AUSTRALIAN INSTITUTE
OF HIGHER EDUCATION

Enterprise Risk Management Policy and Framework

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Related Documents	Included in this policy and procedure document: • AIH Risk Assessment Guidelines • AIH Risk Appetite Statement • AIH Risk Matrix • AIH Risk Register Institutional Quality and Governance Framework Australian Standards ISO 31000:2018
HESF (Threshold Standards) 2021	6.2.1

1.   Purpose

Risk Management is an integral part of the overall planning and review processes of the Australian Institute of Higher Education (AIH or "the Institute"). The Institute has developed Risk Assessment Guidelines as part of their policy and procedure to identify and list the significant risks which may impact on AIH's operations, rating each risk in terms of consequence and likelihood and then proposing how each risk might be treated to minimise exposure to the consequences of adverse events.

2.   Scope

This policy puts in place systematic management of activities that involve a material change of risk of loss or other damage to AIH such as:

- Risks that can emanate from internal and external sources;

- Risks for AIH that include issues such as client dissatisfaction, adverse publicity, physical safety and security of staff, low performing management and staff, equipment or computer failure, legal and contractual matters and fraud.

It is not possible to have a totally risk-free environment. Many decisions involve managing risks according to AIH's assessment of what constitutes an acceptable level of risk and it judgments about the costs and benefits of courses of action.

3.   Definitions

See the AIH Glossary of Terms for definitions.

4. Principles

This Policy and Framework is underpinned by the following principles and is based on the Australian Standards ISO 31000:2018.

- Risk Management is an integral part of all AIH's activities and processes.
- Risk Management is structured, comprehensive, timely and contributes to consistent and comparable results.
- Risk Management framework and process is customised with the risk profile and risk appetite set for AIH's experiences and strategy.
- Risk Management is inclusive and transparent with processes including involvement of stakeholders and decision-makers across AIH.
- Risk Management anticipates, detects, acknowledges and responds to changes and events in an appropriate and timely manner.
- Risk Management inputs are based on historical and current information, as well as future expectations taking into account any limitations and uncertainties associated with such information and expectations.
- Risk Management takes human behaviour and culture into account with consideration to the Institute's culture.
- Risk Management is continually improved through learning and experience.

5. Objective

AIH's objective in adopting a risk management plan are to:

- Ensure that the major risks faced by AIH are identified, understood and appropriately managed;
- Ensure that AIH's planning and operational processes focus on areas where risk management is needed; and
- Create an environment where AIH staff take responsibility for identifying and managing risk.

The following framework is aimed at setting out the principles underpinning AIH's approach to risk management and staff. The policy objectives are:

- **Assist AIH to achieve its strategic and operational objectives** through articulation of an appropriate risk management framework
- **Integrate and align risk management** systems with AIH's activities business processes and performance management
- **Articulate** an appropriate structure to support communication and execution of the risk management responsibilities
- **Develop a culture** of risk awareness whilst maintaining a culture of operational excellence and innovation
- **Create a positive risk** environment where all staff assume responsibility for managing risk.

6. Risk Management Framework

AIH's Risk Management Framework outlines the operational practices and processes of risk management at the Institute. The Framework describes:

- The regulatory and institutional contexts on which the Institute's Risk Management Policy and Framework are based;
- The components of AIH's risk management processes;

- The Institute's Risk Register that records risks faced by AIH to service delivery, statutory compliance, reputation, business continuity, financial viability and sustainability, treatments (mediating actions) to those risks, risk management activities, and progress in the execution of treatments and risk management activities;
- The AIH Risk Appetite Statement which records the amount of risk the Institute is prepared to accept in order to meet strategic objectives;
- Roles and responsibilities of the Board of Directors, Academic Board, Audit and Risk Committee and AIH's Executive officers in relation to effective risk management;
- Monitoring and Reporting provisions and schedules for risk management processes and activities.

7. Responsibilities

The governance of risk management is seen as a collective responsibility, although the ultimate responsibility rests with the Board of Directors. An overview of responsibilities at the governance and management levels is detailed below.

7.1 Board of Directors

The AIH Board of Directors has the ultimate responsibility for effective oversight of all risks and shall regularly monitor potential risks to the Institute operations ensuring the Executive Management Team applies prudent strategies to mitigate risks that may eventuate. The Board receives regular updates on the status of risks from the CEO or nominee through the Audit and Risk Advisory Committee as well as the Academic Board. In certain circumstances, the Board may commission independent audits of the operations via its Audit and Risk Advisory Committee, or by engaging an external consultant. The AIH Institutional Quality and Governance Framework provides specific details of Board of Director responsibilities with respect to risk management.

7.2 Audit & Risk Advisory Committee

The Board of Directors delegates to the Audit and Risk Advisory Committee the authority to review, monitor, and investigate four key areas: business performance reporting, internal control structure, risk management systems, and internal and external audit functions. The Committee will also examine any other matters referred to it by the Board. The AIH Institutional Quality and Governance Framework provides specific details of Audit & Risk Advisory Committee responsibilities with respect to risk management.

7.3 Academic Board Role

The primary focus of the Academic Board is to exercise vigilance and to monitor academic activities to ensure all risks to students, including academic programs and outcomes are properly identified and mitigated by the Executive Management Team and that academic primacy is reflected in all AIH plans and decisions, including maintenance of academic standards, academic integrity and assurance of quality in all operations. The Academic Board has adopted an academic governance framework and a number of standing committees through which it monitors all risks and quality of operations.

7.4 Principal/CEO

Among the key responsibilities of the Principal/CEO the following may be noted (not exhaustive):

- Encouraging all personnel to support risk management activities

- Determining acceptable levels of risk for AIH in consultation with the Board and the senior executive team
- Reviewing the risk management plan
- Facilitating open and honest communication about risks within the Institute
- Facilitating systemic analysis and mitigation of risks
- Approving risk responses and associated actions prior to implementation
- Facilitating risk management by all key personnel
- Regularly reporting risk status to the Audit & Risk Advisory Committee with recommendations for appropriate strategic decisions and actions to maintain acceptable risk exposure
- Escalating identified risks to the Board where appropriate
- Monitoring the efficiency and effectiveness of the risk management practices
- Commissioning reviews of risk management practices for their effectiveness

7.5 Dean/Director Teaching & Learning

Among the key responsibilities of the Dean the following may be noted (not exhaustive):

- Exercise leadership with respect to the management of academic risks
- Ensure all policies and guidelines and operations are aligned with Risk Management strategies
- Ensure senior academics have defined roles in managing academic risks
- Gather evidence of effective risk management outcomes
- Regularly report academic risks to Academic Board and operational risks to Principal /CEO or nominee.

7.6 Registrar

Among the key responsibilities of the Registrar the following may be noted (not exhaustive):

- Exercise leadership with respect to the management of admin services & student support risks
- Ensure all relevant policies & guidelines and operations are aligned with Risk Management strategies
- Ensure staff have defined roles in managing admin risks
- Gather evidence of effective risk management outcomes
- Regularly report admin risks to Principal or nominee.

8.   Legislation

- Education Services for Overseas Students Act 2000 (ESOS Act) (Amended 2015 and 2021)
- Education Services for Overseas Students (ESOS) Regulations 2019
- National Code of Practice for Providers of Education and Training to Overseas Students 20072018
- TEQSA Higher Education Standards Framework (Threshold Standards) 20152021
- Work Health and Safety Act 2011 (NSW)
- Risk Assessment Framework Version 2.3, March 2019; TEQSA
- Tertiary Education Quality and Standards Agency Act 2011 (TEQSA Act)
- Tertiary Education Quality and Standards Agency (Information) Guidelines 2017
- Guidance Note: Corporate Governance Version 2.4, August 2019; TEQSA

9.   Version Control

This Policy has been reviewed by the Australian Institute of Higher Education Board of Directors in December 2020 to incorporate the Risk Assessment Guidelines and is reviewed every 3 years. The Policy is published and available on the Australian Institute of Higher Education **website http://www.aih.nsw.edu.au/** under 'Policies and Procedures'. This amendment was endorsed by the Board of Directors on 26 April 2022.

Change and Version Control				
Version	**Authored by**	**Brief Description of the changes**	**Date Approved:**	**Effective Date:**
2017.1	Executive Director	New policy	August 2017	August 2017
2020.1	Chief Executive Officer	Addition of Risk Assessment Guidelines and Risk Appetite Statement	18 December 2020	18 December 2020
2022.1	Chief Executive Officer	Inclusion of Principles based on AS ISO 31000:2018 principles. Inclusion of Risk Management Framework and Responsibilities. Minor amendments to update formatting and legislation changes. Change of title to Enterprise Risk Management Policy and Framework	26 April 2022	2 May 2022

AIH Risk Assessment Guidelines

Purpose

Risk management is an iterative process of continuous improvement which seeks to identify, analyse and evaluate risk in a standardised manner across all Australian Institute of Higher Education ("the Institute" or "AIH") functions and activities. Through the use of a standard methodology, risks can be compared, categorized and assessed to ensure that they fall within acceptable limits as determined by the AIH Board of Directors.

AIH recognizes that risk management is an integral part of good governance and management practice and is committed to its application at all management levels within AIH.

Risk management is recognized as an essential governance mechanism and supports the achievement of AIH's strategic objectives. AIH recognizes that:

- the effective management of risk is vital for the continued growth and success of AIH
- the risks inherent in the Institute's operating environment need to be considered and managed in an informed way
- by understanding and managing risk, the Institute can provide greater certainty and confidence to all stakeholders, and
- risk arises in many forms and can have positive or negative impacts on AIH's ability to achieve its strategic objectives.

Risk Management Framework

AIH's Risk Management Framework provides the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Institute.

The Risk Management Framework clarifies the relationship between the basic principles of risk management and AIH's processes for assessing and managing risks. The risk assessment process assists in identification of gaps and areas of potential improvement and documenting treatment plans to bring risks to an acceptable level.

The AIH Risk Management Framework meets three primary objectives:

1. consistent business risk management practices
2. identification and appropriate management of all key risks within the Institute
3. risk identification, assessment and management is continuously reviewed and communicated to all relevant AIH staff, management and governance members.

The Institute's Risk Management process (Figure 1) identifies six key stages to the process.

1. Communicate and Consult with external and internal stakeholders
2. Establish the context – the scope, boundaries and criteria
3. Risk Assessment – identify, analyse and evaluate the risks
4. Risk Treatment – implement and assess controls to address the risk
5. Monitoring and Review – review the risks and audit
6. Recording and Reporting – effective governance
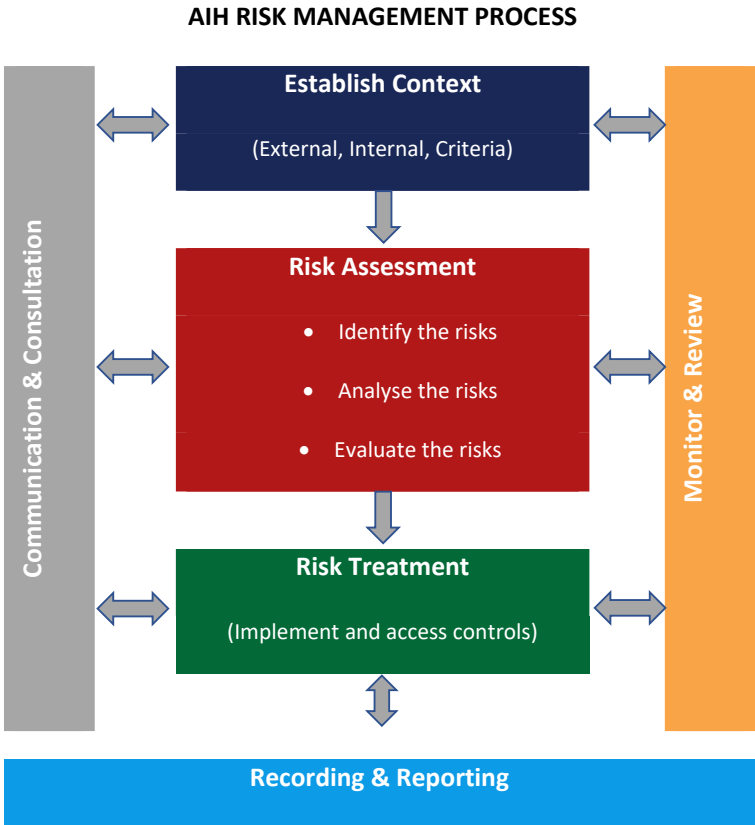
AIH RISK MANAGEMENT PROCESS

Figure 1 – AIH Risk Management Process

The framework is designed to:

- identify potential risk impacts that could affect AIH
- enable the consistent management of risk within a defined risk appetite
- identify potential opportunity impacts (within projects) to provide a balanced view for decision making purposes, and
- provide reasonable assurance on the achievement of strategic objectives.

1.   Communication and Consultation

Success of the AIH Risk Management Framework relies on effective communication and consultation with all key stakeholders regarding risk management processes, issues and initiatives. Staff must ensure that all relevant stakeholders are consulted and informed of risk management activities.

2.   Establish Context

Context is established by the risk leadership team and involves setting boundaries around the depth and breadth of risk management efforts to matters or events required to achieve the strategic intent of AIH.

Establishing the scope of the Institute's risk assessment requires that you consider all factors which may be relevant to your decision-making processes:

- What is my objective – what am I setting out to achieve?
- Broader implications – what affect could my project/decision have on other facets of the organization and how does it sit within our strategic objectives?
- Who should be involved – who are the stakeholders who may be impacted by this project/decision or may be able to give me relevant information to assist me?
- Regulatory environment – Is there legislation which I need to consider?

AIH determines the amount and type of risk that it may or may not take, relative to objectives. This requires a Risk Appetite Statement that will determine the risk capacity and tolerances expressed against a number of key risk indicators against categories of risk.

Risk capacity being the amount of risk an organization can afford to take or sustain.

Risk appetite being the amount and type of risk that the organization is willing to take in order to meet their strategic objectives.

3.   Risk Assessment

3.1   Identify the risk:

Identifying risk is the process of looking at your objectives and identifying what could impact on your ability to achieve that objective. Risks can be positive or negative. This means thinking through the sources of risks, the potential hazards, the possible causes and the potential exposure.

The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of AIH objectives. It is important to identify the risks associated with not pursuing an opportunity.

Risk identifications occurs within the following seven categories of risk that are aligned with the AIH Appetite Statement.

1. Strategic & Operational risks
2. Financial risks
3. Academic risks
4. HR
5. Quality and Regulatory risks
6. Reputation and Political risks
7. Business Interruption risks

The key questions when identifying risks are what, where, when, why and how can it happen, what is the impact and who is responsible for managing the risk?

RISK CATEGORY	CONSIDERATIONS
Strategic & Operational	Potential events or circumstances that affect AIH's strategic vision, priorities and goals. Operational risk relates to activities carried out in the day-to-day business of AIH. They may be associated with structure, systems, people, services or processes. For example. Do we have the right equipment, software systems to meet the needs of students? What are the risks of internal or external fraud? Are adequate cyber security measures in place

Financial	What are the possible short, medium and long-term financial impacts?
Academic	What are the academic risks? What is the attrition and progression of students? How do we support students academically? Do we have the right programs and delivery mode?
HR	What are the safety or health and wellbeing implications? Do we have the right people with the right skills and accountability? Do we have adequate resources?
Quality and Regulatory	Do we meet our regulatory compliance requirements?
Reputational and Political	What are the potential positive and negative impacts to brand and reputation?
Business disruption	What will the impact of this decision/project have on the operation of the Institute as a whole? Resilience following disaster, crisis or events impacting business continuity.

In Identifying the risks, you should also be considering and documenting what controls you have in place to minimize the chance of things going wrong and the maximize the potential for your project to proceed and meet expectations.

Controls should be ongoing processes, systems, policies, procedures, audits, reviews and reporting, which direct or control behaviour and enhance accountability.

3.2   Analyse the Risks

The aim of analysing risks is to determine where the greatest risks and opportunities exist. On this basis risk treatment plans can be developed, resources allocated and decisions made at the appropriate levels of the organisation based on best available information and a consistent criteria of evaluation.

Risk analysis is based on a simple matrix considering the likelihood of an event occurring and the likely consequence of that occurrence.

An Institute wide set of consequence and likelihood criteria has been developed that should suffice for most risk management activities down to project level. The applicability of these criteria needs to be examined as part of establishing the context for each individual risk assessment activity.

The following factors, and the relationship between them, should be considered.

- Tangible and intangible sources of risk
- Causes and events
- Threats and opportunities
- Vulnerabilities and capabilities
- Changes in external and internal context
- Indicators of emerging risks
- The nature and value of assets and resources
- Consequences and their impact on objectives
- Limitations of knowledge and reliability of information

- Time-related factors

Determining the likelihood

The first step in analyzing risk involves determining the realistic likelihood of the identified risk occurring. The likelihood can be measured in the context of a period of time based on past history and stakeholder specialist knowledge.

Determining the consequence

The consequence of a risk can be expressed using a variety of different types of criteria such as financial cost, health and safety, reputational damage. AIH has developed a table of consequence ratings across the seven identified categories of risk to guide assessment of potential consequence.

When assessing the potential consequence, consideration should be given to each of the relevant criteria.

Once the risks have been identified, they are then analysed. Risk analysis involves consideration of Treating Risks.

Treatment of risk requires that actions are taken to reduce the likelihood of the risk materialising or the event occurring, limiting the potential consequences if the risk materializes, or a combination of both. Multiple treatments may be required to reduce the risk as far as reasonably practicable.

Treatments may include a variety of measures including implementing new policies and procedures, limiting exposure, purchasing insurance, seeking further professional advice, outsourcing and implementing training programs.

When determining risk treatments a number of factors must be considered:

- Will the treatment effectively reduce the risk?
- Is the cost proportionate to the risk reduction achievable?
- How long with it take to implement?
- Is the treatment in line with best practice?
- Are the resources (human and financial) available?
- What additional risks might the treatment introduce?

Risk treatment plans should be recorded, including who is responsible for delivery of each identified treatment and target dates for delivery. A target risk rating should then be recorded indicating the expected residual risk once the treatments have been applied.

Risk treatments plans should be regularly reviewed by the risk owner to ensure that treatments are implemented and will be reviewed and monitored by the Risk and Integrity Unit.

AIH Likelihood Ratings			
Rating	Likelihood	Description	Quantification
1	Rare	The event may occur but only in exceptional circumstances and/or no past event history.	May occur only in exceptional circumstances (eg every 5-10 years)
2	Unlikely	The event could occur in some circumstances. No past event history.	Could occur at some time (eg every 2-5 years)

3	**Possible**	The event may occur sometime. Some past warning signs or previous event history.	May occur at some time (eg within the next 2 years)
4	**Likely**	The event will probably occur. Some recurring past event history.	Will probably occur in the most circumstances (eg at least once per year)
5	**Almost Certain**	The event is expected to occur in normal circumstances. There has been frequent past history.	Expected to occur in most circumstances (eg monthly to several times per year).

AIH Consequences Ratings			
Rating	Consequence	Description	Quantification
5	**Catastrophic**	The event may occur but only in exceptional circumstances and/or no past event history.	Most objectives may not be achieved, or several severely affected.
4	**Major**	The event could occur in some circumstances. No past event history.	Most objectives threatened, or one severely affected.
3	**Moderate**	The event may occur sometime. Some past warning signs or previous event history.	Some objectives affected, considerable effort to rectify.
2	**Minor**	The event will probably occur. Some recurring past event history.	Easily remedied, with some effort the objectives can be achieved.
1	**Insignificant**	The event is expected to occur in normal circumstances. There has been frequent past history.	Very small impact, rectified by normal processes.

3.3   Evaluating the Risk

Risk evaluation requires comparison of the level of risk found during the analysis process with the established risk appetite of AIH to determine where additional action is required. Ultimately this can lead to a decision to:

- do nothing;
- consider risk treatment options;
- undertake further analysis to better understand the risk;
- maintain existing controls;
- reconsider objectives.

At AIH for the various levels of risk, the following treatment strategies are required.

AIH Treatment Strategies	
Extreme:	Requires immediate action as it has the potential to be damaging to the organization.
High:	Board of Directors attention needed.
Moderate:	Management responsibility – must be specified.
Low:	Manage by routine procedures.

Decisions should take account of the wider context and the actual and perceived consequences to external and internal stakeholders. The output of the risk evaluation is a prioritized list of risks for further action.

AIH Risk Rating Matrix					
Likelihood	Consequence				
	1 Insignificant	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
5 Almost Certain	**Moderate** **5**	**Moderate** **10**	**High** **15**	**Extreme** **20**	**Extreme** **25**
4 Likely	**Low** **4**	**Moderate** **8**	**High** **12**	**High** **16**	**Extreme** **20**
3 Possible	**Low** **3**	**Moderate** **6**	**Moderate** **9**	**High** **12**	**High** **15**
2 Unlikely	**Low** **2**	**Low** **4**	**Moderate** **6**	**Moderate** **8**	**Moderate** **10**
1 Rare	**Low** **1**	**Low** **2**	**Low** **3**	**Low** **4**	**Moderate** **5**

Scale: 1-4 = Low   5-11 = Moderate   12-16 = High   17-25 = Extreme

4.   Risk Treatment

Risk treatment is the process to select one or more options for avoiding, removing or modifying risks, removing the source, changing likelihood or consequence and implementing those options.

It involves identifying and evaluating existing controls and management systems to determine if further action (risk treatment) is required. The selection of risk treatment options should be made in accordance with AIH's objectives, risk criteria or appetite, and available resources.

5.   Recording and Reporting

All risk assessments must be recorded in the appropriate risk register.

6.   Monitoring & Review

Sound risk management requires ongoing review and is based on a cycle of continuous improvement. Identified risks may change or cease dependent on both internal and external circumstances.

Monitoring and review of both risks and treatment plans are the responsibility of the identified risk owner.

The table below denotes AIH's cycle of review.

Attached documents that follow the table include:

- Appendix 1 – Consequences & Likelihood Ratings
- Appendix 2 – AIH Risk Matrix
- Appendix 3 – AIH Risk Appetite Statement

RATING	APPROVAL AND REVIEW	ACTIONS
Extreme	Board of Directors and CEO	• Consideration should be given to ceasing or delaying the activity until treatments can be implemented to reduce the risk. • Approval to proceed must be obtained from the Board of Directors/CEO prior to commencement. • Ongoing review of risk treatments must be undertaken by the appropriate delegated member by the Board of Directors. • On identification the risk must be reported to the CEO for Board awareness and consideration. • Reported quarterly to the Audit & Risk Management Committee (ARMC) and Board of Directors.
High	CEO approval and continuous review	• Risk owner to regularly monitor application of controls. • Treatment plans to be implemented and updated quarterly. • Changes in risk to be notified to approver as soon as practical • ARC review on request.
Moderate	Executive Management or equivalent approval and annual review	• Review controls for potential improvement. • Monitor risk treatment plans and update quarterly. • Quarterly review of risk analysis and controls.
Low	No formal escalation required. Annual review.	• Dean, Managers or equivalent oversight to identify changing circumstances that may increase the level of risk. • Quarterly review of risk and controls.

APPENDIX 1 – CONSEQUENCE RATINGS

	Consequence Ratings						
	Risk Area and Impact						
	Strategic & Operational	**Financial**	**Academic**	**HR**	**Quality & Regulatory**	**Reputational & Political**	**Business Disruptions**
5. Catastrophic	Majority of AIH objectives can no longer be achieved Complete revision of long term business model required Loss of accreditation of multiple courses	>10% recurrent reduction in operating fund revenue One off loss of >$5m, Cash balance falls below 5 week forecast	Not met 70% of target for new and continuing student enrolments Not met 70-75% of target for new and continuing student enrolments across two Study Period Not met 75-80% of target for new and continuing student enrolments across three Study Period Inability to deliver teaching >2 days	Recruitment to a business/academic critical role >24 months Significant number of resignations among business/academic critical role Systemic failure to deal with grievances leading to multiple Fair Work Commission rulings against AIH	Successful class actions or serious prosecution Repeated breaches of significant contractual arrangements Significant statutory intervention due to serious breach of legislation and/or breach of AIH policy	Sustained negative national and international publicity Loss of majority of agent relationships Loss of several agent agreement	Loss of ICT services and basic building amenities >2 days Repeated significant loss or breach of data integrity

4. Major	A number of significant of AIH objectives can no longer be achieved Loss of mandatory accreditation of single course	Between 5-10% recurrent reduction in operating fund revenue One off loss of between $5m-$10m Cash balance falls below 10 week safety margin	70-75% of target met for new and continuing student enrolments 75-80% of target met for new and continuing student enrolments across two Study Period 85-80% of target met for new and continuing student enrolments across three Study Period Inability to deliver teaching for 24-48 hours	Recruitment to a business/academic critical role 12-24 months Single high profile performance management case resulting in Fair Work Commission ruling against AIH	One off serious successful prosecution or adverse findings Breach of significant contractual arrangement Statutory intervention due to breach of legislation and/or breach of AIH policy	Significant negative publicity 25% loss in agent relationships Loss of 2 key agent relationship	Loss of ICT services and basic building amenities for 24-48 hours Significant loss or breach of data integrity
3. Moderate	Some important AIH objectives can no longer be achieved Loss of voluntary accreditation of single course	Between 1-5% recurrent reduction in operating fund revenue One off loss of between $500k-$1m	75-80% of target met for new and continuing student enrolments across one Study Period 85-80% of target met for new and continuing student enrolments across two Study Period	Recruitment to a business/academic critical role 6-12months Escalation of performance management case(s) to Fair Work Commission Inability to attract/retain key staff	One off breach of legal or contractual arrangements requiring legal or regulatory intervention Repeated breaches of AIH policy with formal counselling of an employee	One off negative publicity of several days' duration 5% loss in agent relationships Loss of 1 key agent relationship	Loss of ICT services and basic building amenities 12-24 hours Loss or breach of data integrity

			Inability to deliver teaching for 12-24 hours	across multiple disciplines			
2. Minor	Reprioritisation of resources to enable achievement of key AIH objectives	One off or recurring loss of between $100k-$500k	85-80% of target met for new and continuing student enrolments across one Study Period Inability to deliver teaching for 4-12 hours	Recruitment to a business/academic critical role within 3-6months Performance management case(s) satisfactorily resolved by AIH Inability to attract/retain staff in a specialised area	Minor breach of regulations or standards One off minor breach of AIH and no formal counselling of employee	One off negative local publicity Loss of 1 agent relationship	Loss of ICT services and basic building amenities 4-12 hours
1. Insignificant	Little or no impact on AIH objectives	One off, or recurring loss of <$1m Outstanding tuition fees <$100k	100-85% of target met for new and continuing student enrolments across one Study Period	Performance management cases resolved satisfactorily Higher than desired staff turnover in non-critical areas	Minor technical breach of standards	One off media enquiries or neutral press coverage Minimal changes in agent relationships	Loss of ICT services and basic building amenities >4 hour

Appendix 2 - AUSTRALIAN INSTITUTE OF HIGHER EDUCATION RISK MATRIX

AIH Risk Rating Matrix					
Likelihood	**Consequence**				
	1 Insignificant	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
5 Almost Certain	Moderate 5	Moderate 10	High 15	Extreme 20	Extreme 25
4 Likely	Low 4	Moderate 8	High 12	High 16	Extreme 20
3 Possible	Low 3	Moderate 6	Moderate 9	High 12	High 15
2 Unlikely	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
1 Rare	Low 1	Low 2	Low 3	Low 4	Moderate 5

Scale: 1-4 = Low   5-11 = Moderate   12-16 = High   17-25 = Extreme

Definition:

Likelihood Rating	Definition
Almost Certain	Evidence suggests the event is imminent.
Likely	The event is likely to occur within one year
Possible	The event may occur within next 2 years
Unlikely	The event could occur sometime every 2-5 years
Rare	The event will only occur in exceptional circumstances (every 5-10 years)

APPENDIX 3 - AIH RISK APPETITE STATEMENT

Introduction

AIH is a young institution with bold ambitions to be recognised as an innovative leader in the private education sector. AIH is committed to delivering quality education and going above and beyond to establish an excellent student experience through investment in facilities, student support services and teaching resources.

To achieve its purpose AIH has developed a strategic plan which takes a transformational approach, balancing growth and sustainability through five strategic goals:

1.   OUR STRATEGIC GOALS
Become a popular student destination
Offer a high-quality student experience
Make a positive impact
Become a higher education workplace of choice
Build an efficient organisation

Risk Management Framework

AIH has developed a risk management policy and procedure to guide the application of risk management principles and processes. This risk appetite statement sets the foundation for this framework, outlining AIH's overarching appetite for risk to guide decision making at all levels of the organisation.

1. Strategic & Operational risks
2. Financial risks
3. Academic risks
4. HR
5. Quality and Regulatory risks
6. Reputation and Political risks
7. Business Interruption risks

Risk Appetite

1   Strategic & Operational Risk

AIH is committed to maintaining a safe and healthy environment where staff, students and visitors are protected from physical and psychological harm. There is zero tolerance for activities that threaten the health and wellbeing of our staff, students or visitors. There is **zero** appetite for any deviation from the Institute's standards and legislative responsibilities in these areas.

Innovation, growth and commercialisation are central to increasing income, attracting students and staff, and building reputation. There is a **moderate to high** appetite for activities that will potentially

optimise these elements across the Institute's operations. There is a low appetite for activities that deter the pursuit of these elements — i.e. ignoring these factors is considered detrimental to our strategic goals.

2 Financial Risk

Adapting to change and planning for the future requires investment in new technologies, infrastructure and projects which bring a degree of financial risk. The potential risks and costs are weighed against the potential benefits. While risks will be reduced as far as possible a **Medium** level of risk will be accepted for specific initiatives.

We aim to maintain our long-term financial sustainability and financial strength, while recognising that achieving our strategic objectives is important to sustain long term financial growth. There is a low to **moderate** appetite for the risks associated with growth and expansion, such as capital expenditure.

3 Academic Risk

Providing a high-quality student experience requires AIH to plan for unexpected events and maintain the capability to continuously deliver educational and support services to our students and partner organisations in all circumstances. One of our key strategic goals is to provide an excellent educational experience to attract and retain students who, regardless of their background, will succeed at university and become graduates and alumni of influence.

There is a **low** appetite for activities that threaten to de-value or diminish the quality of our students' experience. There is a **moderate** appetite for activities that have the potential to maintain or increase the value of our students' experience — i.e. events that reinforce, sustain, or improve the quality of student outcomes and experience.

4 HR Risk

The safety and wellbeing of our Institute is paramount and accordingly AIH will tolerate a **Low** level of risk in this area. Risks are controlled through a variety of occupational health and safety policies and procedures, student and staff health and wellbeing initiatives and an extensive range of support services.

AIH seeks to be a workplace of choice and values the attraction and retention of the right people. In order to achieve a balance of stability and growth AIH is willing to accept a **Medium** level of risk in human resource management.

5 Quality and Regulatory Risk

The Institute must comply with an array of Commonwealth and State legislation, regulations and quality standards in its delivery of its academic programs and support operations. Failure of compliance systems has the potential for severe impacts on the future of AIH and accordingly a **Low** tolerance of risk is essential in this area.

The Institute has **zero** appetite for activities that threaten our status of legal and regulatory compliance

6 Reputational and Political Risk

To achieve its goals of being a popular student destination and a workplace of choice, the Institute must maintain a strong reputation with all stakeholders, including students, staff, government and

the wider public. Given the wide range of external factors that may impact upon the reputation of the Institute a **Medium** level of reputational or political risk will be accepted.

7   Business Disruption Risk

AIH systems and processes are constantly evolving in line with technological advances creating new fraud and data breach risks. Electronic systems are utilised where possible to manage risks to an acceptable level with internal controls and audits in place to minimise risk. Implementation and maintenance of the learning management system and student management system are a priority and necessity for ongoing engagement with our learners.

It is important to the Institute that our activities and services operate efficiently, effectively, and consistently. There is therefore a **low** appetite for activities that threaten to diminish our standards of operation or could lead to a loss of confidence by our stakeholders and communities. There is a **moderate** appetite for activities that could potentially improve or enhance our business systems and standards of operation — e.g. system upgrades and enhancements to improve efficiency

Monitoring and Reporting

Compliance with the Institute's risk appetite statement will be monitored by the Registrar and reported to the Audit and Risk Management Committee on a quarterly basis.

Review

This statement will be reviewed and approved annually by the Audit and Risk Management Committee.