard - ISO 31000:2018 Risk management – Guidelines

[Risk Appetite Statement](#)

[Standards for Registered Training Organisations \(RTOs\) 2015](#) (Cwlth)

[Work Health and Safety Act 2011](#) (Qld)

[Work Health and Safety Regulation 2011](#) (Qld)

[Work Health and Safety Codes of Practice](#)

7 FEEDBACK

- 7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

¹ International Standard ISO 13000:2018 Risk management - Guidelines

² [Risk Appetite and Tolerance: Guidance for Practitioners](#) (Institute of Risk Management)

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
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Administrator	Director Strategic Planning, Risk and Insurance
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Notes	This document replaces the Risk Management Policy and Procedure (FMPP) and supports the introduction of the Enterprise Risk Management Framework (23/06/2020).