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Corporate Risk Management at UNE

When we work to achieve an objective we don’t always get the results we expect. Corporate risk management increases our ability to succeed by informing decision making, increasing awareness and minimising unwanted events occurring.

It is important that corporate risk management is used to inform planning decisions about which objectives to pursue and which strategies to use in pursuing them. Corporate risk management should also be used to inform operational decisions during the implementation of a strategy.

Corporate risks are events that have not yet occurred and may or may not occur in the future, however if the risk does occur there will be consequences to the desired objectives. Corporate risks can either be a positive opportunity that can be pursued, or a negative threat that can derail the objective. This makes corporate risk management very different from Workplace Health and Safety (WHS) risk management. When it comes to WHS, taking a risk is never good idea. In corporate risk management there are just as many positive risks as negative. To maximise our performance taking positive risks is a very good idea. This is why WHS risk management is handled differently under separate legislation and practices.

In this framework positive corporate risks are referred to as “Opportunities”, and negative corporate risks as “Threats”.

Corporate risk management processes under this framework are aimed at predicting the upcoming opportunities and threats that will significantly impact an objective. This information can then be used to build insight and awareness, and drive targeted action to pursue an opportunity or minimise a threat.

1. Consistency of Approach

It is critical to the effectiveness of corporate risk management that a consistent approach is used to avoid confusion. When performing or communicating corporate risk management at UNE, the ratings, approach and reports templates in conjunction with this framework must be used. This applies to all risks to a UNE objective regardless of whether that objective relates to a project, research, or business operations.

2. Support and Guidance

The Audit & Risk Directorate (ARD) team are available to support corporate risk management in your area or project. Please don’t hesitate to request ARD support and involvement:

| Phone:  | 6773 4545 |
| Email:  | risk.mgt@une.edu.au |
| Location: | Booloominbah, 3rd Floor, ARD Office |
Corporate Risk Management Framework

Guidance, ratings, templates, reports and other advice for applying corporate risk management process can be found on UNE’s Audit & Risk Directorate webpage (staff login required):

- [https://www.une.edu.au/staff-current/une-areas/administration-areas/audit-and-risk](https://www.une.edu.au/staff-current/une-areas/administration-areas/audit-and-risk)

3. Corporate Risk Appetite Statement

The corporate risk appetite statement is an Audit & Risk Committee endorsed and UNE Council approved document that sets out UNE’s willingness to take risks in pursuit of our objectives. The statement communicates the limits of risk exposure deemed acceptable in the pursuit of the University’s strategic, operational, and project objectives.

The statement is made up of a risk appetite scale and a table of risk management actions.

- The five rating risk appetite scale is used to assess the risk appetite for each objective. This assessment is based on an average of four indicators of the University’s willingness for risk taking in the pursuit of an objective.
- The table of risk management actions defines the level of acceptable risk exposure for each of the five risk appetite ratings. It provides clear guidance on the intensity of risk management required and the prioritisation of risk response strategies for the future reduction of risk exposure.

UNE’s corporate risk appetite statement can be found on UNE’s Policy Register System webpage:


4. Roles and Responsibilities

All UNE representatives have a responsibility to act in a way that supports the performance of, and achievement of, UNE’s objectives. For corporate risk management this means that:

4.1. All staff

- When you are aware of information that may impact the achievement of an objective or may have the potential to improve performance, you need to communicate this. It is advisable to share the information with your manager, and to ensure it is appropriately communicated to the team that is accountable for that objective or performance.
- When you are performing an activity that affects another team’s activities, you need to openly communicate and collaborate with the affected teams.

4.2. Staff accountable for an activity/s

- When you are accountable for an activity/s performance or the achievement of its objectives, you are responsible for overseeing that:
  - Risks to the activity/s are identified and the current management of each risk is assessed;
  - Where action on a risk is required, that that action is being taken;
Corporate Risk Management Framework

- Corporate risk management reporting is timely, shared appropriately, and accurately represents:
  - What is known about the upcoming risks;
  - The current management of the risks; and
  - Progress on the actions being taken to address the risks.

4.3. Council of the University of New England

- Approve:
  - Corporate risk management rule;
  - Corporate risk appetite statement; and
  - Register of corporate strategic risks.
- Monitor:
  - Corporate strategic risks;
  - Significant corporate operational risks;
  - Significant corporate project risks; and
  - Application and administration of the corporate risk management rule and framework.

4.4. Audit & Risk Committee of Council

- Review and report findings to Council on:
  - Corporate strategic risks;
  - Significant corporate operational risks;
  - Significant corporate project risks; and
  - Application and administration of the corporate risk management rule and framework.
- Review and endorse to Council for approval:
  - Corporate risk management rule;
  - Corporate risk appetite statement; and
  - Register of corporate strategic risks.

4.5. Vice-Chancellor & CEO

In consultation with Senior Executive and Council, and with the support of the Audit & Risk Directorate:

- Identify, Monitor & Communicate:
  - Corporate risks to the University's strategic objectives;
  - The corporate risk appetite approach to each strategic objective and associated strategic risks;
  - The response strategies for each strategic risk.
- Ensure:
  - Approval of the corporate risk management rule & framework;
Corporate Risk Management Framework

- Council oversight of the management and assessment of corporate risk across the University;
- Adherence to the corporate risk management rule by UNE representatives;
- Application of the corporate risk management framework by UNE representatives; and
- Provision of corporate risk management administration and guidance across the University by the Audit & Risk Directorate.

4.6. Executive and Management

In consultation with function or business unit staff, and with the support of the Audit & Risk Directorate:

- Identify, Monitor & Communicate:
  - Corporate risks to the operational objectives they have authority over;
  - The corporate risk appetite approach to each operational objective and associated operational risks;
  - The response strategies for each operational risk.

- Ensure:
  - Application of the corporate risk management framework within their area of management responsibility.

4.7. Project Owners

In consultation with the Project Manager and key stakeholders, and with the support of the Audit & Risk Directorate:

- Identify, Monitor & Communicate:
  - Corporate risks to the project objectives they have authority over;
  - The corporate risk appetite approach to each project objective and associated project risks;
  - The response strategies for each project risk.

- Ensure:
  - Application of the corporate risk management framework within the management of the project.

4.8. Audit & Risk Directorate

- Develop, administer & provide guidance on:
  - Corporate risk management rule;
  - Corporate risk management framework; and
  - General management and assessment of corporate risk across the University

- Monitor and report to the Vice-Chancellor & CEO, Audit & Risk Committee and Council on:
  - The University’s management and assessment of corporate risk.
  - Corporate strategic risks;
  - Significant corporate operational risks; and
Corporate Risk Management Framework

- Significant corporate project risks.

5. Corporate Risk Management Principals

Corporate risk management is performed under the UNE Corporate Risk Management Rule, its associated framework, and processes.

All corporate risk management guidance and tools undergo continual adaption by the ARD team based on feedback from UNE staff and advice from leading enterprise risk management practitioners. ARD actively works to provide effective support services that add value and improve insight into UNE’s operations.


The UNE Corporate Risk Management Rule can be found on the UNE Policy Register System webpage:

6. Key Information You Need to Know First

Before beginning to identify corporate risks, there is key information you need to know first. This information gives context to the situation and will heavily influence what you will identify as the opportunities and threats. Without this information it is very easy to waste time on risks that are insignificant to the achievement of objectives. This information is essential in order to stay on target and provide insight that is relevant to achieving the objective.

6.1 Influencing planning decisions

When using corporate risk management to make better planning decisions, the key information you need to know first relates to: **What could be the result of this planning decision?**

Understanding the spectrum of “what could be the result of the planning decision” before you start limiting choices or committing to anything, is key in making better planning decisions.

This approach helps you identify valid alternative choices. It identifies what’s available to trade-off. By discussing the possible trade-offs and alternatives with stakeholders, it builds the picture of what is the right amount of risk, and which risks are the right risks, to take.

6.2 Influencing operational decisions

When using corporate risk management to inform operational decisions, the key information you need to know first relates to: **What do we know right now about the activity/function/project?**
Understanding where the activity is up to, what the activity is to deliver, and what is happening that will have a considerable effect on the activity, is crucial to being able to predict the risks for the activity. This approach helps you identify what could impact on the achievement of the objective. It keeps the focus on what is coming up and what’s going to be important.

7. Communication and Consultation

Risk is the effect of uncertainty on our objectives. For corporate risk management to influence decision making and performance, communication is key. Individual staff and teams need to have a shared understanding of what’s important, and what needs to happen, in order to deliver success.

By communicating possible risks and the consequences if these risks are to occur, forward planning and resource management is able to occur. This ensures the likelihood of the risk occurring is minimised and the impact, if the risk does occur, is reduced.

Sharing observations and information that may impact an objective, is where the corporate risk management processes drive action. When risk management decisions and relevant risk information is included in consultations and communications with stakeholders, it increases cooperation and proactive action.

7.1. Report Templates

ARD has available a suite of Report Templates, including Remedial Action Plan template’s, to aid consultation and communication. If a standard template does not meet your requirements, ARD can develop a new template targeted to deliver on your risk consultation and communication needs.

7.2. Keep Corporate Risk Information Relevant and Updated

Opportunities and threats are always evolving and changing. Progress towards an objective and changes in our operating environment will change the risks our objectives are exposed to.

To capture important changes you will need to monitor how the risks are being managed, and if the remedial actions put in place are having the desired impact. Keep the information you share with stakeholders up-to-date and appropriate to the stakeholders needs.

Corporate Risk Management Processes

The Audit & Risk Directorate (ARD) team are available to support corporate risk management in your area or project. Please don’t hesitate to request ARD support and involvement:

Phone: 6773 4545
Email: risk.mgt@une.edu.au
Location: Booloominbah, 3rd Floor, ARD Office
Corporate Risk Management Framework

8. UNE Processes with Embedded Corporate Risk Management Elements

ARD actively works to embed corporate risk management into new and established operational processes. This enables corporate risk management to occur as needed and in the most relevant and value-adding way.

If you are developing or updating a UNE operational process that includes, or would benefit from including, corporate risk management, please contact ARD.


Following is a synopsis of the corporate risk management process steps:

- Identifying Corporate Risks: Opportunities and Threats;
- Current Operations: Strengths and Weaknesses;
- Assessment and Prioritising; and

Further guidance, ratings, templates, reports and other advice for applying corporate risk management process can be found on UNE’s Audit & Risk Directorate webpage (staff login required):

- [https://www.une.edu.au/staff-current/une-areas/administration-areas/audit-and-risk](https://www.une.edu.au/staff-current/une-areas/administration-areas/audit-and-risk)

The UNE Corporate Risk Management Rule can be found on the UNE Policy Register System webpage:


9.1. Identifying Corporate Risks: Opportunities and Threats

The first step in the risk management process is to identify possible opportunities and threats. These are the risks that may or may not occur in the future, but if they do, will impact the achievement of objectives. This involves correctly identifying the opportunity or threat, the causes of the risk, and the resulting impact if the risk occurs.

Once those responsible for an objective understand the impact a risk will have on it, they are able to proactively intervene. Intervention is via remedial actions that will minimise the likelihood or impact of the risk.

The process for identifying corporate risks to the objectives of an activity/project involves consultation across key stakeholders. The output of this process is a list of risk statements that relate to the achievement of the objectives of the activity/project. These risk statements then need to be communicated widely with all stakeholders.
9.1.1. Risk Statement

A risk statement paragraph is used to communicate the upcoming opportunity or threat. It is a brief narrative that states the risk in terms that can be understood by a diverse audience of stakeholders. Risk statements follow the format:

- We are aware of the risk that <an upcoming opportunity or threat>
- This will be caused by <these current/near future circumstances>.
- It will result in <this near future impact on the objective/activity/project, or UNE priority>.

9.2. Current Operations: Strengths and Weaknesses

Understanding the effect of the current operational practices on the identified risk, is the best way to gauge the resourcing and effort needed to pursue the opportunity or deal with the threat.

Operational practices that should manage the risk are identified and assessed. Any issues with the current effectiveness or coverage of these practices are communicated. This then allows for the identified gaps and weaknesses to be considered when looking at response options and remedial action.

9.3. Assessment and Prioritising

Not all risks require risk management intervention. Balance is needed between the cost of taking remedial action, and the likelihood and impact of the risk occurring. Corporate risk assessments are designed to assess and prioritise the identified risks for remedial action. Some risks will have complex interdependencies. This step takes into account the relationships between risks when setting the order in which the risks will need to be addressed.

The assessment looks across multiple different criteria to evaluate the objective at risk, the magnitude of the risk faced, and UNE’s ability to influence the risk successfully. The assessment then provides guidance on what priority level should be given to pursuing the opportunity, or dealing with the threat.

9.4. Taking Action: Remedial Action Plans

Up until this point the corporate risk process has been identifying and categorising risk information. This last step is where that information is used to drive action in response to the upcoming risk.

Remedial strategies and actions address gaps or weaknesses in our current ability to manage the risk, are identified and communicated via a remedial action plan. These plans highlight the relationship between the success of remedial actions and the achievement of the objective at risk. They are used to track the implementation of the risk response, and to escalate the priority order of the risk actions when necessary.
Corporate Risk Management Framework

10. Document Administration Data

- **Document Type:** Framework
- **Rule Administrator:** Director Audit and Risk
- **TRIM reference:** Original D18/21775, TWEK D15/7574
- **Date approved:** 21/01/2019 (Email of Approval D19/8386)
- **Due for review:** 3 years from approval
- **Responsible party for review:** Director Audit and Risk
- **Approved by:** Dave Tanner – Director Audit & Risk

**Related Policies or other documents:**
- University of New England Act 1993 No 68
- Tertiary Education Quality Standards Agency Act 2011
- Role and Function of Council Policy
- Functions of the Vice-Chancellor Rule
- Controlled Entity Rules
- Compliance Rule
- Corporate Risk Management Rule
- Corporate Risk Appetite Statement
- Organisational Resilience Rule
- Terms of Reference/Charter – Audit and Risk Committee

**UNE webpage:**
https://www.une.edu.au/staff-current/une-areas/administration-areas/audit-and-risk

Ms Jan McClelland, Audit and Risk Committee Chair    17 May 2019