



Australian
**Chiropractic
College**

**RISK MANAGEMENT
AND POLICY
FRAMEWORK**

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ACC RISK MANAGEMENT POLICY AND FRAMEWORK

1. PURPOSE

The ACC Risk Management Policy and Framework (the Framework) supports ACC's approach to systematically identify and manage key risks to its operations, the achievement of its strategic priorities, and the identification and management of risks to students.

The Framework formalises the commitment of ACC to risk management principles and the organisational arrangements to underpin implementation, including accountabilities, resources and processes.

2. OVERVIEW

ACC is committed to developing and delivering innovative new higher education programs that build on an established New Zealand curriculum and offer a unique student experience that is internationally focused, creative and connected, as embedded in its initial Strategic Plan 2016-2018 and its current Strategic Plan 2020-2025.

ACC's current Strategic Plan also reflects its commitment to stringent academic standards and robust governance arrangements in accordance with legal and regulatory considerations and requirements, referenced in detail in Schedules A and B attached to the Strategic Plan.

In this context, ACC encourages organisational innovation whilst working to maintain a low risk profile that ensures quality in higher education standards and sound corporate practices. Effective risk management policy and procedures are central to achieving this.

Risk management is integral to ACC's operations across the different levels of the organisation and is embedded within strategic business planning, operational planning, and performance and quality monitoring processes. ACC fosters a risk-aware culture where staff members are supported to adopt a positive approach to risk management, proactively identifying, assessing and monitoring opportunities and risks on an ongoing basis.

ACC's approach aligns with the Australian and New Zealand Standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines, which provides an internationally accepted basis for good practice risk management. ACC's approach has been developed with assistance from its external advisors, particularly precedent material provided by Wells Advisory.

3. PRINCIPLES

The principles that underpin ACC's approach to risk management include that risk management is:

- Aligned to the organisational vision, mission, priorities and values;
- An integral part of the organisation's decision-making processes;
- Systematic and timely;
- Based on the best available information;
- Transparent, consultative and inclusive;
- Dynamic and responsive to change;
- Considers the likelihood and potential severity of occurrence; and
- Contributing to continual improvement in performance.

ACC's approach to risk management aids the achievement of the college's academic mission, with a key focus on ensuring student expectations are exceeded through a nurturing educational environment that places engagement as a priority as well as assuring students are well supported to learn, to succeed, to qualify, to connect and to enjoy their time whilst at ACC.

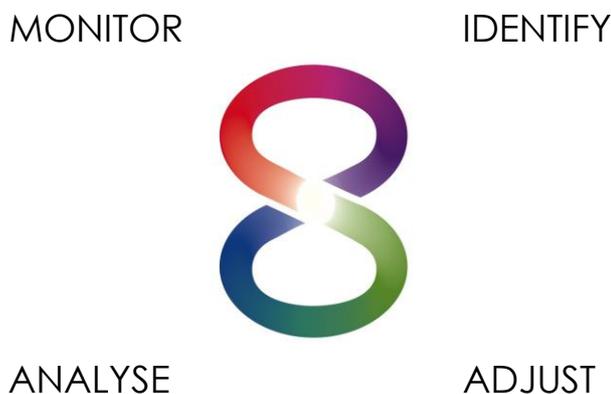
4. KEY COMPONENTS

The key components of the risk management approach are:

- Mandate and commitment – There is a strong and sustained commitment by ACC leadership to ensure the ongoing effectiveness of risk management.
- Design – There is a systematic approach to designing a risk management system, which establishes effective governance, communication and reporting arrangements.
- Implementation – The risk management process is applied at all relevant levels and functions of the organisation as part of its risk and planning practices and processes.
- Monitoring and review – The risk management framework and plans have scheduled reviews and updates as required.
- Continual improvement – Based on the results of monitoring and review, decisions can be made on how the risk management framework and plans can be improved.
- Communication – Communication takes place throughout the process to ensure those accountable for implementing the risk management process are supported and that key stakeholders understand the basis on which decisions are made.

5. RISK MANAGEMENT MODEL

The key elements of the risk management model are further explained below.



IDENTIFY

- Risk identification determines what, where, when, why and how risks could arise, and the effect this would have on the organisation's ability to achieve its objectives.
- A key step in this process is to establish the context. This means understanding the organisation's objectives and defining internal and external factors that could be a source of uncertainty, to guide a nuanced understanding of the risk to support the remainder of the risk management process.

ANALYSE

- Risk analysis determines the level of risk by understanding, for example, how quickly a risk can occur, the sources and cause of a risk, and the consequences and likelihood of those consequences. Analysis takes into account the effectiveness of existing controls.

- A key step in this process is to also evaluate risk by applying a consequence and likelihood matrix or register that assesses the risks in relation to each other. This supports prioritisation and highlights differences.

ADJUST

- Risk adjustment involves assessing and selecting one or more options for modifying risks by changing the consequences or likelihood and implementing selected options through a treatment plan or similar.
- Adjustments aim to reduce or mitigate risk.

MONITOR

- Monitoring and review confirms that risk and the effectiveness of control and risk treatments are monitored and reported to ensure that changing context and priorities are managed and emerging risks identified.

6. RISK APPETITE

The risk management model outlined above is undertaken in the context of the organisation's 'risk appetite'. The 'risk appetite' is established by the Board and guided by the Finance, Audit and Risk Committee (FARC), President/CEO, Academic Board and senior staff.

As signalled earlier, overall ACC has a low appetite for risk and seeks to maintain a low-medium risk profile with a low risk to students. This position takes into account the consequences of major risk events for students, the early stage of operations in higher education, accountability and compliance requirements and a commitment to stringent standards, and reputational risk that may impact ongoing sustainability of the new venture.

However, this is also balanced with an acknowledgement that some level of risk is acceptable and indeed unavoidable in pursuing the objectives of the organisation in developing a new area of delivery, and a desire to embrace opportunities to innovate in creating a distinct higher education learning experience for students.

Any higher short-term risks associated with the development of the ACC are clearly indicated in the Risk Register, which is updated and reviewed regularly by the Academic Board, the Finance, Audit and Risk Committee and the Board of Directors.

7. RISK CATEGORIES

There are several primary and inter-related categories of risk for ACC.

- **Financial Risks associated with such factors as:**
 - The outcome of ACC's application for Fee-Help and CRICOS registration resulting in fewer enrolling students than anticipated
 - Delays in donations and gifts due to the wider health and economic context
 - Higher than initially estimated operating costs due to a rise in costs associated with essential infrastructure and/or staffing
 - The feasibility of additional revenue generating business opportunities, including significant Continuing Professional Development initiatives for the Chiropractic community
 - The collective outcome of all potential sources of revenue enhancement to enable business continuity and continuing development in line with the W2020-2025 Strategic Plan.

- **Risks associated with a lack of defined policies, processes, procedures or Delegations of Authority at a functional or business unit level. This includes:**
 - Asset Management
 - Business Continuity
 - Information Technology
 - Legal & Regulatory

- **Risks associated with culture, organisational structure and communication including supporting systems, processes and procedures. This includes:**
 - Contract Management
 - Corporate Governance
 - Human Resources
 - Operational Management
 - WHS

- **Risks to Reputation and Brand**
 - Risks that may affect ACC's public image. Risks associated with a possible event or circumstance that may lead to unfavourable publicity or impact on ACCs merit, achievement and public standing.

- **Risks pertaining to Stakeholder Management**
 - Risks associated with the identification of individuals and organisations with a direct influence on and/or interest in ACC's operations.
 - Risks associated with the need to ensure ongoing and effective communication and consultation with key stakeholders.

- **Strategic Risks**
 - Risks associated with strategy development, strategic alliances, student services, product offerings and performance targets.
 - Risks relating to long-term failures in the provision of ACC services, loss of students, non-attainment of key goals over time.

- **Academic Risks**
 - Risks associated with developing, implementing and managing new and existing courses, including pricing and marketing.
 - Risks associated with student attrition
 - Risks associated with academic integrity, ethics, research and training.
 - Risks related to meeting tertiary accreditation standards.

Specific risks are detailed within these categories in a Risk Register, with accompanying individual risk management and treatment plans where appropriate.

8. ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for:

- Considering regular reports from the Finance, Audit and Risk Management Committee (FARC) concerning the oversight and monitoring of internal and external audit and risk management. This includes consideration of academic as well as financial and various operational risks, and assessment of the effectiveness of their management through approved mechanisms designed to identify and mitigate risks.
- Taking appropriate action to ensure the robust governance and management of identified risks.

The Finance, Audit and Risk Committee (FARC) is responsible for:

- Overseeing and quantifying the risk management practices of ACC and the reporting of significant organisational-wide risks to the ACC Board as part of ACC's governance processes.
- Reviewing the ongoing development, improvement and implementation of the risk management model and associated risk management practices.

The FARC typically convenes on a quarterly basis, or more frequently as appropriate.

Its membership comprises an independent non-executive member of the ACC Board, the President/CEO, the Head of Corporate Services, and selected independent key stakeholders with financial and/or risk management expertise.

The Academic Board is responsible for:

- Oversight of policies and procedures concerning ACC's management of academic risks relating to the provision of quality higher education services.
- Reporting regularly on academic risk issues and the status of their management (including those identified by its sub-committees) to the FARC for consideration and referral as appropriate to the Board of Directors.

As a sub-committees of Academic Board, the Course Development Committee (CDC) plays a major role in reporting academic risks and recommending risk mitigation strategies to the Academic Board.

The President/CEO is responsible for:

- Managing the preparation and presentation of all documentation pertaining to Risk Management for consideration by the FARC and the Board of Directors.
- Supporting the ongoing implementation of risk management across all of ACC's operations.
- Ensuring staff members understand their responsibilities with respect to risk management.
- Fostering a positive, risk-aware culture across the organisation.

The Head of Corporate Services is responsible for:

- Coordinating, facilitating and periodically reviewing the risk management policy and framework and supporting documentation.
- Coordinating the implementation and ongoing development of risk management processes across the organisation.
- Ensuring staff members understand their responsibilities with respect to risk management and are supported with training and assistance.
- Reporting significant risks to the Finance, Audit and Risk Committee and in turn the Board.

In addition, **all students and staff** have a role in contributing to effective risk management within their area of influence. Staff members are responsible for adhering to ACC's risk management policy and framework and related procedures. Managers and supervisors assist in fostering a risk-aware culture and will ensure that staff members within their areas understand their responsibilities.

9. REVIEW

The risk management policy and framework will be reviewed every five years, or more frequently as appropriate.

10. RELATED DOCUMENTS /POLICIES

ACC Risk Register
ACC Governance Framework
ACC Quality Assurance Framework
ACC Health and Safety Policy
ACC Disaster Recovery Policy and Plan

Version Control

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| Document: G004 Risk Management Policy and Framework | | |
| Responsible Officer: Head of Corporate Services | | |
| Initially Approved by: Board of Directors | | Date: 16 November 2016 |
| Reviewed and approved by: Board of Directors | | Date: 27 July 2020 |
| Version: V3.0 | Replaces Version(s): V2.0 | Next Review: July 2022 |
| Nature of Change | July 2020 <ul style="list-style-type: none">• Changed title of Committee from Audit and Risk Committee to Finance, Audit and Risk Committee• Finance, Audit and Risk Committee - Amended membership to align with new Terms of Reference• Course Development Committee - Included role of academic risk identification• Reformatted document to align with corporate style. | |