



Risk Management Policy

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Related Policy/Procedure:	➤ Risk Register		

Risk Management Policy

Purpose

The purpose of the Risk Management Policy is to provide guidance on how Lyons College will manage risk to support the achievement of corporate objectives, protect students and staff, protect business assets and ensure financial sustainability.

Scope

This Policy applies to all Lyons College activities and others directly associated with those activities.

Risk Governance

Lyons College has the following Governance bodies and staff who are involved in risk management. Their roles and responsibilities are outlined below.

Board	<p>Responsible for ensuring a risk management framework is in place to protect students and staff, protect business assets and ensure financial sustainability.</p> <p>Provide leadership for Lyons College’s risk management programs and monitor the controls framework to ensure major risks are identified and managed.</p>
Academic Board	<p>Identification of risks within the College’s higher education academic courses and operations.</p> <p>Making recommendation of mitigation strategies.</p>
Audit and Risk Committee	<p>Review Lyons College’s financial control and risk management systems.</p> <p>To review and assess the adequacy and compliance of Lyons College’s policies and procedures for identifying, assessing and managing risks.</p> <p>Review and update Lyons College’s Risk Register and report to the Board.</p>
Chief Executive Officer	<p>Operational responsibility for implementing Risk Framework.</p> <p>Updating ARC and Board on Risk Management, including presenting the updated Risk Register.</p>

<p>Manager Governance, Risk and Compliance</p>	<p>Responsible for maintaining and updating the Risk Register. This will include the addition of new risks and recommendations for the removal of risks from the Risk Register.</p> <p>Responsible for the analysis, evaluation, prioritisation and treatment options for newly identified risks.</p>
<p>Executive Management and Senior Staff</p>	<p>Ensuring compliance with the risk management framework within their area of responsibility.</p> <p>Responsible for identifying new or changes in risks and communicating and reporting those risks to the Manager Governance, Risk and Compliance.</p>

Policy

The International Standard on Risk Management AS/NZS ISO 31000:2009 has the following definitions:

risk	“effect of uncertainty on objectives”
risk management	“coordinated activities to direct and control an organisation with regard to risk”
risk management framework	“set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring reviewing and continually improving risk management throughout the organization”

Lyons College is committed to ensuring that risks are managed appropriately. The key driver for this is to ensure the minimisation and mitigation of risks to Lyons College students and staff, the business and its assets and the future of the organisation. As well as minimising and mitigating risks, Lyons College will have remedial action plans in the case of certain risks eventuating.

To achieve this Lyons College will implement a risk management framework. The framework must be appropriate for the size and nature of the organisation. This means that the framework will be adaptable, with the components of the framework reflecting Lyons College’s specific needs at the time.

Risk Management Framework

Lyons College will implement a risk management framework based on a risk management cycle. The risk management cycle will follow standard and established practices and include the following steps:



Identifying risks

Risks are identified, categorized and given a risk rating based on the Risk Matrix.

Analyzing and evaluating risks

Risks are analyzed and evaluated to determine potential impact of risk, how the risk fits in with strategic and operational objectives and how the risk will be prioritised.

Responding to and treating risks

Mitigation strategies, controls and remedial plans are developed to mitigate and manage the risk.

Monitoring and reviewing risks

Monitor and review of risks, controls, mitigation strategies and remedial plans to determine any change to their risk rating or priority.

Reporting on risks

New risks, changes to risks, risk ratings and priorities are reported.

The risk management cycle will be supported by a Risk Register containing a Risk Matrix. The Risk Register will include: identification of the risk; the impact, likelihood and risk rating of the risk; the consequences and mitigation strategies, remedial plan in place; and who to action the mitigation strategies and remedial plans. The Risk Matrix will outline how Lyons College views and determines a risk rating.

Risk Matrix and Risk Rating

Lyons College has adopted the following Risk Matrix. The combination of the likelihood of a risk occurring and the impact of that same risk eventuating give rise to the risk rating. All identified risks with a rating of “High” will be reported at every Board and ARC meeting.

Impact:

1. **Minor:** Negligible disruption on the operations of the College
2. **Moderate:** Substantial disruption of one essential operation, or minor disruptions of several essential operations
3. **Severe:** Critical disruption of one essential operation, or substantial disruptions to several essential operations
4. **Catastrophic:** Critical disruption of several essential operations

Likelihood of occurrence:

1. **Rare:** Near zero likelihood of occurrence
2. **Unlikely:** Negligible likelihood of occurrence
3. **Possible:** Low likelihood of occurrence
4. **Likely:** High likelihood of occurrence
5. **Certain:** Guaranteed occurrence

		IMPACT			
		1 Minor	2 Moderate	3 Severe	4 Catastrophic
LIKELIHOOD	5 Certain	Marginal	Serious	High	High
	4 Likely	Marginal	Serious	High	High
	3 Possible	Low	Marginal	Serious	High
	2 Unlikely	Low	Low	Marginal	Serious
	1 Rare	Low	Low	Marginal	Serious