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Policy Document Approver	Council
Responsible body/person	Finance, Risk, Audit and Compliance Committee
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Superseded documents	None
Related documents	<i>Academic Governance Policy</i> <i>Affiliated College Changes Policy</i> <i>Affiliated College Risk and Compliance Reporting Framework</i> <i>Risk Appetite Statement</i> <i>Risk Management Policy</i> <i>Statement of Corporate Governance</i> <i>Workplace, Health and Safety Policy</i>
Related HE standards	5.2.2, 5.3.2, 5.3.7, 6.2.1e, 6.3.2d
Related National Code standards	N/A

1. PURPOSE

To detail the procedures of risk management in the Australian University of Theology (AUT) as set out in the *Risk Management Policy*. The key risk management processes include risk identification, risk analysis and evaluation, risk treatment, and risk monitoring and reporting.

2. STEPS

RISK IDENTIFICATION

- 2.1. The purpose of risk identification is to recognise and define risks that might help or prevent the AUT from achieving its objectives (AS ISO 31000:2018).
- 2.2. Identified risks are reported to the Chief Operating Officer (AUT COO), who in consultation with the Vice-Chancellor will determine whether the risks will be added to the risk register, in which case the risk assessment, treatment, monitoring and reporting processes outlined in this procedure will be applied.
- 2.3. Identification of risk will be a standing item on the agendas of the Academic Board (AB) and its Standing Committees. Where a risk or potential risk is identified by the Academic Board or its Standing Committees, the Executive Officer is to report the risk to the AUT COO as soon as practicable, who will determine whether or not the risk should be included on AUT's Risk Register and an appropriate action plan be established.
- 2.4. Team leaders in the AUT Office communicate details of relevant risks on the risk register to staff in their team. Information potentially impacting the assessment and treatment of the risk will be recorded by the team leader and referred to the Quality Manager for discussion with the AUT COO either for the annual risk assessment workshop or immediately when warranted by the information. At one or more meeting each year, the team leader will address risk identification to the team and identified risks will be reported to the Quality Manager. When identifying new risks, the team leader is to describe the risk according to the aspects of risk analysis set out in 2.10.



- 2.5. Affiliated Colleges report to the AUT on an annual basis their risk register and identify risks that may broadly impact the AUT.
- 2.6. The Quality Manager will gather and collate identified risks from EOs, team leaders, and Affiliated Colleges before the annual risk assessment workshop and report them to the Vice-Chancellor. Any identified risks to be included on the risk register will be assessed at the workshop. In addition, the Vice-Chancellor may add an identified risk to the risk register where a risk emerges that requires immediate assessment, treatment, and monitoring.
- 2.7. Identified risks will be defined to identify the area of uncertainty and the cause of the risk. Where appropriate, risk definitions will include a quantifiable element and a time frame.

RISK ANALYSIS AND EVALUATION

- 2.8. The purpose of risk analysis is to comprehend the nature of risk and its characteristics, including the level of risk (AS ISO 31000:2018).
- 2.9. Risks will be analysed and evaluated against the AUT's risk assessment matrix (Appendix 1) according to stated definitions of likelihood and severity (Appendix 2).
- 2.10. Risk analysis involves:
 - Allocation of the risk to a risk category,
 - A description of the effect of the risk which indicates the likely impact on the AUT if the risk was to be actualised, including impacts on strategic objectives,
 - Identification of the person who is the manager of the risk,
 - A description of existing mitigations and a rating of their effectiveness,
 - An assigned severity and likelihood rating for the inherent and residual risk, giving the resulting risk level according to the risk matrix (Appendices 1 & 2),
 - A stated risk impact timeframe, and
 - Comments on the analysis of the risk that support the assessed risk level, including contextual factors as well as performance patterns and trends.
- 2.11. Where a risk has a potentially positive impact on the achievement of objectives (a 'positive risk'), a greater severity and likelihood rating, giving a higher risk level, indicates a more positive potential impact.
- 2.12. The broad risk categories are:
 - Business disruption,
 - Financial viability and safeguards,
 - Governance,
 - Human resources,
 - Physical and electronic resources and infrastructure,



- Quality and integrity,
- Regulatory accreditation,
- Reputation risk,
- Responsibilities to students,
- Safe environments, and
- Strategic risk.

New risk categories may be established where an identified risk does not properly belong to any existing category.

- 2.13. Risk analysis is performed with consideration of contextual factors, which may include: performance trends; legislation; the regulatory environment and AUT's regulatory history; market factors; social, economic, and cultural trends; and the physical environment.
- 2.14. The purpose of risk evaluation is to support decisions, such as to maintain existing mitigations, consider risk treatment options, undertake further analysis to understand the risk, or reconsider objectives (AS ISO 31000:2018).
- 2.15. A target risk level is determined for each identified risk which represents the highest acceptable residual risk. The target risk level will be set with consideration of the AUT's risk appetite.

RISK TREATMENT

- 2.16. The purpose of risk treatment is to select and implement options for addressing risk (AS ISO 31000:2018).
- 2.17. Risk treatment is an iterative process involving the assessment of the effectiveness of treatments and the resulting risk level and determining additional risk treatment options if the risk level remains unacceptable.
- 2.18. A Risk Management Plan outlining the risk treatment strategies is developed for all risks assessed to be above the target risk. For each risk, the plan will include the following:
 - An identified risk treatment strategy or strategies and rationale, including one or more of the following options:
 - Avoid the risk by changing activities and processes,
 - Reduce the risk through the implementation of additional mitigations to reduce the likelihood and/or the severity of the risk,
 - Increasing the risk in order to pursue an opportunity,
 - Transfer the risk to a third party, for example through insurance or outsourcing, and
 - Accept the risk and prepare for the consequences of it eventuating, such as through funding reserves. This option generally applies if none of the others would be effective.



- Identification of staff responsible for treatment of the risk,
- Identification of resources required for the treatment of the risk, including anticipated costs,
- An assessment of the likelihood of success in treating the risk,
- A time frame for the risk treatments, and
- Measures of the effectiveness of the risk treatment.

RISK MONITORING AND REPORTING

- 2.19. Risk assessments will be recorded in AUT's risk management software, 'Tickit'.
- 2.20. The contexts impacting the assessment of risk will be monitored by risk managers with oversight by the Vice-Chancellor.
- 2.21. The Quality Manager will monitor the effectiveness of risk treatments for those risks with a risk management plan and report to the AUT COO and the Finance, Risk, Audit and Compliance Committee (FRAC).
- 2.22. The risk register and risk management plans will be reported to FRAC annually according to its workplan. FRAC will monitor the implementation and effectiveness of risk management plans.
- 2.23. FRAC will endorse a report on the risk register to the Council.
- 2.24. Academic risks on the risk register will be reported to the Academic Board (AB) annually according to its workplan.

RISK ASSESSMENT OF NEW AFFILIATION ARRANGEMENTS, MAJOR CHANGES, AND OTHER SIGNIFICANT INITIATIVES

- 2.25. Reports to the Council, FRAC, or the AB regarding the endorsement or approval of Major Changes, an affiliation arrangement with a potential third-party or another significant initiative will include a discussion of risk assessment which includes:
 - The impact of the development on risks on the risk register,
 - The identification, analysis, and evaluation of other risks that may arise from the development,
 - The identification of opportunities presented by the development that could contribute to the achievement of AUT's objectives,
 - Possible treatments for risks that are unacceptably high, and
 - An evaluation of the overall risk presented by the development, referencing AUT's risk appetite where appropriate.
- 2.26. The assessment of risk associated with new affiliation arrangements, Major Changes and other significant initiatives will be informed by AUT Staff and Officers possessing the best available information. Where necessary for a reliable assessment of risk, the AUT will consult external experts or other persons well-placed to provide information on relevant risks.



- 2.27. Where the AB or FRAC identifies a significant risk relating to a new affiliation arrangement, a Major Change or another significant initiative that belongs to the other's domain of responsibility, the risk will be communicated to the other to ensure its evaluation is included in the decision-making process.

RISK ASSESSMENT OF AFFILIATED COLLEGES

- 2.28. Assessment of risk associated with Affiliated Colleges is performed annually under the *Affiliated College Risk and Compliance Framework* on the basis of reported information and other performance metrics available to the AUT.
- 2.29. The assessment of risk is recorded in Tickit and reported to FRAC and to the Principal or equivalent of each Affiliated College. FRAC endorses a report on risk and the Affiliated Colleges to the Council.
- 2.30. Consortium-level academic risk, identified through the risk assessment process for Affiliated Colleges, is reported to the Academic Quality Committee. The Committee reports to the AB any academic risks that may require monitoring or treatment.
- 2.31. Depending on the risk level, the AUT COO, the Vice-Chancellor and/or FRAC monitors the performance and responses of Affiliated Colleges under the *College Reporting Alert Protocols* and the *Financial Alert Protocols*.
- 2.32. Affiliated Colleges are invited to provide feedback on AUT's assessment of risk for their college and, where required under the alert protocols, report a plan for managing risks above the target level.

3. VERSION HISTORY

Version	Approved by	Approval Date	Effective Date	Changes made
1	Council	26 August 2014	26 August 2014	
2	Council	9 November 2020	9 November 2020	Placed in AUT procedures format. Procedural material removed from policy and added here. Policy matter removed from procedure and added to policy. Review schedule changed to align with review of the policy.
3	FRAC	6 September 2021	6 September 2021	Added 2.27 to better coordinate academic and corporate governance bodies in decision-making.
4	FRAC	29 October 2022	29 October 2022	Document reviewed, minor editorial changes
5	FRAC	23 October 2023	23 October 2023	Policy reviewed.
6	FRAC	21 July 2025	21 July 2025	New policy format, minor editorial updates to implement university status.



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APPENDIX 1

Risk Assessment Matrix

Likelihood	Almost Certain	Moderate	Moderate	High	Very high	Very high
	Likely	Moderate	Moderate	High	High	Very high
	Possible	Low	Moderate	Moderate	High	High
	Unlikely	Low	Low	Moderate	Moderate	High
	Rare	Low	Low	Low	Moderate	Moderate
		Insignificant	Minor	Moderate	Major	Catastrophic
		Severity				



APPENDIX 2

Likelihood Matrix Table

Matrix Value	Description
Rare	The event may occur only in exceptional circumstances; once in a 10-30 years; 1-2% probability
Unlikely	The event is not likely to occur; might occur within years or possibly decades; probability less than 10%
Possible	The event could occur at some time, within months or years; 10-50% degree of probability
Likely	The event will occur in most circumstances; may occur within weeks or months; 50-90% probability
Almost Certain	The event is expected to occur in most circumstances; within days or weeks; common or repetitive; 90% probability

Severity Matrix Table

Matrix Value	Description
Insignificant	Financial Impact less than \$50K, Loss of service capacity for up to 1 hour, Insignificant legal, regulatory or internal policy failure. Near miss incident.
Minor	Financial impact between \$50 - \$100K, loss of service for 1 hour - 1/2 day. Minor legal, regulatory (able to be resolved with no penalty). Isolated event.
Moderate	Financial impact between \$100 - 250K, loss of service between 1/2 and 1 day. Limited legal, regulatory failure - reportable incident to regulator. Loss time injury
Major	Financial impact \$250 - \$500K, loss of service 1 - 3 days, Major regulatory, legal or internal policy failure (visit by regulators in relation to non-compliance), serious injury or accident.
Catastrophic	Financial impact more than \$500K, loss of service over 3 days, Significant legal, regulatory or policy failure - substantial criminal, financial penalties, loss of licence. Loss of life or permanent incapacitation of employee.