




DOCUMENT TYPE	D	
ADMINISTRATIVE	5	
GOVERNANCE	1	
RISK MANAGEMENT	2	
NUMBER	002	
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RISK MANAGEMENT PROCEDURES

Parent Policy Title	Risk Management Policy																							
Associated Documents	Risk Management Process Risk Register Template (long form) Risk Register Template (short form) Risk Register Template (example)																							
Preamble	These procedures establish the requirements for the framework, language, roles and responsibilities for managing risk within La Trobe University																							
General	<p>The La Trobe University Risk Management Policy provides the framework for the management of uncertainty across all campuses, to achieve these goals and objectives:</p> <ul style="list-style-type: none"> • Facilitate the achievement of the University's strategic and operational goals through reducing threats and maximising opportunities that would otherwise create barriers; • Create a robust and ethical culture of excellence in corporate governance; • Apply risk management practices as part of long term and day-to-day decision making; • Facilitate consideration of the balance of cost and benefit (tangible and intangible) in the pursuit of investment initiatives; • Assist the University to operate safely and securely; and • Provide assurance to senior management and the Council that critical risks are managed effectively. 																							
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1. A Common Process for Risk Management	<p>The common process for the management of risk across the University is based upon and modified from the Australian Standard for Risk Management (AS/NZS4360:2004). This approach comprises a central process for the identification, assessment, treatment and monitoring of risk.</p> <p>Some areas of the University may require a specific or customised approach to risk management, for example as required regulation, industry standards, or contracts with third parties. However, where such approaches are adopted, care should be taken to ensure optimum consistency with the University-wide approach.</p>				
2. Alternative Approaches to Risk Management	<p>Any risk management approach other than that based on the Australian Standard for Risk Management (AS/NZS4360:2004) should be reviewed and approved by the Risk Management Unit (RMU) prior to adoption.</p>				
3. Corporate Governance and Audit Committee Responsibilities	<p>A committee of Council, the Corporate Governance and Audit Committee (CGAC) is tasked with general oversight of governance matters on behalf of the Council and its accountabilities are defined in the CGAC Charter.</p>				
4. Senior Management Group Responsibilities	<ul style="list-style-type: none"> • Provide effective oversight of the strategic and operational functions of the University to ensure that risk is appropriately managed through the establishment of appropriate structures, processes and informed decision making; • Review and consider, at least annually, the structure of risk exposures that are faced by the University as a whole and ensure that appropriate treatment actions are undertaken; and • Establish appropriate delegations to ensure that the effective management of risk is cascaded through their areas of responsibility. 				
5. Risk Management Unit (RMU) general responsibilities	<ul style="list-style-type: none"> • Developing and enhancing processes, methodologies and a common language to identify, assess and manage risks of importance; • Ensuring that the University's key risk exposures are monitored and reported to management and the CGAC; • Providing assistance to all areas and campuses of the University for their risk management activities; • Facilitating an improved understanding of risk information in key decision making and governance processes; and • Ensuring that Internal Audit plans are developed in full consideration of the risk profile of the University. 				
6. RMU specific	<ul style="list-style-type: none"> • Assessment and management of risk 				

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responsibilities	<ul style="list-style-type: none"> • Internal Audit • Insurance • Critical incident management • Special investigations
6.1. RMU Assessment and Management of Risk	<ul style="list-style-type: none"> • Developing capabilities within the University for identifying assessing and managing strategic and operational risk, • Advising on the treatment of risk in pursuit of organisational objects, • Assisting in the management of risk arising from major projects, • Maintaining an oversight on strategic risk.
6.2. RMU Internal Audit responsibilities	<ul style="list-style-type: none"> • Conducting reviews of the effectiveness of risk controls and any recommended corrective actions, • Ensuring that risks identified from the conduct of reviews are incorporated into the development of the University Risk Profile.
6.3. RMU Insurance responsibilities	<ul style="list-style-type: none"> • Ensuring that an appropriate level of risk financing is obtained to provide a means of managing the financial consequences of risk exposures that cannot be managed through other means, • Advising members of the University community on the management of risk to lower financial liability and limit exposure to future insurance claims.
6.4. RMU Critical incident management responsibilities	<ul style="list-style-type: none"> • Ensuring that all risks capable of causing significant threats to safety and security are considered in response planning, • Ensuring that all risks capable of causing significant disruption to the critical business functions of the university are considered in response planning, • Developing and maintaining a capability to coordinate a response to critical incidents involving the University's people, property, resources or reputation.
6.5. RMU Special Investigations responsibilities	<ul style="list-style-type: none"> • Suspected or alleged misconduct or other serious breaches of legislation or University policy, • Operational matters where serious mismanagement of University resources may be occurring.
7. Faculties, Divisions, Schools and Departments responsibilities	<p>All staff have the responsibility to identify, assess and manage risks to the achievement of their objectives, as part of their everyday duties. They have the responsibility to ensure that they assess and manage their key risks, and where risks are of a wider University impact, that these are reported to the Risk Management Unit.</p>
Status	<p>Revised format, previous approval CGAC, November 2007. The</p>

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	implementation of the latest version of these procedures supersedes all previous versions of these procedures.
Approval Body	Corporate Governance and Audit Committee, 27 November, 2008, Item 5.1.
Initiating Body	Corporate Governance and Audit Committee
Definitions	<p>Risk management: Coordinated activities to direct and control an organization with regard to risk.</p> <p>Risk: Effect of uncertainty on objectives.</p> <ul style="list-style-type: none"> • An effect is a deviation from the expected - positive and/or negative. • Objectives can have different aspects such as financial, health and safety, and environmental goals and can apply at different levels such as strategic, organization-wide, project, product, and process. • Risk is often characterized by reference to potential events, consequences, or a combination of these and how they can affect the achievement of objectives. • Risk is often expressed in terms of a combination of the consequences of an event or a change in circumstances, and the associated likelihood of occurrence. <p>Consequence: Outcome of an event affecting objectives.</p> <ul style="list-style-type: none"> • An event can lead to a range of consequences. • A consequence can be certain or uncertain and can have positive or negative effects on objectives. • Consequences can be expressed qualitatively or quantitatively.
Date Effective	27 November 2008
Next Review Date	27 November 2009
Keywords	Risk, risk management, risk assessment, risk analysis, corporate governance and audit committee
Owner/Sponsor	Director Risk Management Unit
Author	Director Risk Management Unit
Contact person	Director Risk Management Unit