Risk Management Framework

Version | Approved by | Approval date | Effective date | Next full review
---|---|---|---|---
V4 | Risk Committee of Council | 20 November 2020 | 20 November 2020 | November 2021

Framework

**Purpose**
The Risk Management Framework provides the foundations for management of risks at the University, including the requirements for identifying, managing and monitoring uncertainty to maximise the upside and minimise the downside of risk.

**Scope**
The Framework applies to all University business, including those of its Controlled Entities.

Are Local Documents on this subject permitted?
☒ Yes, however Local Documents must be consistent with this University-wide Document.
☐ No

1. **Executive Summary**

1.1. **Commitment**
The University is committed to building a risk-aware culture that is supported by a tailored, practical and integrated approach to the identification and management of uncertainty inherent in our strategy, operations and the global environment in which we exist. This commitment is articulated in the Risk Management Policy and championed by our leaders.

1.2. **Risk Definition**
Risk at UNSW is defined as the effect of uncertainty on objectives. Adopting the ISO 31000: 2018 Risk Management – Guidelines’ definition of risk, a risk is an uncertain event (i.e. an occurrence or change of a particular set of circumstances) that, if it materialises, will affect (positively or negatively) the achievement of one or more of the University’s objectives. The magnitude of a risk will be assessed by qualifying the nature of the impact (positive or negative), its likelihood of occurrence, the effectiveness of existing controls and, if appropriate, the velocity at which the risk will impact the University.

1.3. **Overview**
Effective risk management is critical to sound governance, building a consistent appetite for, and robust culture in risk, improving decision-making and enhancing outcomes and accountability. When adopted and integrated by an organisation, risk information provides insights into, and transparency over material operational, change / growth and disruptive / emerging risks.

This Risk Management Framework (the ‘Framework’) is the foundation for building the value of risk management, empowering people to effectively manage uncertainty. It articulates the requirements for identifying, managing and monitoring risks. It clarifies how risk and opportunity are considered in strategic planning, review, approval and execution of University initiatives and in the monitoring of operational performance. The Framework, adopting the ISO 31000: 2018 principles (Figure 1) and examples of evidence, addresses how we will embed the management of risk into our culture and practices and, by doing so, supports the Executive and Council in making informed decisions and provides assurance that a robust risk management approach is adopted across the University.

The process of risk assessment outlined in this Framework has been designed to improve our understanding of risks, enhance our decision-making, minimise threats, leverage opportunities and maximise successful University outcomes by aligning resources to priority endeavours to achieve the Strategy 2025.

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1 ISO 31000:2018 Risk Management – Principles and guidelines
2 ASX Corporate Governance Principles and Recommendations, ed 4, Feb 2019
1.4. Objectives and Benefits of Risk Management

The objective of Risk Management is to protect and create value by improving the University’s understanding, management and communication of threats and opportunities. Effective risk management should enhance decision-making, including resourcing of priorities, assist us in meeting our compliance obligations and maximise successful outcomes.

The UNSW Risk Management Framework seeks to enable effective risk management by:

- Providing risk **tools** that are aligned to business needs and **integrated** into University processes
- Creating the **foundations to build the required capability** across the University to enable its people to identify, understand and manage risks
- Creating and enhancing a **risk-aware culture** by embedding a consistent application of the University’s Risk Appetite into all strategic decision-making processes to drive salient risk discussions and aligned decisions
- Providing a consistent **structure** for the application of the risk management process and principles, proportionate to the level of risk, effectiveness of the control environment and the potential velocity of impact of the risk on UNSW’s operations
- **Enabling** the ongoing review and interrogation of risk management performance using available data/indicators, industry-leading practices and feedback from stakeholders
2. Framework Architecture

Our Framework has been designed to align with the governance framework practices and reporting, to accommodate the organisational structure and to meet the requirements of ISO 31000:2018 Risk Management Guidelines.

The Framework includes the following elements:

- **Risk Appetite** (Section 3)
- The Risk Management **Process** (Section 4)
- **Risk Capabilities** (Section 5)
- Framework Application and **Implementation** (Section 6)
- **Risk Accountabilities** and Responsibilities (Section 7)
- **Monitoring** and Review of the Framework (Section 8)

The Framework also encompasses the suite of tools to support the application of risk management efforts, including related frameworks, supporting procedures, guidelines, training aids and templates.

3. Risk Appetite

3.1. Purpose of Risk Appetite Statement

The Risk Appetite Statement (RAS) defines the type and degree of risk the University is willing to accept to achieve its strategic aspirations. Its purpose is to guide University governance bodies, leaders and staff in decision-making. It does so by defining the boundaries for risk-taking, thereby aligning decisions to the risk appetite.

These boundaries detail the principles and metrics, both quantitative and qualitative, that, when reviewed as a collective, assist in decision-making. The RAS is to be used to review any activity that may impact the University and its controlled entities at an enterprise (whole of university) level.

3.2. Approach to Risk Appetite

The University supports a positive risk culture, where individuals are empowered to take measured risks to achieve the strategic priorities and to act within UNSW’s Behaviours guideline. Conversely, activities that materially threaten the viability of the University and its strategic objectives will not be supported.

Implementation of the RAS requires consideration of the risk appetite parameters as part of the strategic initiative viability, feasibility and approval processes and as part of the operational decision-making for governance and management forums.

Where an initiative or operational performance outcome falls into the tolerance range (i.e. where an initiative or operational outcome may impact the stated appetite but does not fall within the ‘unacceptable/no appetite’ statement), a risk evaluation is required. Mitigation actions must demonstrate how they will re-align the initiative or performance to the RAS. This is outlined in the diagram below:
The University’s Risk Appetite Statement is currently under review.

### 3.3. Unacceptable Risk Outcomes – No Appetite

‘No Appetite’ qualifications reflect the actions that are contrary to the Strategy 2025 and our UNSW Behaviours guideline. These include (but will be revised as part of the RAS review):

- Activity that compromises the University’s legal and regulatory obligations
- Situations where those interacting with the University are recklessly harmed
- Research funded by organisations that are not aligned to UNSW values
- Activities that compromise the University’s academic quality and integrity for staff and students
- Actions that adversely impact the University’s financial resilience

**NOTE:** Refinement of the UNSW RAS is currently underway to address:

- Limited connection between the RAS guidance and metrics to decision-making processes
- Limited ability to translate the RAS guidance and metrics to monitoring of operational performance and reporting

This section will be updated once ratified by the Management Board (MB) and Senior Leadership Team (SLT) and endorsed by the Risk Committee.
4. Risk Management Process

The risk management process is central to any Risk Management Framework. The process to conduct a risk assessment will follow the ISO 31000 approach as depicted in the diagram below (Figure 3). The process, tools and guidance for conducting a risk assessment are further detailed in the Risk Management Guideline.

**Figure 3: Risk Management Process aligned to ISO 31000: 2018**

4.1. Communication and Consultation

Communication and consultation with internal and external stakeholders, including activity owners and subject matter experts, occurs throughout the risk management process as our people are best placed to understand the uncertainty in their operations & activities. See also Section 4.5.3.

4.2. Planning

Planning for risk management activities enables them to be appropriately factored into the schedule. This includes establishing the context, setting the risk criteria and confirming related risk management activities and requirements, such as risk assessment, management, recording, reporting, monitoring and review. This is particularly important as a risk assessment is conducted at a point in time but requires ongoing efforts to ensure that residual exposures are managed appropriately.

4.3. Risk Assessment

Risk Assessment is the overall iterative process of risk identification, analysis and evaluation.

4.3.1. Risk Identification

Risk identification involves considering the internal and external factors that may affect the objectives of an activity / function to identify, describe and better understand the context, causes and impacts of a risk, based on sound evidence.

4.3.2. Risk Analysis

Risk analysis involves understanding the control environment and its effectiveness and rating the risk at the nominated point(s) in time, using the appropriate University risk criteria (see the University’s Enterprise Risk Criteria).

4.3.3. Risk Evaluation

Risk evaluation involves making a decision on whether further treatment is required to manage the risk to effectively address the likelihood or impact of the risk occurring.

4.4. Managing Risk

Also known as risk treatment, managing risk involves identifying options and agreeing on further measures to manage the causes and impacts of the risk. This may include conducting further analysis to better understand the risk and clarifying who and by when agreed actions are to be implemented.
The cost and effort of risk treatment should be proportionate to the level of risk and the expected benefits to be gained, noting that in some cases, controls may be removed where they are not providing material benefit.

4.5. Risk Recording, Reporting and Escalations

4.5.1. Risk Recording
Risks will be recorded in the agreed format and using agreed mechanisms. Currently, these include the Enterprise and Project Risk Profile templates, Clarity (for Strategy 2025 projects overseen by the University Portfolio Office), and other risk recording tools where approved by the central Risk function.

4.5.2. Risk Reporting
Risk reporting will occur at various levels across the University as follows:

1. The Local Risk Profile
This level captures risks for a Faculty, Division, Controlled Entity, project or initiative. The risk profile includes key information about the risks, including the risk description, context, causes, impacts, evidence, controls, ratings, categories and additional actions. It also includes related UNSW and feeder risks to demonstrate how the risks inform other profiles. The risk information is summarised in the risk register and displayed in the related risk dashboard. Sub-unit or School risk profile updates are provided by local areas to the nominated contact in the Division / Faculty on a quarterly basis to enable risk information to be consolidated up, cascaded down and communicated across the University as appropriate.

2. The Consolidated Faculty / Division / Large Unit Profile
This consolidation captures risks detailed in the associated local level profiles. The Consolidated Risk Profile draws on the analysis of systemic risks and risks rated residually as high or very high from the local level profiles and the risks identified by the Executive owner and or Leadership Team of the area.

3. The Enterprise Risk Profile
The Enterprise Risk Profile, which is reported to Management Board and the Risk Committee of Council on a quarterly basis, draws on the consolidated risk profiles of Faculties and Divisions, input from members of the Senior Leadership Team and Management Board and scanning of the external global environment. Artefacts of the report include:

   a. The Risk Frontier
   This is a one-page overview of the enterprise risks and related residual risk ratings, mapped to three categories: ‘Known’ risks (operational risks), ‘Change and Growth’ risks (major initiative and strategic project risks) and ‘Emerging’ risks (future sources of internal / external developments / trends) risk categories. Any changes to the risk and or ratings are noted in each report.

   b. The Enterprise Risk Heat Map
   This report displays the enterprise risks in a heat map that maps each risk and its opportunity to the control effectiveness and velocity ratings. Its purpose is to support discussion over the University’s performance in managing enterprise risk and opportunity and the nature of controls given the speed at which a risk may impact the University (indicated by the velocity rating).

   c. Analysis of changes to the Enterprise Risk Profile
   Commentary is provided on any changes to the Enterprise Risk Profile which addresses, as appropriate:
   - Why the risk is important to the University and the potential for exposure
   - Changes to the risk including the context, control environment and related metrics
   - Progress on agreed actions to mitigate the downside and pursue the upside of risks

4. Risk in Focus Reports
To assist Management Board and the Risk Committee in meeting their responsibilities in risk, each quarter an enterprise risk is reviewed in depth to provide deeper insights into the nature of the risk and its opportunities, the nature of current and planned mitigations, and UNSW’s
performance against specific risk indicator metrics. This report is presented by the Management Board owner of the risk.

4.5.3. Escalation of a Risk

The escalation of risk takes two forms:

1. The routine escalation of those risks with sub-optimal control environments (see also section 4.6)
2. The immediate escalation of key incidents (i.e. risk events that have materialised), including but not limited to emergency and ‘crisis’ events. This is captured in the Major Incident Management framework

4.6. Monitoring and Reviewing Risks

The appropriate mechanisms, structure and timeframe for monitoring and review of risks is confirmed in the planning phase of conducting a risk assessment. UNSW’s Enterprise Risk Criteria includes a Risk Treatment & Governance Matrix which provides requirements for governance and oversight of risks by the Senior Leadership Team (SLT) and Management Board (MB). The level and frequency of review is based on three metrics: the residual risk rating, the control effectiveness rating and, if appropriate, the velocity rating.

When monitoring or reviewing a risk, the following will be considered and noted in related updates:

- The nature and rating of risk given changes to the risk context (including the external and internal environment), implementation of risk treatments / actions and control effectiveness
- The need for additional or modified controls or actions based on the control effectiveness
- The need to add, alter or retire existing risks

Where the risk assessment process has been integrated into existing processes (e.g. by risk-related questions), process owners will help govern the management of unresolved issues based on the related delegations of authority.

**Requirement:** Where a risk assessment is required, UNSW’s Risk Management Process is adopted. Note: this process may be adapted by specialist risk functions to align to the needs of their function while remaining consistent with the requirements of this document.

5. Risk Capability

The central Risk Management team, in consultation with Divisional/ Faculty leaders, identifies, builds and maintains the appropriate level of risk capability across the University. Figure 4 below, similar to the 70:20:10 approach to learning, provides a model to support the building of risk capability across the University.
The approach to building capability will draw on the following key phases:

1. **Learn** – Acquire knowledge and skills through formal learning experiences, including e-learning, face-to-face training and formal mentoring arrangements

2. **Master** – Apply the knowledge by developing and refining the skills and tools, receiving feedback to enhance our capabilities

3. **Lead** – Become a champion within the business, coaching others to make best practice a cultural norm

Mechanisms to build capability include:

- The establishment of training information and aids
- The promotion of the Risk Management Framework and related tools, guidelines and training aids on the UNSW Risk Management website
- The establishment of a network of Risk Champions and interested parties with links to related collaboration forums including the Risk and Resilience TEAMS site and periodic thought leadership sessions
- The provision of coaching and guidance for those needing support when carrying out risk management activities

6. **Framework Application & Implementation**

This Framework provides the umbrella for the management of all types of risk at all levels across the University. It informs the activities of other specialist functions, such as Compliance, Audit, Technology, Treasury, Insurance and Health and Safety, to enable conformance with this Framework as well as with the applicable discipline-specific regulations, standards and practices. The University will integrate the approach to risk into specialist areas by strengthening related control frameworks for the following:

- Project Management (including Viability Strategic Initiative Feasibility and Business Case risk analysis and Infrastructure Risk Management)
- Health and Safety Management (including safety research approvals)
- Sustainability (including environmental, social or organisational)
- Infrastructure Management
- Event Management
- Insurance Risk
- Financial Risk
- Fraud and Corruption Prevention
- Major Incident Management
- Business Continuity & Resilience
- Compliance Risk
- Technology / Cyber Security
- Procurement (including Third-Party Arrangements)
- Internal Audit

The Risk Management Framework will be implemented as part of the following:
• **Strategic and operational planning**, including during annual planning, when anticipating and implementing strategic change initiatives, new commercial activities, ventures and projects
• **Academic planning**, including when assessing, introducing or changing academic courses or administration processes
• **Research planning**, including when reviewing and approving research opportunities and grants
• **Compliance activities**, including when reviewing and assessing compliance controls and performance

The Framework has been designed to enable the implementation of a consistent risk management methodology, while permitting tailoring of related tools to align to unique requirements of related activities.

The University (including controlled entities) will be supported by the Risk function to enable it to embrace and adopt the Framework’s requirements. Newly established or acquired operations will be required to comply with the requirements within 12 months of being established or acquired.

### Requirement:
*All areas of the University and its controlled entities will adopt the requirements of the University’s Risk Management Framework.*

#### 6.1. Risk Management Strategic Plan

A Risk Management Strategic Plan will be developed to articulate the key strategic risk management priorities for the period, and the related activities, timings and responsibilities.

#### 6.2. Risk Management Calendar

In addition to the Risk Management Strategy, a series of key periodic activities have been identified to support the University in implementing industry-leading practice and the Risk Committee in executing its charter. These are outlined in the Risk Management Calendar (see Figure 5). In addition to these periodic calendar activities are activities of an ongoing or ad hoc nature, including risk profiling and capability-building activities that may also occur when projects and/or initiatives are identified.

#### Qtr 1
- Confirm risk review schedules and risk maturity action plan with Faculty, Divisions and Controlled Entities.
- Hold the Annual Joint Committee Risk Workshop
- Complete a deep dive into an agreed material strategic risk, potential disruptor or the effectiveness of a sub-set risk framework for presentation to the RC
- Prepare and submit the required RC reports
- Present to the Senior Leadership Group on an agreed Risk Leadership Topic

#### Qtr 2
- Update the University Risk Profile with a focus on control effectiveness, secure endorsement from Senior Leadership Group and Management Board prior to RC submission.
- Complete a deep dive into an agreed material strategic risk, potential disruptor or the effectiveness of a sub-set risk framework for presentation to the RC
- Prepare and submit the required RC reports

#### Qtr 3
- Participate in the Insurance Program renewal
- Present to the Senior Leadership Group on an agreed Risk Leadership Topic
- Contribute to the development of the IA plan
- Rebase Strategic Risk Profile as part of the strategic planning process

#### Qtr 4
- Annual review of the Risk Management Framework & the Risk Appetite and related sub-specialty risk areas
- Evaluation and update of the rolling 3-year Risk Management Strategy

*Figure 5: The Risk Management Annual Calendar*
6.3. Business Risk Plans

Faculty and Divisional Risk Plans are agreed annually. These plans are based on an assessment of the area's risk maturity and risk profile and are designed to enhance their performance in managing and monitoring related risk exposures. The plan lists the agreed risk activities including the risk profiling schedule and identifies related responsibilities and accountabilities, including any key roles such as plan owners, sponsors and champions. This process will be embedded into the Faculty / Division's annual planning and review processes, schedules and documentation.

7. Risk Accountabilities and Responsibilities

Risk Management is the responsibility of everyone at the University. Accountability refers to the ultimate responsibility for actions, decisions, and management pertaining to the nominated activity. This does not mean that the function accountable must deliver the action, but, if it delegates responsibilities, it must seek assurance that the activity is, and continues to be appropriate and progressing as scheduled.

The University's risk accountabilities and responsibilities are based on the Three Lines of Defence model\(^3\) (see Figure 6).

Figure 6: University's Three Lines of Defence

The functions and accountabilities that support our Governance structure for risk are listed in Table 1.

Table 1: Accountability for Risk

<table>
<thead>
<tr>
<th>Function</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>• Review and approve as appropriate the University’s Risk Appetite based on the recommendation of the University's Risk Committee</td>
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<tr>
<td></td>
<td>• Approve the risk management framework</td>
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<td></td>
<td>• Review the enterprise risk profile and adequacy of controls</td>
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<td></td>
<td>• Provide appropriate resources for risk management efforts</td>
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<tr>
<td></td>
<td>• Maintain oversight and obtain assurance of the effectiveness of risk management across the University</td>
</tr>
<tr>
<td>Risk Committee</td>
<td>• Oversight and governance of the University’s Enterprise Risk Profile</td>
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<tr>
<td></td>
<td>• Review and endorse the University’s Risk Management Framework, including the Risk Appetite Statement for consideration by the Council</td>
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<tr>
<td></td>
<td>• Advise Council on the University’s performance in managing risk</td>
</tr>
<tr>
<td>Senior (Executive) Leadership Team (SLT) and Management Board (MB)</td>
<td>In addition to the accountabilities for People Leaders:</td>
</tr>
<tr>
<td></td>
<td>• Resource risk management activities appropriately</td>
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<td></td>
<td>• Actively participate and sponsor risk management, enabling the voice of risk to be heard</td>
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<tr>
<td></td>
<td>• Review of the University’s Enterprise Risk Frontier, ensuring the salient emerging / disruptive, strategic / growth and change and known / operational risks are represented</td>
</tr>
</tbody>
</table>

\(^3\) Leveraging COSO across the three lines of defence, The Institute of Internal Auditors, 2015
<table>
<thead>
<tr>
<th>Function</th>
<th>Accountability</th>
</tr>
</thead>
</table>
| Risk Management Team  | • Lead the University’s risk management efforts as a strategic partner to the Executive  
• Integrate innovative and leading risk practices into the University’s Risk Management Strategy, Framework and related policies, procedures, standards, templates, tools and activities  
• Build the University’s risk management culture and capability  
• Facilitate complex risk workshops as appropriate  
• Provide risk-related advice and review and challenge risk information / decisions  
• Provide appropriate oversight of risk management activities  
• Generate and submit the University Enterprise Risk Reports for discussion at the SLT and MB, and review at the Audit and Risk Committees  
• Support the University Executives, Council and its Sub-Committees in decision-making and the management of risk |
| Internal Audit        | • Provide independent review and assurance of the effectiveness of the risk management framework  
• Draw on the Enterprise and Local Risk Profiles as an input into the Audit Plan  
• Liaise with the Risk Management Team on findings of Audits. |
| All University staff  | • Implement the University’s Risk Management Framework and associated tools, in alignment with the requirements of their role  
• Seek information, training and/or support to enable them to identify and manage risks in their area  
• Engage in constructive risk discussions  
• Coordinate with those with overlapping responsibilities to ensure that the University’s risks are appropriately identified and managed |
| People Leaders        | In addition to the accountabilities for all University staff:  
• Keep abreast of material risks and obtain assurance on controls in the areas of their responsibility and influence  
• Engage with the Risk Management Team to ensure the development, implementation and monitoring of risk management plans for their areas  
• Promote positive risk practices across their area to drive a risk-aware culture  
• Ensure team capacity and capability to execute risk mitigation initiatives  
• Maintain current Risk Profiles and discuss these with the Risk Management Team  
• Ensure risk is integrated into decision-making  
• Oversee the effectiveness of risk management performance in their area |
| Risk Owners           | • Identify the risk controls and ratings as part of the risk assessment process  
• Determine, obtain agreement, record and monitor implementation of related actions to manage risks and or controls assigned to them, in alignment with the requirements of the Framework  
• Communicate and escalate risks to relevant stakeholders as required  
• Hand-over risks to appropriate individuals in the event of a change in Risk Ownership |
| Subject Matter Experts| • Work with the Risk Management Team to ensure the University’s risk management approach reflects current ‘good practice’ related to their area of expertise or knowledge and the approach is appropriately tailored to the University’s activities  
• Support the building of capability across the University to identify, assess and manage their area of risk expertise  
• Actively participate in the conduct of risk assessments and the monitoring of risks and actions as related to their area of expertise |
| Risk Champions        | • Support the adoption of risk management activities within each Division, Faculty, Business Unit or School  
• Promote risk activities in their area (e.g. seek opportunities for risk management effort, prompt actions and connect to the risk team)  
• Translate risk tools to align to the nature of activities in their area, and integrate into business processes and forums  
• Identify opportunities for improvement in risk management in their areas and support initiatives to address this |

7.1. Relationship between Internal Audit and Risk Management

The Risk and Internal Audit functions both have key and complementary roles in the management of risk across the University. The activities of Internal Audit provide a valuable source of risk and control information, particularly for process risks. This information supports the risk profiling activity and provides assurance of the effectiveness of key controls. Conversely, the information captured by risk provides an important input for the annual internal audit program and also for each audit.

The relationship between the two functions is depicted in Figure 7.
UNSW Risk works collaboratively with Internal Audit to maximise efficiency and effectiveness. This relationship is described in Table 2.

**Table 2: Risk Management and Internal Audit Roles & Responsibilities**

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
<th>Risk Management</th>
<th>Internal Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frameworks &amp; Guidelines</td>
<td>Risk Management Framework</td>
<td>Develop UNSW’s Risk Management framework</td>
<td>Audit the adequacy and effectiveness of the Risk Management framework</td>
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<td></td>
<td>Risk Appetite</td>
<td>Implement the Risk Management framework</td>
<td>Audit the level of implementation of the Risk Management framework</td>
</tr>
<tr>
<td>Advisory</td>
<td>Strategic &amp; Operational Risk advisory in accordance with 3 lines of defence model</td>
<td>Develop UNSW’s Risk Appetite and Sustainability Statement / guidelines</td>
<td>Assess the university’s adherence to Risk Appetite guidelines</td>
</tr>
<tr>
<td>Reporting</td>
<td>Risk Status, monitoring &amp; reporting</td>
<td>Advise leadership &amp; ‘first line of defence’ on day-to-day Risk Management in operations</td>
<td>Audit management’s commitment to Risk Management and inclusion in day-to-day operations</td>
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<td></td>
<td></td>
<td>Advise on allocation and accountability for risks, controls, and risk mitigations/tasks</td>
<td>Assess whether accountable managers are able to fulfil those roles within risk guidelines</td>
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<td></td>
<td></td>
<td>Advise management on interpretation of risk information &amp; recommend actions</td>
<td>Provide independent assurance of the quality of Risk Management Information presented</td>
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<tr>
<td></td>
<td></td>
<td>Provide Risk Management reporting status in accordance with risk guidelines</td>
<td>Provide independent assurance of the quality of risk status</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Act as an advisor in relation to strategic and operational risks across the university</td>
<td>Act as an Independent reviewer of management’s capability in risk performance</td>
</tr>
</tbody>
</table>

Risk sets the frameworks & standards...  
...whilst audit ensures compliance
8. Monitoring and Review of the Framework

Aligning to ISO 31000:2018 Risk Management - Guidelines, UNSW will measure the effectiveness of the Risk Management Framework in addressing the value creation principles (refer to Figure 1) and its ability to support the University in identifying and consistently analysing risks and opportunities inherent in the updated Strategy 2025 and in all University operations.

To ensure the ongoing relevance of our framework, four continuous improvement activities are integrated into the design and review components. They are:

1. Continual review of risk tools and practices by seeking feedback from ‘users’, champions and sponsors following the conduct of risk sessions
2. Annual review of the Framework and its objectives based on industry standards, innovations and following review of the University’s performance and maturity in managing risk using the Maturity Model assessment and stakeholder feedback
3. Annual review of stakeholders to determine how the adoption of risk practices has added value to University strategic, change/growth and operational performance
4. Annual confirmation of the University’s commitment to the Risk Management Strategy and aspirational goals

The revised Framework will be submitted to the Risk Committee annually for ratification.
### Definitions and Acronyms

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk</strong></td>
<td>The effect of uncertainty on the University’s objectives. Risk may have a positive or negative impact.</td>
</tr>
<tr>
<td><strong>Risk Management</strong></td>
<td>The set of coordinated activities to direct and control an organisation with regard to risk</td>
</tr>
<tr>
<td><strong>Risk Source</strong></td>
<td>Element which, alone or in combination, has the potential to give rise to risk</td>
</tr>
<tr>
<td><strong>Likelihood</strong></td>
<td>The chance of something happening</td>
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<tr>
<td><strong>Consequence</strong></td>
<td>The outcome of an event on the University and its objectives if the risk occurs. Note – a consequence can be positive or negative.</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td>Measure that maintains and/or modifies risk. Note – Controls include any process, policy, device, practice, or other conditions and/or actions which maintain and/or modify risk.</td>
</tr>
<tr>
<td><strong>Event</strong></td>
<td>Occurrence or change of a particular set of circumstances. Note – an event can have one or more occurrences; an event can also be something that is expected which does not happen.</td>
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<tr>
<td><strong>Risk Owner</strong></td>
<td>An individual within the University or its controlled entities with accountability and authority to manage a risk</td>
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# Revision History

<table>
<thead>
<tr>
<th>Version</th>
<th>Approved by</th>
<th>Approval date</th>
<th>Effective date</th>
<th>Sections modified</th>
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<tbody>
<tr>
<td>V3</td>
<td>Risk Committee of Council</td>
<td>29 November 2019</td>
<td>29 November 2019</td>
<td>All</td>
</tr>
<tr>
<td>V4</td>
<td>Risk Committee of Council</td>
<td>20 November 2020</td>
<td>20 November 2020</td>
<td>All – to ensure clarity, remove duplication, link to new documents and incorporate stakeholder feedback</td>
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# Further Information

This section is not published on the final PDF document. It is for website purposes only

## Keywords for search engine
- Risk
- Control
- Treatment
- Risk Management
- Risk Assessment
- Risk Identification
- Risk Analysis
- Risk Evaluation
- Risk Criteria
- Risk context
- Likelihood
- Consequence
- Risk Event
- Risk Owner
- Risk monitoring
- Risk review
- Risk Appetite

## FAQs and answers

**Q: Do I use the Risk Management Framework for project risk management?**

A: The Risk Management Framework applies to the management of all risks across the University, and all related frameworks will align to its requirements. Project Managers should refer to the Project Risk framework, guideline and related project risk criteria when managing project or program risks. Where enterprise or portfolio risks are identified, the Risk Management Framework and related enterprise risk criteria should be used.

**Q: Do I use the Risk Management Framework for health and safety risks?**

A: The Risk Management Framework applies to the management of all risks across the University, and all related frameworks will align to its requirements. Staff should refer to the Health and Safety Management System, including HS329 Risk Management Procedure and related health and safety risk criteria when managing operational health and safety risks. Where enterprise or portfolio health and safety risks are identified, the Risk Management Framework and related enterprise risk criteria should be used.