RISK MANAGEMENT POLICY

Section	Risk Management
Contact	Director Risk and Assurance
Last Review	December 2018
Next Review	December 2023
Approval	C19/76
Effective Date	December 2018

Purpose:

Massey University Council and senior management recognise risk management as an integral part of good management practice and an essential component of good governance. Risk Management adds value to the operations of the University by identifying and mitigating events and threats that would otherwise impede the achievement of our objectives and/or the continued effectiveness of the University's service to our students and communities.

The purpose of this Policy is to ensure:

- Enterprise wide commitment and responsibility for risk management
- Risks are identified, prioritised and managed in a coordinated, consistent manner
- A positive risk culture
- Risk management activities are embedded into operations

This policy should be read in conjunction with the Risk Management Framework.

Policy Principles:

1. All staff have a role to play in the identification and management of risk

All staff have a role to play in the management of risk, and it is important that staff at all levels of the University have clearly articulated and well communicated roles and responsibilities. Those accountable for achieving specific objectives are accountable for managing the risks related to achieving those objectives:

The University Council both establishes the strategic direction and oversees the University's operations, including setting performance targets for management and monitoring the achievement of these objectives. In respect of risk management, the Council is to be assured that the Universities Risk Management Policy and Framework is in place and that risks are being appropriately managed.

The Vice-Chancellor is responsible for ensuring the effective implementation of the Risk Management Policy and Framework whilst monitoring risk management performance and directing action and resources where relevant.

The Senior Leadership Team are responsible for implementing risk management activities within their reporting lines, and for building a positive risk culture across the University. SLT are responsible for the identification and management of risk associated with the achievement of the strategy, and for operational risks within their areas of responsibility and oversight.

All Managers (including project managers) have a responsibility in identifying, and managing risks within their areas of responsibility and control.

Individual employees have a role in the risk management process, and are responsible for identifying risk and notifying and/or escalating them as appropriate.

The Risk and Assurance Office has responsibility for coordinating risk information, for risk reporting to SLT and Council, and for supporting the implementation of the Risk Management Policy and Framework through advice, specialist support, training, and the development and maintenance of appropriate tools.

2. Risks are identified, prioritised and managed in a coordinated, consistent manner

Providing a consistent enterprise approach to risk management enhances the quality and reliability of risk information to support decision-making. The Risk Management Policy and Framework will be used to assess level of risk, and to identify where risks are outside of acceptable tolerance levels, requiring management intervention and action.

The risk management process adopted by the University adheres to the ISO 31000 Risk Management Standard and is as follows:

Risk Management Process:

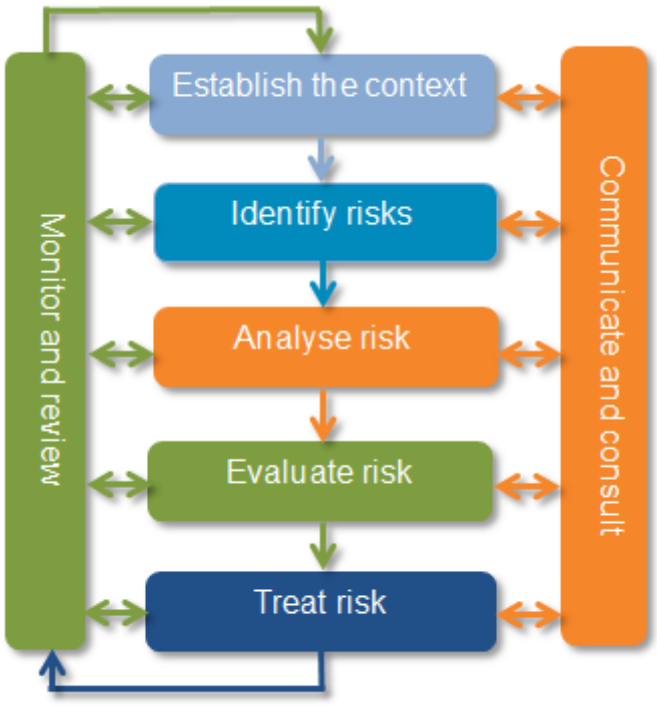

Illustration Reference: AS/NZS ISO 31000:2009

Risk assessments and reporting of risk across different activity areas (i.e. projects, contract risk assessments) must adhere to the risk assessment process, and utilise the consequence and likelihood criteria as prescribed in the Framework.

3. Massey University supports a positive risk culture

To ensure the values and behaviours that exist within the University support a positive risk culture, the University commits to creating an environment where:

- Risks are openly discussed and raised without fear or blame
- The tone is set from top - Council and the Senior Leadership Team actively encourage risk discussion and seek to make risk-informed decisions
- Staff are encouraged to take risks in an informed way in the pursuit of objectives, and aligned to the risk tolerance of the University, as prescribed in the Framework.

4. Risk management activities are embedded into operations, projects and factored into decision-making processes

Risk management should not be a stand-alone process, but should be integrated into business-as-usual activities to support risk-informed decision-making.

The University commits to: considering risks as part of the development of strategy; factoring risk into strategic and operational planning; including risk as a component of project proposals and business cases; and, incorporating consideration of risk to advice provided to Council.

Risk monitoring and reporting

Under the oversight and direction of SLT and the Vice-Chancellor, Managers at all levels of the University will monitor and review their operational activities, risks and controls to ensure effective and efficient performance, governance, risk management and compliance. Monitoring and reviews performed at this level will be the most detailed and generally embedded in routine operational processes, procedures and activities of front line management as the first line of defence.

Management Committees, Steering Groups and Project Boards have responsibility for monitoring risks and controls to ensure effective and efficient performance, governance, risk management and compliance within the scope of their terms of reference and in relation to the function overseen and/or governed.

Third line risk assurance may be provided by regulatory bodies, accrediting agencies, and external audit review for specific risks and controls. The internal audit function and Council are responsible for seeking and providing independent assurance over internal controls and risk management practice.

Risk Registers and Risk Reporting

Each reporting line shall establish suitable formal or informal processes to:

1. Demonstrate a positive risk culture by actively monitoring and discussing risk
2. Maintain a risk register for consolidation into the University's enterprise risk monitoring and reporting processes.

Each reporting line will maintain a risk register, which will be reviewed at no less than six-monthly intervals. The updates to those registers will be scheduled to align to planning cycles and meet SLT and Council reporting requirements.

Enterprise risk reports will be prepared six-monthly for the Senior Leadership Team detailing:

- Those risks which are outside the acceptable tolerance levels
- Details of any escalating risks, and emerging risk issues considered during the reporting period
- Significant project risks

Council risk reports will be provided on a six-monthly basis detailing:

- Status of top strategic risks identified in relation to the achievement of the strategy
- Emerging strategic risk matters
- Other items as requested by Council

The Risk and Assurance Office will oversee the process for reviewing and updating of risk registers, including setting the schedule for review and reporting.

Scope and Applicability:

This Policy applies to all University staff, including subsidiaries, trusts, and controlled entities.

Definitions

Risk is the effect of uncertainty on objectives.

Risk Management: coordinated activities to direct and control and organisation with regard to risk

Risk management framework: set of components that provide the foundations and organisation arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

Risk management process: systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk assessment: overall process of risk identification, risk analysis and risk evaluation

Risk control: Measure that is modifying risk Note 1 - includes any process, policy, device, practice, or other actions which modify risk. Note 2; May not always exert the intended or assumed modifying effect.

Risk treatment: Process to modify risk. Note 1. can involve avoiding the risk, accepting the risk to pursue an opportunity, removing the source of risk, changing the likelihood or consequence, sharing risk, and/or retaining the risk by informed decision. Note 2: may also be known as “Risk Mitigation”.

Relevant Legislation

Nil

Legal Compliance

Nil

Related Procedures / Documents

Risk Management Framework
Project Management Policy and Framework
Contract Management Policy
Financial Monitoring and Control Policy

Business Case Policy and Framework
Controlled Entities Governance Framework Policy

Document Management Control

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