

RISK MANAGEMENT POLICY 2017

The Senate of the University of Sydney adopts the following policy.

Dated: 24 March 2017

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1 Name of policy

This is the Risk Management Policy 2017.

2 Commencement

This policy commences on 7 June 2017

3 Policy is binding

Except to the extent that a contrary intention is expressed, this policy binds the University, staff and affiliates.

4 Statement of intent

This policy:

- (a) enhances the University's ability to seize opportunities while reducing impacts of risk to the lowest practicable level;
- (b) establishes the principles by which the University will identify, assess and manage risk;
- (c) provides for the appropriate allocation of responsibilities for managing risks; and

- (d) establishes the framework within which risk management will be undertaken.

5 Application

This policy applies to:

- (a) the University, its staff and affiliates; and
(b) all activities conducted by or on behalf of the University.

6 Definitions

University Risk Appetite and Tolerance Statement	means a statement of the amount and type of risk the University is willing to accept and the University's readiness to bear the risk, after risk treatment, in order to achieve its objectives.
business sponsor	means staff member or affiliate with a demonstrable interest in the outcome of a project who has primary responsibility to the executive sponsor for seeing that the intended benefits of the project are realised.
executive sponsor	means the Principal Officer with a demonstrable interest in the outcome of a project, or a program of which the project is a part, who has primary responsibility to the University and the executive for the delivery of the outcomes of the initiative.
local risk register	means a risk register relating to a unit or project established and maintained by the head of the unit or project sponsor.
manager	means any staff member or affiliate with responsibility for managing people.
Principal Officer	means any of: <ul style="list-style-type: none">• Vice-Chancellor and Principal• Deputy Vice-Chancellor• Vice- Principal• General Counsel• Director, University Libraries
program	means number of projects grouped together under the direction of a program control board.
project	means any project which is required to have a project control board.
project approver	means the appointed delegate under the University of Sydney (Delegations of Authority- Administrative Functions) Rule 2016 , who is a different person to the project proposer, and who is responsible for approving the project.

project manager	means the staff member or affiliate with responsibility for day to day management of the activities required to deliver a project .
project proposer	means the staff member or affiliate who initially proposes that a project should be undertaken to address a key risk or opportunity and is responsible for presenting a robust argument for the project to the project approver.
risk	means the effect of uncertainty on objectives.
risk register	a document or collection of documents containing a record of information about identified risks.
risk owner	means the role recorded against a particular risk in a risk register to discharge the responsibilities specified in clause 11.
risk management	means co-ordinated activities to direct and control the University's activities with regard to risk.
Risk Management Framework	means the set of documents required by clause 8, which provide the foundation and arrangements for designing, implementing, monitoring, reviewing and continually improving risk management at the University.
unit	means any of the following: <ul style="list-style-type: none"> • faculty • University school • a portfolio controlled by a Deputy Vice-Chancellor, a Vice-Principal, the General Counsel or the Director, University Libraries • A professional service unit within the portfolio of the Vice-Principal (Operations) • a Level 4 centre, as defined in the Centres: Policy for Establishment, Management and Review • other groups as determined by a Principal Officer from time to time
University Executive	means the committee of that name which comprises members of the University's senior leadership.
University Risk Register	means the University-wide risk register established and maintained by the Chief Risk Officer as required by clause 9.

7 Risk management principles

- (1) The University will embrace well-managed risk-taking in pursuit of its vision and strategic objectives, while:
 - (a) protecting the wellbeing, health and safety of students, staff, affiliates and the public; and

- (b) minimising exposure to:
 - (i) any potential damage to the culture of excellence evident in its world-class research and education,
 - (ii) long-term brand and reputation damage, and
 - (iii) health and safety, compliance and financial solvency related risks
- (2) All risks should be managed within the boundaries defined in the University Risk Appetite and Tolerance Statement.
- (3) Subject to subclauses 7(1) and 7(2), the adverse impacts of risk should be reduced as far as reasonably practicable.

8 Risk Management Framework

- (1) The Senate shall approve a Risk Management Framework.
- (2) The Risk Management Framework must be consistent with the risk management Standard AS/NZS ISO 31-000:2009 (Risk Management - Principles and Guidelines).
- (3) The Risk Management Framework may consist of one or more documents and must contain the following:
 - (a) an University Risk Appetite and Tolerance Statement:
 - (b) provisions for the way in which risks are identified, assessed and evaluated;
 - (c) provisions for the ways in which risk treatment plans are designed and prioritised; and
 - (d) provisions for the ways in which risks are reported, escalated, and broadly communicated.
- (4) The Risk Management Framework will be published and available to all staff and affiliates on the University intranet site.
- (5) Senate will regularly review the Risk Management Framework.
- (6) The Risk Management Framework has the status of procedures under the [*University of Sydney \(Policies Development and Review\) Rule 2011*](#).

9 Risk registers

- (1) The Chief Risk Officer must establish and maintain a formal risk register for the University as a whole.
- (2) The University Risk Register must document key risk events that would likely impact the University as a whole, in the manner and with the detail set out in the Risk Management Framework.
- (3) The following must also establish local risk registers:
 - (a) the head of a unit, in relation to that unit; and
 - (b) the executive sponsor, in relation to a project;
- (4) Local risk registers must document key risk events that would impact the unit or project, in the manner and with the detail set out in the Risk Management Framework.

10 Risk owners

- (1) The Vice-Chancellor, on advice from the University Executive, will assign an owner to each risk listed in the University Risk Register.
- (2) The head of unit or project sponsor, as appropriate, will assign an owner to each risk listed in a local register.
- (3) Owners must be recorded against each risk in the relevant register.

11 Roles and responsibilities

- (1) **Senate** is responsible for:
 - (a) setting the University's risk appetite and tolerance levels;
 - (b) approving this policy and the Risk Management Framework; and
 - (c) monitoring and receiving reports on the University's risks and their management.
- (2) **Senate committees** are responsible for:
 - (a) monitoring the application of the Risk Management Framework in areas within their remit; and
 - (b) monitoring and receiving reports on risk management in areas within their remit.
- (3) **The University Executive** is responsible for overseeing and advising on the application of the Risk Management Framework.
- (4) **University Executive committees** are responsible for:
 - (a) overseeing and advising on the application of the Risk Management Framework in areas within their remit; and
 - (b) reporting to the University Executive any risks they identify which are outside their remit.
- (5) **The Vice-Chancellor** is responsible for:
 - (a) overall risk management and compliance across the University;
 - (b) the risk management culture across the University;
 - (c) overseeing the allocation of resources to enable effective risk management; and
 - (d) reporting to Senate on key risks, and risk management generally.
- (6) **The Provost** is responsible for:
 - (a) promoting a mature risk management culture across the University;
 - (b) receiving and acting on reports of risk management issues from faculties and University schools; and
 - (c) raising risk management issues with the University Executive where appropriate.
- (7) **Heads of units** are responsible for:
 - (a) effectively managing risk;

- (b) promoting a mature risk management culture within their areas of responsibility, including compliance with the Risk Management Framework;
 - (c) assigning day-to-day risk management responsibility within the teams reporting to them;
 - (d) providing clear information about, and explanations of, risk management requirements to the teams reporting to them; and
 - (e) reporting and escalating identified risks as required by the Risk Management Framework.
- (8) **Project proposers** are responsible for:
- (a) conducting, prior to the establishment of the project, an assessment of risks that the project is intended to address, risks to the undertaking of the project, and risks that the project may introduce to the University in accordance with the attachment to the Risk Management Framework, entitled 'Project Risk Management Supporting Materials';
 - (b) conducting, prior to the establishment of the project, a cost/benefit analysis of appropriate risk treatment plans for each risk identified as per subclause 11(8)(a) in accordance with the attachment to the Risk Management Framework, entitled 'Project Risk Management Supporting Materials';
 - (c) proposing a plan for the adoption and implementation of the proposed risk treatment plans;
 - (d) proposing to a project approver with the appropriate delegated authority (who is not the project proposer) that a project should be undertaken based on the outputs of subclauses 11(8)(a), 11(8)(b) and 11(8)(c); and
 - (e) assigning a business sponsor to the project.
- (9) **Project approvers** are responsible for:
- (a) independently assessing the completeness and validity of the risk analyses conducted by the project proposer;
 - (b) independently reviewing the feasibility and effectiveness of the proposed risk treatment plans, and assessing whether alternate or additional possible control strategies are required;
 - (c) appraising the cost/benefit of the proposed project, the risks the project will address, the risks the project may introduce, key risks to the successful delivery of the project, and the cost of ensuring appropriate management of those risks;
 - (d) assigning an executive sponsor to the project; and
 - (e) approving the project if appropriate.
- (10) **Executive sponsors** of projects are responsible for:
- (a) monitoring the implementation of risk treatment plans proposed by the project proposer and appraised by the project approver;
 - (b) monitoring emerging risks to the project and ensuring appropriate risk treatment plans are implemented for those risks;
 - (c) reporting and escalating appropriately any identified risk which cannot be properly managed consistently with this policy and the Risk Management Framework; and
 - (d) appointing a business sponsor and project manager, where necessary.

- (11) **Business sponsors** of projects are responsible for:
- (a) overseeing the implementation of the risk treatment plans proposed by the project proposer and appraised by the project approver;
 - (b) monitoring emerging risks to the project and escalating to the executive sponsor where required; and
 - (c) where necessary, seeking approval for the implementation of further risk treatment activities in response to emerging risks or escalated existing risks for those circumstances where the decision is not within the delegated authority of the business sponsor.
- (12) **Project managers** (or where no project manager has been appointed, the business or executive sponsor) are responsible for:
- (a) coordinating the implementation of the risk treatment plans proposed by the project proposer and appraised by the project approver;
 - (b) conducting regular reviews of the accuracy of risk assessment and adequacy of the risk treatment plans in place to the delivery of the project throughout the life of the project;
 - (c) where necessary, seeking approval for the implementation of further risk treatment activities in response to emerging risks or escalated existing risks for those circumstances where the decision is not within the delegated authority of the project manager; and
 - (d) reporting to the business sponsor on the tracking of project outcomes, the deployment of risk management plans, emerging risks, and the proposed risk management plans for those emerging risks.
- (13) **Project control boards** are responsible for:
- (a) monitoring risk management plans across the life of the project.
- (14) **Managers generally** are responsible for:
- (a) promoting a mature risk management culture within their areas of responsibility, including compliance with the Risk Management Framework; and
 - (b) reporting and escalating identified risks as required by the Risk Management Framework.
- (15) **The Chief Risk Officer** is responsible for:
- (a) administration of this policy;
 - (b) establishing and maintaining the Risk Management Framework;
 - (c) facilitating and embedding the Risk Management Framework across the University;
 - (d) reporting key risks to:
 - (i) the Vice-Chancellor;
 - (ii) University Executive;
 - (iii) Senate Safety and Risk Management Committee; and
 - (iv) if requested to do so, Senate.
 - (e) advising the Vice-Chancellor and University Executive on:
 - (i) the risk management culture across the University; and

- (ii) the quality of risk management controls.
- (16) **The Director, Internal Audit** is responsible for:
 - (a) validating the effectiveness of the Risk Management Framework; and
 - (b) providing assurance on the controls and risk management plans applicable to risks classified as high or extreme.
- (17) **The Director, Safety Health and Wellbeing** is responsible for developing and administering policy and strategy for managing health and safety risks across the University, and for overseeing the development and implementation of the safety management system.
- (18) **The Enterprise Portfolio Management Office** is responsible for providing tools and methodology for managing project risks in University wide projects.
- (19) **Risk owners** are responsible for:
 - (a) considering the risks assigned to them;
 - (b) devising and implementing appropriate risk management plans to manage risk within the boundaries of the University Risk Appetite and Tolerance Statement; and
 - (c) reporting and escalating to the relevant Committee any identified risk which cannot be properly managed consistently with this policy and the Risk Management Framework.
- (20) **All staff and affiliates** are responsible for:
 - (a) identifying and familiarising themselves with risks associated with their roles;
 - (b) managing risks consistently with this policy and the Risk Management Framework;
 - (c) reporting and escalating to their manager, any identified risk that is not addressed within a risk register; and
 - (d) contributing to risk management activities as directed by management.

12 Reporting

- (1) Staff and affiliates must report risks in accordance with this policy and the Risk Management Framework.
- (2) The Chief Risk Officer must report on the application and management of the Risk Management Framework, including in relation to key risks:
 - (a) to the Senate, at least annually; and
 - (b) to any Senate Committee that is appropriate at least half-yearly.

13 Breaches of this policy

Failure to comply with this policy or the Risk Management Framework may constitute misconduct or serious misconduct and may result in disciplinary action being taken by the University, up to and including termination of employment, engagement or affiliation.

14 Rescissions and replacements

This document replaces the *Risk Management Policy 2013*, which commenced on 11 February 2013, which is rescinded as from the date of commencement of this document:

NOTES

Risk Management Policy 2017

Date adopted: 24 March 2017
Date commenced: 7 June 2017
Administrator: Chief Risk Officer
Review date: 24 March 2022
Related documents:

Risk management Standard AS/NZS ISO 31-000:2009 (Risk Management - Principles and Guidelines)

University of Sydney (Policies Development and Review) Rule 2011

University Recordkeeping Policy

Serious Incident and Business Continuity Policy 2013

Work Health and Safety Policy 2016

Recordkeeping Manual

Risk Management Framework 2017

Serious Incidents Involving International Students Procedures

Work Health and Safety Procedures 2016

AMENDMENT HISTORY

Provision	Amendment	Commencing
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