PROCEDURE	ACADEMIES AUSTRALASIA POLYTECHNIC
Ref. to Legislative Frameworks: HESF2021: Standard 2.3 / 5.1 / 5.2 / 5.3 / 5.4 / 6.1 / 6.2 / 6.3 / 7.1 / 7.2 / 7.3 NVETR (Outcome Standards for NVR RTOs) Instrument 2025: Standard 4.1 / 4.2 / 4.3 / 4.4 NVETR (Standards for NVR RTOs – Compliance and FPPR) Instrument 2025: Division 3 (15, 16,17, 18) and Schedule 1 National Code 2018: Standard 1 / 3/ 4/ 6.8 / 6.9 / 8.8 / 8.9 / 11.1/ 11.2 / 11.3	**Risk Management**

Version: 2.4	Procedure Owner: Board of Directors	Issued on: 16/04/2025 Review by: 16/04/2027

Revision History

Current Version	Description of Change	Procedure Developer(s)	Issued Date
2.4	Updated risk categories as discussed and approved by the BOD Updated references to HESF2021 and SRTO2025	Chief Executive Officer and Compliance Manager	16/04/2025
2.3	Updated the layout to be consistent with the current template used by AAPoly Removed references to HESF 2011 and added references to National Code 2018	Chief Executive Officer Quality Assurance Support Officer	20/01/2018
2.2	Reviewed and approved by the Board of Directors	Chief Executive Officer	20/10/2016

2.1	Separated the policy from the procedure document and expanded it to be aligned with the Academies Australasia Group's Risk Management approach published in 2015/2016 Annual Report Expanded the content to include HESF2015 and other external as well as internal reference documentation	Quality Assurance Support Officer	01/09/2016

PURPOSE

The Risk Management procedure explains how the Risk Management policy shall be implemented broadly across AAPoly.

POLICY STATEMENT

AAPoly is committed to prudent risk management in corporate governance and operations. AAPoly's risk management practices are aligned with Academies Australasia Group's Code of Conduct, Corporate Governance principles and the relevant Australian and international standards. This policy formalises AAPoly's commitment to the principles of risk management and incorporating these into all areas of its operations, including Higher Education.

SCOPE

This risk management procedure should be read in conjunction with AAPoly's Risk Management policy and the Academies Australasia Group's Code of Conduct and Corporate Governance statement.

This procedure is applicable to all education services (including higher education) delivered by AAPoly directly or utilising third party agreements (if applicable) to domestic and international students.

PROCEDURE

The diagram below shows the risk management process developed by the Australian members of the Joint Technical Committee OB-007, Risk Management[1]. AAPoly has adopted this approach as the foundation of the risk management process that informs this procedure.

Figure 1: Risk Management Process

---
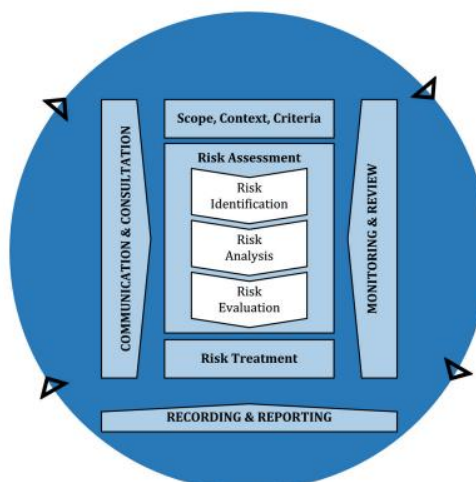
[1] Standards Australia. (2018). *Risk Management - Guidelines* (AS ISO 31000:2018). SAI Global Ltd

AAPoly's risk management process ensures the achievement of strategic objectives, improves the identification of opportunities and threats, and enables the effective allocation and use of resources for risk treatment. It comprises the following five steps:

1. Establish the risk context
2. Conduct risk assessment
3. Develop 'risk treatment plans' (hereinafter referred to as 'response plans')
4. Monitor and review the effectiveness of risk response plans
5. Communicate and consult with key stakeholders to ensure risk management is aligned with AAPoly's Strategic Objectives.

STEP 1: ESTABLISH THE RISK CONTEXT

- The AAPoly Board of Directors (the Board) is collectively responsible for establishing the risk context for AAPoly.
- The Board delegates academic risks to the AAPoly Academic Board (AB), which is collectively responsible for establishing the academic risk context for AAPoly. The AB identifies, responds to, and monitors academic risks to the integrity and quality of AAPoly's educational activities and reports on any risks and risk mitigation to the Board to support the Board's assurance activities.
- The Board determines the internal and external parameters that define or influence how AAPoly manages its non-academic risks. Internal parameters include the organisational culture, governance structure, contracts, capabilities and internal stakeholders. External parameters include stakeholders and environmental conditions that influence AAPoly's capability to achieve its objectives. These may include social, cultural, political/regulatory, economic and competitive factors.
- The CEO has oversight, while departmental and functional managers assist with establishing the contexts of risks at operational levels.

STEP 2: CONDUCT RISK ASSESSMENT

The risk assessment process consists of 3 steps:

1. Risk identification
2. Risk analysis
3. Risk evaluation

Risk Identification

- Regular reviews, stakeholder input, internal audits, and external assessments prompt risk identification. The CEO identifies potential risks outside of review schedules and suggests them to the Board.
- The Board analyses and evaluates the risks at Board meetings.

- The Board records business risks in a Risk Register and classifies risks into the following categories:

    1. Strategic
    2. Operational
    3. Compliance
    4. Financial
    5. Reputational
    6. Environmental
    7. Disaster

- The Board establishes the risk name and defines the context of the risk by outlining the 'risk background.'

Risk Analysis

- The Board analyses the risk, taking into consideration its current risk appetite and tolerance, strategic objectives, internal and external environments and events, and the effectiveness of existing controls.
- The Board identifies potential causes and outcomes and analyses the 'probable impact'.
- Within the analysis process, risks may be redefined or removed from the register if conditions have changed, the mitigation has been effective, there are no open response plans, and/or no risk event has materialised over a 24-month period.

Risk Evaluation

- Identified risks are assigned two scores: a **likelihood** score and an **impact** score (1 being the lowest and 5 being highest).
- The multiplication of these two scores produces a **risk score**. The risk score can vary between 1 (least severity) and 25 (greatest severity).
- **High Risk**: those with a risk score of 20 or higher (likelihood × impact) are considered highly likely to occur or have already occurred, with significant impact.
- **Moderate Risk**: those with a risk score between 10 and 19 are considered likely to occur or to have occurred with notable consequences.
- **Low Risk:** those with a risk score between 1 and 9 are considered unlikely to occur and/or to have occurred with minor or negligible consequences.
- Risks are cyclically reviewed and re-evaluated.

Note: For academic risks, the AAPoly Academic Board (AB) identifies, responds to, and monitors academic risks and reports the academic risk register as a whole to the Board of Directors

STEP 3: DEVELOP RISK RESPONSE PLANS

- The Board is responsible for devising risk response plans for all risks recorded in the Risk Register.
- The CEO is responsible for implementing the response plans to treat risks.
- Risks are treated in any of the following six ways:

Reducing the risk	Implement controls, processes or systems to either eliminate or reduce the impact or likelihood of the risk
Transferring the risk	Move the risk to another entity (e.g. insurance policies)
Avoiding the risk	Cease doing something because the level of risk is too high and it cannot be treated to come within an acceptable level
Tolerating the risk	Accept risk and do nothing to address it, or acknowledge nothing can be done to address the risk as it is too difficult or costly to do so
Exploiting the risk	Take advantage of the opportunity the risk presents
Increase the risk	Gain potential benefits by accepting a higher level of risk, such as taking strategic risks for growth, innovation, or competitive advantage.

- Response plans are developed with actions to reduce vulnerabilities, mitigate adverse impacts and/or leverage opportunities.
- The CEO has oversight of the risk response plans and may seek assistance from departmental and functional managers where appropriate.

STEP 4: MONITORING AND REVIEW

- All Key Strategic Risks, their risk response plans and summary actions are documented in the Risk Register (please see the attached template).
- The Board regularly monitors and assesses risks and the effectiveness of the risk response plans. During each review, the risk/severity rating is reassessed and the outcome of the review is documented in the Risk Register.
- The Board reviews the Risk Register at least twice per year.
- The CEO is responsible for updating the Risk Register and reporting on the risk response plans.

STEP 5: COMMUNICATION AND CONSULTATION

- Where appropriate, the Board communicates and seeks input from senior staff in relation to AAPoly's risks to ensure that risks are identified, understood and appropriately addressed.
- At the operational level, the CEO as well as departmental and functional managers, ensure that effective communication and consultation occur amongst staff, which facilitates organisation-wide comprehension of and collaboration in the continuous improvement of AAPoly risk management.

RESPONSIBILITIES

- The Board is responsible for overseeing the assessment and management of risks across the organisation.

- The Academic Board (AB) is responsible for overseeing academic risks, and the Chair of the Academic Board reports the academic risk register to the Board of Directors.

- The Chief Executive Officer (CEO) is responsible for identifying, communicating and monitoring the implementation of Risk Management procedures across AAPoly.

- Staff with management are responsible for monitoring the implementation of departmental risk management plans to ensure that relevant risks are mitigated appropriately.

FEEDBACK

Please contact the CEO through email suggestionstotheceo@aapoly.edu.au to convey any queries or feedback about this procedure. The CEO will respond in writing to the query or feedback within two weeks after the query or feedback is received, unless in an urgent or extenuating circumstance when an immediate response is required. The query or feedback and the response will be recorded in the Continuous Improvement register and utilised in the future review of the policy and procedure.

APPENDIX 1

Risk Register Template

Risk classifications:

- 1-9 'low risk', unlikely to happen and/or have minor or negligible consequences. Wait and watch, no action required.
- 10-19 'moderate risk', likely to happen and/or have consequences.
- 20 and over 'high risk', almost certain to happen or has happened and has an impact

ACADEMIES AUSTRALASIA POLYTECHNIC

RISK REGISTER

Key Risk No:			
Key Risk Name:			
Risk Category			
	▪ Strategic ▪ Operational ▪ Compliance ▪ Financial ▪ Reputational ▪ Environmental ▪ Disaster		
Risk Background & Probable Impact:			

Risk Score	Likelihood (1 Being Low, 5 Being High)	Impact (1 Being Low, 5 Being High)	Risk Score (Likelihood x Impact)

Recommended Response & Action Plan: • Reduce • Transfer • Avoid • Tolerate • Exploit • Increase	**Response:**
Person Responsible For Implementation, Resources Required, Timeframe:	

Reporting Requirement:	
Added to Risk Register on	
Reviewed By \ Reviewed Date	Next Review Date:

APPENDIX 2

Academies Australasia Group – Risk Matrix

Likelihood Rating Scale and Description[2]	
Almost Certain (5)	Almost certain to occur (90% probability) within the next 12 months or is imminent or Has occurred at AAPoly in the last year, and is highly likely to occur again within 12 months
Likely (4)	Likely to occur within the next 12 months (greater than 60% probability) or Has occurred in the recent past (within 3 years) at AAPoly or another similar higher education provider
Possible (3)	Possible within the next 12 months (30% possibility) or Has a reasonable chance (more than 50% probability) of occurring in next 3 years or Has occurred in recent times in the higher education provider sector in Australia
Unlikely (2)	Not likely to occur in a given year (less than 30% possibility) or Has not occurred in recent years in the higher education sector within Australia
Very Unlikely (1)	May occur in exceptional circumstances (less than 1% probability) within the next 3 years or Has never occurred in Australia within the higher education sector

---

[2] [2] Adapted from the Risk Matrix presented in the Risk Management Handbook from the University of Adelaide accessed on 16/08/2017 at <https://www.adelaide.edu.au/legalandrisk/docs/resources/Risk_Management_Handbook.pdf>

Risk Score Rubric[3]		Description of Impact per Risk Category					
Risk Score (Likelihood x Impact)	General Description of Impact	Education / Operations	Human	Reputation	Financial	Compliance
High (20 - 25)	Event or circumstance with potentially disastrous impact on AAPoly or significant material adverse impact on a key function of AAPoly	• Huge loss / reduction in student enrolments / retention • Loss of a key course • Serious problems reaching number of student targets • Irreparable impact on relationship with partners • Cessation of major critical business systems	• Serious injury or death • Loss of significant number of key staff impacting on skills, knowledge & expertise • Student unrest / protest / violence	• Long term damage to reputation • Sustained negative media attention; • Brand / image affected nationally and / or internationally	• Huge financial loss • Significant budget overrun with no capacity to adjust within existing budget / resources • May attract adverse findings from external regulators or auditors	• Serious breach of contract or legislation • Significant prosecution & fines likely • Potential for litigation including class actions • Future funding / approvals / registration / licensing in jeopardy
Moderate (10 – 19)	Significant event or circumstance that can be managed under normal circumstances	• Significant loss / reduction of number of students in a course • Risk of losing a key course • Significant problem meeting student targets • Significant but short term damage to partnership	• Staff injury, lost time or penalty notice due to unsafe action or practice • Short term loss of skills, knowledge, expertise • Severe staff morale or increase in	• Significant but short term damage to reputation • Student / stakeholder and / or community concern • Sustained / prominent local media coverage	• Significant financial loss • Impact may be reduced by reallocating resources	• Significant breach of contract, Act, regulation or consent conditions • Potential for regulatory action

[3] Adapted from the Risk Matrix presented in the Risk Management Handbook from the University of Adelaide accessed on 16/08/2017 at https://www.adelaide.edu.au/legalandrisk/docs/resources/Risk_Management_Handbook.pdf Revised on 28 March 2025.

		• Major service delivery targets cannot be met • Loss / interruption / compromise of critical business systems	workforce absentee rate • Student dissatisfaction			
Low (1– 9)	Event with consequences that can be readily absorbed but requires management effort to minimise the impact	• Moderate reduction in student enrolments / retention • Temporary problems meeting some student targets • Risk of losing / interruption / compromise of critical business systems	• Health & safety requirements compromised • Lost time or potential for public liability claim • Some loss of staff members with tolerable loss / deficit in skills	• Some short term negative media coverage • Concern raised by students / stakeholders	• Some financial loss • Requires monitoring & possible corrective action within existing resources	• Minor non compliances or breaches of contract, Act, regulations, consent conditions

References

Source	Document Title
Internal	Academies Australasia Group Audit and Risk Committee Charter https://academies.edu.au/wp-content/uploads/2022/05/Audit-and-Risk-Committee-Charter-v4-0822.pdf
	Academies Australasia Group Code of Conduct https://academies.edu.au/wp-content/uploads/2021/09/AIHS-Code-of-Conduct.pdf
	Academies Australasia Group Diversity & Inclusion Policy https://academies.edu.au/wp-content/uploads/2023/09/Diversity-and-Inclusion-Policy-v3-0109.pdf
	Academies Australasia Group Governance Statement https://academies.edu.au/corporate/corporate-governance/
	AAPoly Risk Management Procedure
External	AS ISO 31000/2018
	NVETR (Outcome Standards for NVR RTOs) Instrument 2025
	NVETR (Standards for NVR RTOs – Compliance and FPPR) Instrument 2025
	National Code of Practice for Providers of Education and Training to Overseas Students 2018
	Higher Education Standards Framework (Threshold Standards) 2021
	Work Health and Safety Act 2011 (National)
	Occupational Health and Safety Act 2004 (Vic)
	OHS Regulations 2017
	Work Health and Safety Act 2011 (NSW)
	Work Health and Safety Regulation 2017 (NSW)
	Work Health and Safety Act 2020 (WA)
	Work Health and Safety (General) Regulations 2022 (WA)