



THE UNIVERSITY
of ADELAIDE



RISK MANAGEMENT

Legal and Risk handbook

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PART A: INTRODUCTION

The University undertakes teaching, research and commercial activities across a diverse spectrum of disciplines, fields and environments. This diversity of activity creates an equally diverse and complex range of risks as well as a wealth of opportunities for the University. Understanding and managing the risks associated with these activities and environments, and making the most of new opportunities, is challenging and critical to preserving and protecting the University's reputation, resources, and standing in the local, national and international context.

The University has a statutory obligation for risk that is set out in The University of Adelaide Act. In addition, it recognises that risk management is an integral part of good governance and best management practice for an organisation charged with responsibility for the advancement of learning and knowledge and university education.

The University's Risk Management Framework connects the University's governance structure and the management structure so that the two work together to provide a combined commitment, set of expectations, and organisational and personal accountabilities and responsibilities.

The Council, the Audit Compliance and Risk Committee and the Vice-Chancellor and President, have ultimate responsibility for risk within the University. From this highest level of governance and management, each of the Divisions, led by the Vice Presidents, work with the Faculties, Schools and administrative areas so that risks are managed strategically and operationally. For the University's Controlled Entities, the Board and Senior Management of each entity takes responsibility for managing their risks.

The University has adopted the principles of risk management as set out in the International, Risk Management Standard - AS/NZS ISO 31000:2009 *Risk Management – Principles and guidelines*.

The Risk Policy formally affirms the University's strategic commitment to building a risk management culture in which risks and opportunities are identified and managed effectively. The University recognises that, in pursuing its strategic objectives, measured risk-taking is both acceptable and appropriate.

The Risk Management Handbook provides details on the principles and processes identified in the Policy. The Handbook includes resources which have been designed to assist with the risk management process and to encourage a consistent and comprehensive language and approach to managing risk across the whole University.

Throughout this handbook any reference to "The University" means and includes the University itself, its student body, all academic and professional staff, titleholders and contractors, and staff and employees of controlled entities.

All activities of an organisation involve risk

Organisations manage risk by anticipating, understanding and deciding whether to modify it. Throughout this process they communicate and consult with stakeholders and monitor and review the risk and the controls that are modifying the risk.

1. Risk Management Standard

The International Risk Management Standard AS/NZS ISO 31000:2009 (the Standard) provides the principles and guidelines for risk management. According to the Standard, “*the success of risk management will depend on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organisation at all levels.*” Within the Standard the expressions, ‘risk management’ and ‘managing risks’, are both used. In general terms:

- *risk management* refers collectively to the principles, framework and process for managing risks effectively, and
- *managing risks* refers to the application of these principles, framework and process to particular risks.

The University adopts the principles of risk management as set out in the Standard and actively works towards complying with these principles to ensure that risk management is effective.

Principles of Risk Management:	Compliance with the principles will deliver or ensure that:
Create and protect value	The University can demonstrably pursue its strategic objectives in research, learning and teaching, commercial undertakings and community engagement.
Are an integral part of all organisational processes	Risk management principles and practices are embedded into governance, enterprise and operational strategy, planning and management, policies, values and culture.
Is part of decision making	Each individual recognises the statutory mandate for risk management that is led by the Council, its Standing Committees, the Vice-Chancellor & President, and senior executive so that all decision-makers make informed choices, prioritise actions and recognise options and alternative courses of action and their consequences.
Explicitly address uncertainty	In taking account of uncertainty, decision-makers have regard for context and use knowledge, evidence and judgment to treat or mitigate risk.
Are systematic, structured and timely	The University’s approach to risk pursues both effectiveness and efficiency to achieve consistent, comparable and reliable results.
Are based on the best available information	In using their judgment and discernment, decision-makers will consider available information, experience, forecasts and stakeholder feedback.
Are tailored for the internal and external context	Decision-makers consider the statutory and operational mandates, requirements and expectations of internal and external regulators, auditors, funders, governing authorities and agencies; and account for the University’s strategic plans, risk profile and undertakings.
Takes human and cultural factors into account	The University recognises the capabilities, perceptions and intentions of external and internal people and communities that can facilitate or hinder the achievement of the University’s objectives.
Is transparent and inclusive	The University engages with internal and external stakeholders and decision makers to ensure that risk management remains relevant and up to date.
Is dynamic, iterative and responsive to change	The University responds to the changing needs of the higher education sector, the student community, staff and business partners by continually self-assessing, monitoring and reviewing its risk profile and identifying new and emerging risks.
Facilitates continual improvement of the organisation	The culture of risk management will continue to grow and mature across all areas of the University. Robust risk assessments and processes will encourage the identification and application of controls and treatments and result in better decision making and improved business practices. The University’s commitment to a centrally managed risk register has improved transparency, and will continue to facilitate better reporting, and enhance continual improvement. For this reason, the University’s Risk Register is a mandatory part of reporting and managing risk. <i>While the principles of risk and the risk management process are generic and applicable to all fields of risk, the reporting, management and monitoring of specific types of risk varies across the University. In order for the University to meet its statutory obligations, all occupational health and safety incidents, injuries, hazards, near-misses and concerns, are reported to, recorded, assessed and managed by the Health Safety and Wellbeing team in the Human Resources Branch using its systems and processes.</i>

2. Risk management - in general

Organisations of all kinds face challenging natural, political, socio-economic and cultural influences that make their operating environments uncertain. These influences may impact on the extent to which objectives can be met. The University is not immune from risks and is required by statute¹ to manage risk.

The effect this uncertainty has on the organisation's objectives is known as '*risk*'.²

Risk management refers to the coordinated activities that an organisation takes to direct and control risk.

Risk management can be **value enhancing** or **value protecting** or both. The actions, processes and controls put into place to manage risks that affect the achievement of the University's strategy are value enhancing; that is, they increase the potential for achieving strategic outcomes that add value to the University. The actions, processes and controls put into place to manage risks that have a negative consequence are value protecting; that is, they protect the value of the University by preventing or minimising the impact of negative events.

The University is committed to effective and efficient planning, thinking and decision-making. Risk management *helps* organisations become more efficient and effective by improving forward planning and critical thinking, and enabling better-informed decision making.

When the management of risk is effective it generally goes unnoticed. Conversely, when it is absent or fails, the impact is often highly visible and felt across the entire organisation rather than just at a school, branch or project level or by individual staff. The consequences may also be publically embarrassing, politically damaging or compromising to the University in some material way.

For a University, brand and reputation are very important; damage to brand and reputation may be transient or long lasting and will almost certainly effect rankings, research funding, ratings, research partnerships, and public and political sentiment and support; it can impact student enrolments, staff morale and community engagement.

Adopting good risk management ensures that an organisation can undertake activities in the knowledge that

- a) appropriate and adequate measures are in place to maximise the benefits,
and
- b) appropriate and adequate measures are in place to minimise the negative or unanticipated effects of any of the risks or opportunities that are presented in the course of achieving organisational objectives.

The principles and practices of risk management can be applied across an entire organisation, to its many areas and levels, as well as to specific issues, functions, projects & activities.

¹ The University of Adelaide Act 1971.

² AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines; iv Introduction.

3. Risk management - in the University context

The University faces many challenges and is influenced by internal drivers, such as the University's Strategic Plan and Enterprise Agreement, and external influences such as:

- Political will and policy changes;
- Funding cuts; global economic instability, currency risks, financial sustainability and use of limited resources;
- Globalisation and the digital revolution: growing global business and political interdependence and the unending transformation of educational delivery;
- New choices and pressures for students and staff: increased student mobility and expectation in course content, delivery and environment; increasingly fierce competition for research funding and in attracting the most qualified staff and the brightest students;
- Rising equipment costs and escalating pressures on researchers from grant agencies and the international ranking environment;
- Space and infrastructure constraints on existing services and impacting new initiatives;
- Environmental impacts: increasing pressures on the natural environment and the need to manage the environment to ensure long term sustainability and survival;
- Threats of campus exposure to violence and pandemics with negative impacts for student and staff enrolment and retention; exposure to pandemic infections increasing with frequency and ease of travel;
- Increasing scrutiny and demands for diligence, transparency and accountability; government regulation, monitoring and oversight; regular audits from external agencies (e.g. Auditor General, Commonwealth & State Department of Education, WorkCover SA) and a wide range of significant compliance requirements, both legislative / regulatory requirements and contractual obligations which scrutinise all aspects of the University's operations and demand compliance with best practice (e.g. NHMRC, TEQSA, ESOS & ERA, AQIS, the Ombudsman's Office, the Gene Technology Regulator).

Any University that fails to apply risk management practices when making key operating and business decisions may appear less than diligent to outside funding bodies, Government agencies, commercial investors and industry

In addition Commonwealth and State funding bodies are increasingly seeking evidence of a **demonstrable** risk management system as part of their funding requirements and agreements. Without a demonstrable system, we are potentially putting at risk the relationships and funding associated with our learning, teaching and research opportunities, our commercial activities and our philanthropy and fundraising endeavours.

Within the University environment, there are certain risks that have specific governance, management or reporting obligations; where that is the case, systems and processes have been implemented to ensure that there is a consistent approach to controlling these risks.

Examples of these categories include:

- Workplace Health and Safety risks
- Financial risks
- Fraud risks
- Legal and compliance risks
- Ethics and integrity of research

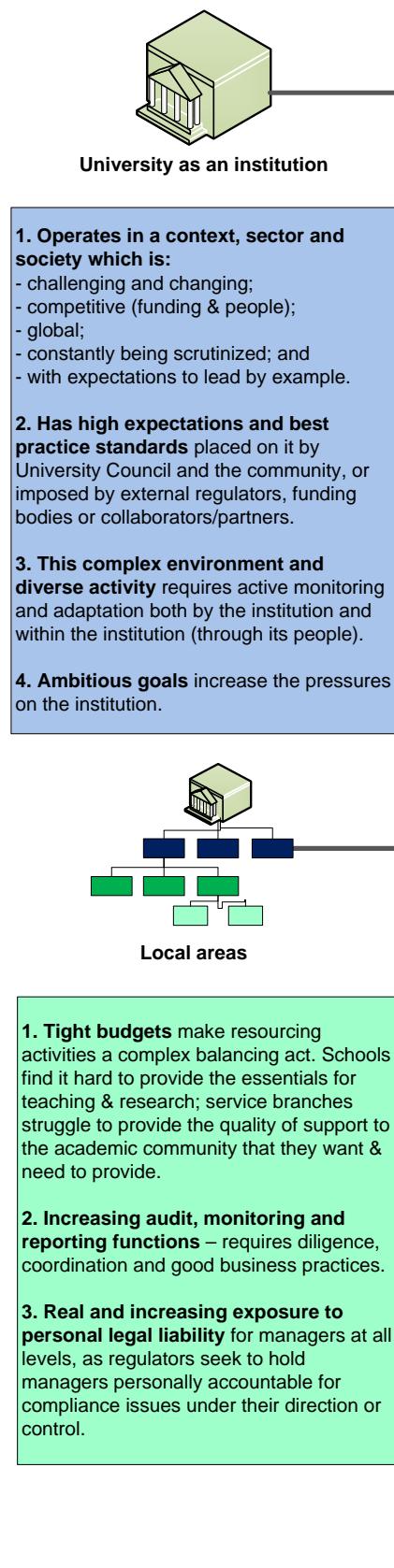
A demonstrable risk management system incorporates

- *Risk profiles*
- *Risk assessments*
- *Treatment plans*
- *Results of monitoring & risk reviews*
- *Evidence of consultation & communication*
- *Good documentation / formal records*

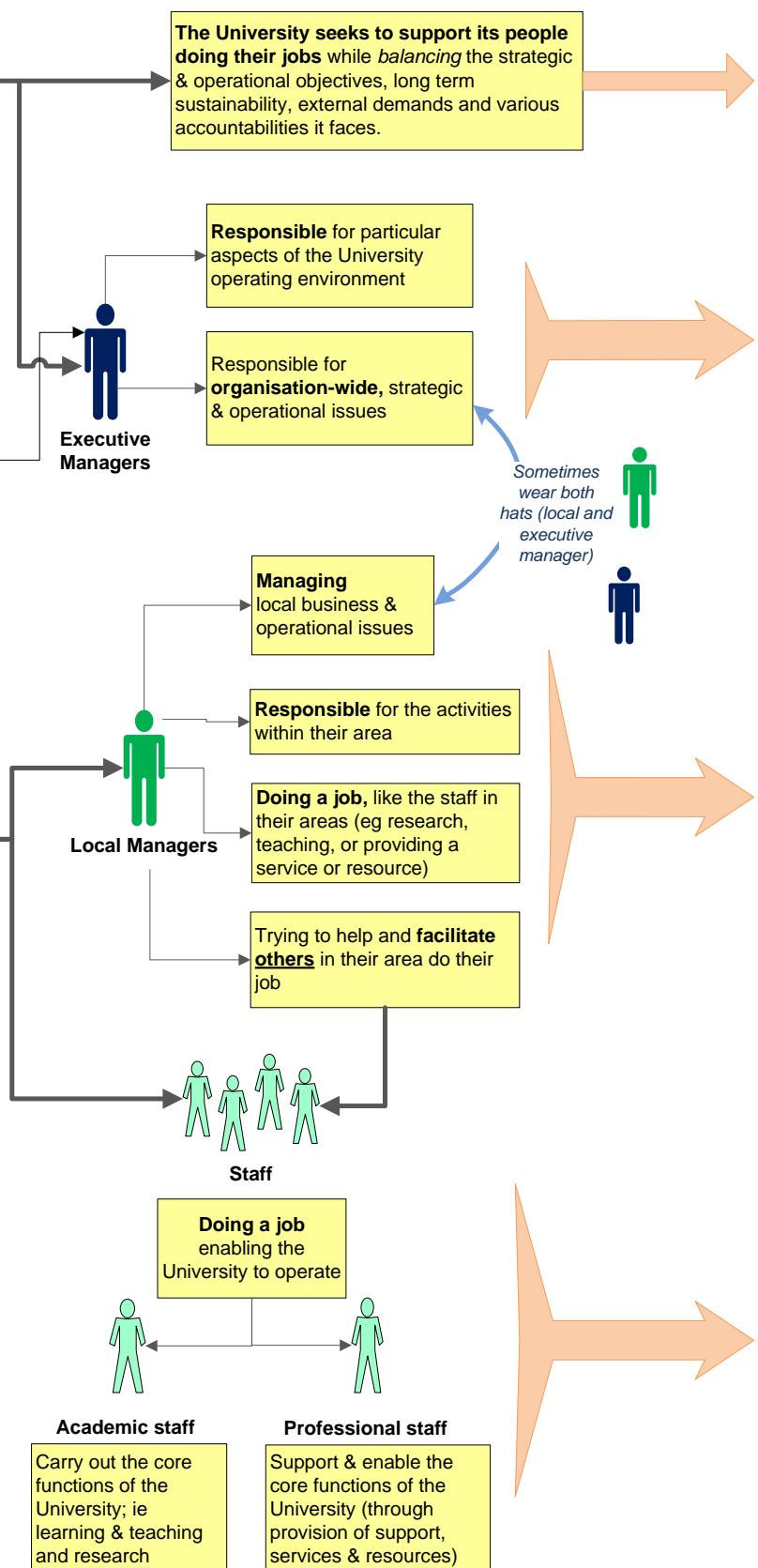
In order for risk management to become part of everyday practices, each person needs to recognise and accept the role they play in identifying and managing risk within the University.

Understanding risk management in the University context – who is it relevant to and why?

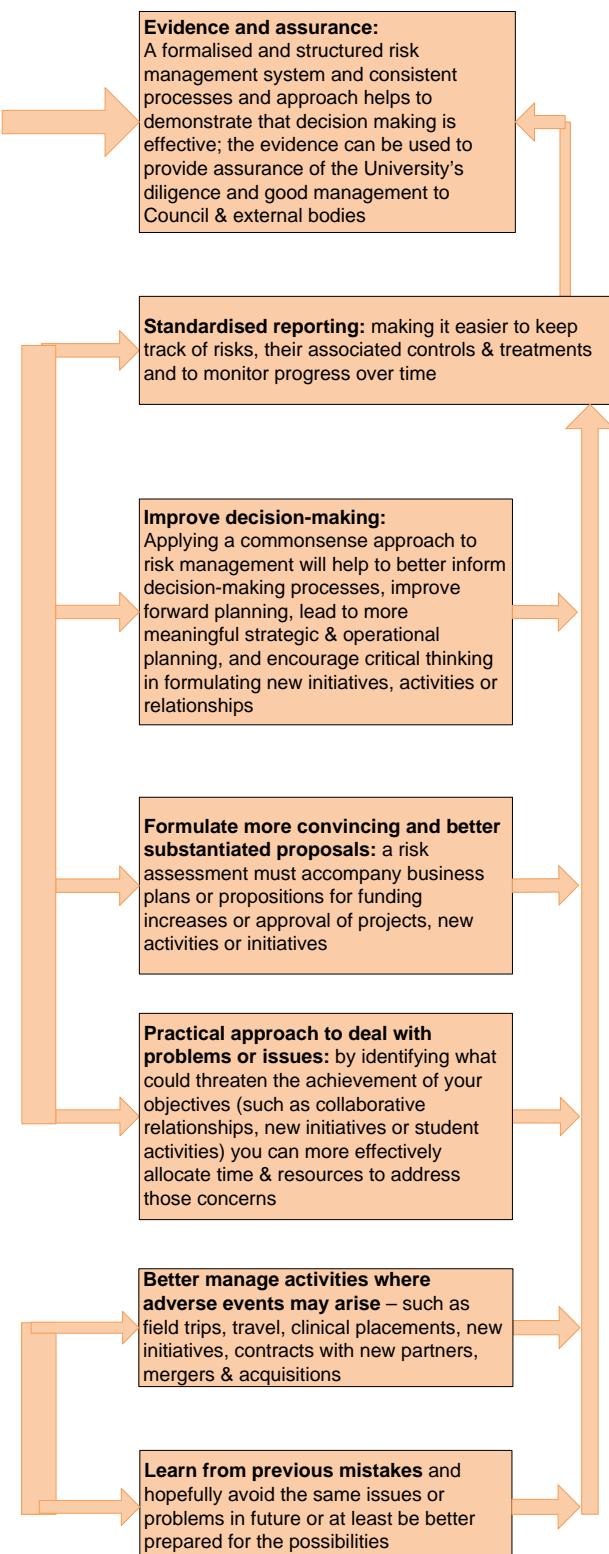
The University context: why is risk management relevant?



Role definition: who does what?



Objectives: how can risk management help?



Outcomes: what can risk management achieve?



PART B: RISK MANAGEMENT FRAMEWORK

A Risk Management Framework effectively integrates the process for managing risk into an organisation's overall governance, strategy and planning, management, reporting processes, policies, values and culture.

The University of Adelaide Risk Management Framework:

1. Connects the mandate with the process. The mandate comes from the University of Adelaide Act and the Council and is expressed through and overseen by various standing and management committees such as the Audit Compliance and Risk Committee, whose terms of references explicitly address risk management, and the University Risk Management Committee.
2. Recognises the influence and expectations of various external funders/regulators/auditors and research collaborators, and through enterprise and operational risk and the internal audit program, connects those expectations and aspirations with what we do.
3. Seeks to influence existing culture to better manage risk and opportunity, having regard for our economic, social, regulatory, political and competitive environment locally, regionally and internationally in alignment with our strategic objectives.

The University Risk Management Framework is comprised of, and informed by, the following parts

- **Risk Policy:** the cornerstone document of the Framework that formally outlines the policy principles, procedures and individual and institutional responsibilities, requirements and structures imposed by government and regulatory authorities and agencies, funding bodies, underwriters and insurers (including WorkCover) professional standards and accrediting bodies, ethics committees and affiliated organisations.
- **Risk Management Handbook:** designed to be read in conjunction with the Policy and to guide, direct and assist everyone to better understand the principles of *risk management* and to adopt consistent processes for *managing risks*.
- **University Risk Register (URR):** principle repository for risks across the University and its Controlled Entities. The risk register enables areas to profile risks, monitor controls and prioritise treatment actions. The risk register also facilitates standardised reporting of risks within the approved University governance framework and reporting to external bodies such as government funders, regulators, auditors, accrediting bodies and ethics committees.
- **University 'risk centre'** (i.e. the Legal & Risk Branch of the Division of Services and Resources): responsible for coordinating and facilitating the University's risk management program, including the regular monitoring and review of risks and formal reporting within the approved governance framework and, at any time requested, to the Vice-Chancellor & President.
- **University Risk Management Committee (URMC):** responsible for overall co-ordination of risk management within the University.
- **Regular monitoring and review:** on a regular and as needs basis, to enable the University to confirm that risk management is relevant, effective, sustained and facilitates the achievement of its objectives.
- **Formal reporting:** the University is required to report to various internal and external bodies; to achieve this, the University needs to be informed and actively managing risks on a regular basis and in a timely manner. Formal risk reporting occurs via the University Risk Register or other approved formal report.

4. Roles and Responsibilities

Every person who engages in University activities is impacted in some way by risks, so every person has an active role in being ‘risk aware’. This involves identifying, assessing and managing risks and opportunities in day-to-day decision-making and planning, as well as understanding and adhering to the reporting process within the University’s governance framework.

Certain people will be more active in the risk management process than others:

- all people who work for the University are encouraged to identify and report risks;
- senior staff and managers will help staff and students cooperate and comply with controls put into place by the University to mitigate certain risks;
- certain individuals within the University and within each of the Controlled Entities will monitor and review or formally report on risks; and
- others will carry out tasks, often in collaboration, to ensure that risks are treated or controlled.

Everyone is expected to work individually and collectively towards the active promotion of a positive risk management culture within and across the University and its Controlled Entities.

University Risk Management Responsibilities

The University Risk Policy formally outlines the roles and responsibilities of all members of the University community.

The responsibility for risk management and monitoring across the University is as follows:

All academic & professional staff, titleholders and contractors of the University	<ul style="list-style-type: none">• Comply with risk management processes and practices in accordance with this Policy and the Risk Management Handbook.• Co-operate with designated University risk specialists (including but not limited to Legal and Risk Branch and the HSW Team in the Human Resources Branch).• Report risks through the University Risk Register. <p>NB: <i>Health safety & welfare issues are assessed and recorded in accordance with the HSW Policy and Handbook. HSW related risks will be reported through the University Risk Register by Human Resources where and when it is appropriate to do so.</i></p>
University Risk Centre (within Legal & Risk)	<ul style="list-style-type: none">• Co-ordinate the University’s Risk Management program in accordance with best practice and the Risk Management Handbook.• Manage the University Risk Register.• Facilitate the reporting process for internal and external bodies/stakeholders.
Academic Units (Heads of School) & Administrative Units (Branch Managers)	<ul style="list-style-type: none">• Foster and encourage an environment where managing risk is accepted as each person’s day-to-day responsibility.• Ensure that the principles and practices of risk are communicated and embedded into strategic and operational practices and planning processes.• Notify extreme risks to the Executive Dean or the relevant Vice President(s).• Update progress on risks as requested.• Report annually, to the Executive Dean or the relevant Vice President, on the School/Branch risk profile using the University Risk Register or other approved formal report.

Executive Deans	<ul style="list-style-type: none"> • Manage risks within the Faculty and Schools and other associated areas such as Research Institutes. • Monitor and review compliance with the Risk Policy. • Notify extreme risks to the Convenor of the University Risk Management Committee (for reporting through that Committee to the Vice-Chancellor and President). • Update progress on risks as requested by the University Risk Management Committee and/or the Director Risk Services. • Report annually to the University Risk Management Committee on the Faculty's risk profile using the University Risk Register or other approved formal report.
Vice-Presidents	<ul style="list-style-type: none"> • Manage risks within the Divisions and Branches. • Ensure that adequate resources are available to implement the Risk Policy and to monitor and review risks in accordance with the Risk Management Handbook. • Notify extreme risks to the Convenor of the University Risk Management Committee (for reporting through that Committee to the Vice-Chancellor and President). • Update progress on risks as required by the University Risk Management Committee and/or the Director Risk Services. • Report annually to the University Risk Management Committee on their Division's risk profiles using the University Risk Register or other approved formal report.
Vice-Chancellor & President	<ul style="list-style-type: none"> • As the principal academic and chief executive officer of the University, the Vice-Chancellor and President is responsible for the academic standards, management and administration of the University, including risk (refer to <i>The University of Adelaide Act 1971 Section 8 Powers of the Vice-Chancellor</i>). • Ensure that the principles and practices of risk are communicated to staff and embedded into strategic and operational practices and planning processes. • Foster and encourage an environment where managing risk is accepted as the day-to-day responsibility of all individuals.

Staff and employees of Controlled Entities of the University are also responsible for adopting the principles of risk management as follows:

All staff & employees of Controlled Entities	<ul style="list-style-type: none"> • Comply with risk management processes and practices in accordance with this Policy and the Risk Management Handbook. • Co-operate with designated University risk specialists (including but not limited to Legal and Risk Branch and the HSW Team in the Human Resources Branch). • Report risks through the University Risk Register.
Chief Executives or General Managers of Controlled Entities	<ul style="list-style-type: none"> • Manage risks within the Controlled Entity. • Implement the Risk Policy and monitor and review risks in accordance with the Risk Management Handbook. • Notify extreme risks to the Convenor of the University Risk Management Committee (for reporting through that Committee to the Vice-Chancellor and President). • Report annually to the Director Risk Services (for reporting through to the University Standing Committees) and in a time and manner prescribed.

Controlled Entities regularly report to the University.

The responsibility for overseeing and monitoring the assessment and management of risk across the University is ultimately held by the University Council but may be delegated to any of the Standing or Management Committees to actively manage.

The University Risk Policy outlines these responsibilities as follows:

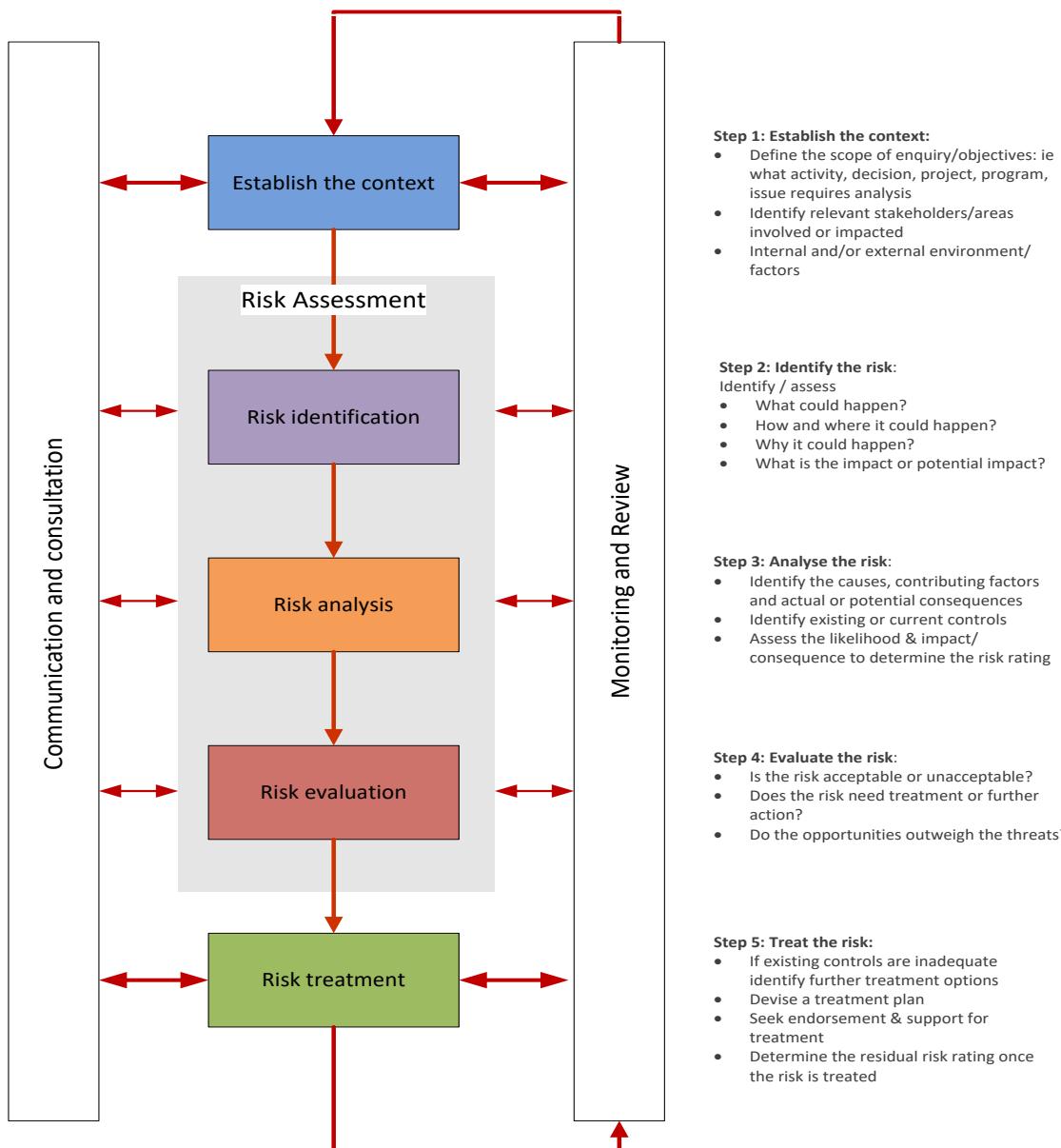
University Risk Management Committee	<p><i>Under the Terms of Reference the Committee's responsibility is to:</i></p> <ul style="list-style-type: none">• Oversee the University's Risk Management program.• Advise on risk strategy, policy and operations.• Provide risk reports to the Vice-Chancellor & President, Audit Compliance and Risk Committee, Council and other agencies/stakeholders as required.
Audit, Compliance and Risk Committee	<p><i>Under the Terms of Reference of the Committee's Charter, Section 5.1.6 & 5.1.8, the Committee is to:</i></p> <ul style="list-style-type: none">• Identify and monitor the exposure of the University and its subsidiaries to environmental, occupational health, welfare and safety risks and all other operational risks, including financial and business risks, and risks associated with litigation, conflicts of interest, fraud, theft and third-party liability (5.1.6), and• Monitor and review the policies and procedures of the University and its subsidiaries with respect to financial and other operational controls relating, including but not limited to, the risks referred to in 5.1.6, the appropriate and effective exercise of delegated authority and the reporting of significant risks, however arising, to Council (5.1.8).
University Council	<ul style="list-style-type: none">• Council is responsible for overseeing and monitoring the assessment and management of risk across the University (refer to <i>The University of Adelaide Act 1971 Section 9 Council as governing body</i>).

PART C: RISK MANAGEMENT PROCESS

5. OVERVIEW

Risk management is no longer special or optional: it is a necessary consideration each time we make a decision – whether to develop a relationship, start a project or hold an event. It is required for good quality outcomes. We must constructively align our activities and decision-making with objectives and outcomes that help us reach our strategic goals or successfully execute our operational plans. This is risk management. To *manage risk* we apply the standard in the way described here. It takes into account the unique and special environments in which we work.

The risk management steps include:



- Communicate & consult:** at all stages of the process
- Ensure those responsible for managing risk, and those with vested interests, understand the basis on which decisions are made, why particular treatment options are selected or why risks are accepted/tolerated

- Monitor & review:** continually check
- Effectiveness of risk controls and/or treatments
 - Changes in context or circumstances, and
 - Document & report this activity accordingly

6. Step 1: Establish the context

Establish the context by identifying the objectives of the project, event or relationship and then consider the internal and external parameters within which the risk must be managed.

The risk management process applies equally to risks that arise at an enterprise wide or strategic level, at an operational or day-to-day business level or for new partnerships, projects and new initiatives.

Any proposed partnership, project or initiative should actively consider risk and document the assessment formally. It is recognised that specific and ‘fit for purpose’ processes may be established to assess and manage the specific risks of an individual project or initiative but that further risk management work is required when the project moves to an operational level.

Identify the purpose and objectives right at the beginning; focus on this at the outset of the risk assessment to avoid being overwhelmed by details and data.

The Process:

- **Set the scope** for the risk assessment by identifying *what* you are assessing – is it a new partnership, program, project or perhaps an event?
- **Define the broad objectives.** Identify *the reason* for the risk assessment – perhaps a change in law, a request from an external auditor or regulator, an operational change or review.
- **Identify the relevant stakeholders.** Aim for an appropriately inclusive process from the outset: be sure to identify the areas that are, or might be, impacted and seek their input. Make sure that appropriate delegations are being exercised even at this early stage.
- **Gather background information.** Having proper information is important. Ask the right people and identify the information that is available. Sometimes it is useful to identify information that is not available (immediately) but may be necessary. Consider:
 - Strategic & business plans
 - Audit reports, inspections, site visit reports
 - Personal experience (of staff, students, others)
 - Corporate knowledge & ‘institutional memory’
 - Previous event investigations or reports
 - Surveys, questionnaires and checklists
 - Insurance claim reports
 - Local or international experience
 - Expert judgment (internal University expertise &/or external expertise)
 - Structured interviews
 - Focus group discussion
 - Historical records

Where possible, consider both the strategic context and operational context, so that a complete picture is obtained.

Establishing the context sets the framework within which the risk assessment should be undertaken, ensures the reasons for carrying out the risk assessment are clearly known, and provides the backdrop of circumstances against which risks can be identified and assessed.

*The next three steps – Identify the risk, Analyse the risk and Evaluate the risk - form the **Risk Assessment** phase of the of the risk management process.*

7. Step 2: Identify the risk

Identify the risks that might have an impact on the objectives of the University or relevant Faculty, School, Branch, area or entity.

Identify sources of the risk, areas of impact, events (including changes in circumstances) and their causes and potential consequences. Describe those factors that might create, enhance, prevent, degrade, accelerate or delay the achievement of your objectives. Aim also to identify the issues associated with not pursuing an opportunity; that is, the risk of doing nothing and missing an opportunity.

In identifying the risk, consider these kinds of questions:

- **What could happen:** what might go wrong, or what might prevent the achievement of the relevant goals? What events or occurrences could threaten the intended outcomes?
- **How could it happen:** is the risk likely to occur at all or happen again? If so, what could cause the risk event to recur or contribute to it happening again?
- **Where could it happen:** is the risk likely to occur anywhere or in any environment/place? Or is it a risk that is dependent on the location, physical area or activity?
- **Why might it happen:** what factors would need to be present for the risk to happen or occur again? Understanding why a risk might occur or be repeated is important if the risk is to be managed.
- **What might be the impact:** if the risk were to eventuate, what impact or consequences would or might this have? Will the impact be felt locally or will it impact on the whole University? Areas of impact to consider include: education or research program/activity; human impact; service delivery; financial consequences; compromise to legal or contract compliance; and adverse impact on brand and reputation for failure to meet or achieve our strategic objectives.
- **Who does or can influence this partnership, program, project or event? How much is within the University's control or influence?** Make sure that those with delegations, control, influence, resources and budgets are at least informed if not actively involved. This becomes more important when considering the treatments for the risk (see below).

Risk identification

Involves identifying sources of risk, areas of impact, events and their causes and consequences.

Wherever possible, provide quantitative and/or qualitative data to assist in describing the risk or to support the risk rating. Sources of information may include past records, staff expertise, industry practice, literature and expert opinion.

8. Step 3: Analyse the risk

Develop a detailed understanding of the risk.

Once the risk has been identified and the context, causes, contributing factors and consequences have been described, look at the strengths and weaknesses of existing systems and processes designed to help control the risk. Knowing what controls are already in place, and whether they are effective, helps to identify what - if any - further action is needed.

Process:

- **Identify the existing controls** – determine what controls are already in place to mitigate the impact of the risk. Controls may be strong or weak; they can be measureable and repeatable. Controls may include legislation, policies or procedures, staff training, segregation of duties, personal protective measures and equipment, and structural or physical barriers (e.g. setting up IT firewalls or guards around machinery).
- Once the controls have been identified, and their effectiveness analysed, an assessment is made of the likelihood of the risk occurring and the consequence if the risk were to occur. This produces an accurate, albeit subjective, assessment of the level of risk - or risk rating - and helps in the next step to determine whether risks are acceptable or need further treatment.
- **Assess the likelihood** – the likelihood of the risk occurring is described as *rare, unlikely, possible, likely, or almost certain* to occur.
- **Assess the consequence** – the consequences or potential impact if the risk event occurred are described as *insignificant, minor, moderate, major or extreme*.
- The assessment of likelihood and consequence is mostly subjective, but can be informed by data or information collected, audits, inspections, personal experience, corporate knowledge or institutional memory of previous events, insurance claims, surveys and a range of other available internal and external information.
- **Rate the level of risk:** use the University Risk Matrix (refer page 28 of the Resource section of the handbook or on line at <https://www.adelaide.edu.au/legalandrisk/self-service#risk-management>) to assess the likelihood and consequence levels; the risk matrix then determines whether the risk rating is *low, medium, high or extreme*. The University Risk Matrix also identifies the management action required for the various risk ratings.

Controls do not always require something special

Often, controls are already present as a natural part of the management of an issue or area, or can be embedded into normal management practices.

Example: Having a supervisor in a student lab session, having procedures in place and ensuring students have adequate instruction on safety issues, are all controls to minimise the risk associated with laboratory hazards.

9. Step 4: Evaluate the risk

Decide whether the risk is acceptable or unacceptable. Use your understanding of the risk to make decisions about future actions.

Decisions about future actions may include:

- not to undertake or proceed with the event, activity, project or initiative
- actively treat the risk
- prioritising the actions needed, if the risk is complex and treatment is required
- accepting the risk

Whether a risk is acceptable or unacceptable relates to a willingness to tolerate the risk; that is, the willingness to bear the risk after it is treated in order to achieve the desired objectives.

The *attitude*, *appetite* and *tolerance* for risk is likely to vary over time, across the University as a whole and for individual Faculties, Schools, Divisions, Branches and Controlled Entities.

A risk may be acceptable or tolerable in the following circumstances:

- No treatment is available
- Treatment costs are prohibitive (particularly relevant with lower ranked risks)
- The level of risk is low and does not warrant using resources to treat it
- The opportunities involved significantly outweigh the threats

A risk is regarded as acceptable or tolerable if the decision has been made not to treat it (in accordance with the next step, Step 5 'Treating the risk').

It is important to remember that regarding a risk as acceptable or tolerable does not imply that the risk is insignificant.

Risks that are considered acceptable or tolerable risks may still need to be monitored.

When conducting a risk assessment, there are generally lots of potential consequences identified. This is not necessarily a problem as a number of these can be addressed by the risk treatments, or they may not need any specific action.

The previous three steps described – *Identify the risk*, *Analyse the risk* and *Evaluate the risk* - form the **Risk Assessment** phase of the risk management process.

The **Risk Assessment** process is well suited to a structured and systematic approach. For complex or more widespread issues a facilitated workshop format involving participants with different perspectives is often helpful and using an experienced facilitator to lead the discussion can help provide another objective perspective.

Facilitated workshops can be requested by contacting the Director Risk Services in the Legal and Risk Branch (*refer to the contact details in PART D: Resources*).

Risk attitude

An organisation's approach to assess and eventually pursue, retain, take or turn away from risk

Risk appetite

The amount and type of risk that an organisation is willing to pursue or retain

Risk tolerance

An organisation's or stakeholder's readiness to bear the risk after risk treatment in order to achieve its objectives

10. Step 5: Treat the risk

Ensure that effective strategies are in place to minimise the frequency and severity of the identified risk. Develop actions and implement treatments that aim to control the risk.

Once the risk assessment phase is complete, identify the options for treatment if there are any; otherwise tolerate the risk. Where options for treatment are available and appropriate, record those treatment options as part of the risk treatment plan.

Treatment options not applied to the source or root cause of a risk are likely to be ineffective and promote a false belief within the organisation that the risk is controlled.

Process:

- Decide if specific treatment is necessary or whether the risk can be adequately treated in the course of standard management procedures and activities; that is, embed the treatment into day-to-day practices or processes. In assessing what treatments could be implemented, it is useful to consider ways in which standard practices already serve as a control, or ways in which those standard practices could be modified to adequately control the risk.
- Work out what kind of treatment is desirable for this risk – determine what the goal is in treating this particular risk; is it to avoid it completely, reduce the likelihood or consequence, transfer the risk (to someone else such as an insurer or contractor) or accept the level of risk based on existing information? The type of risk treatment chosen will often depend on the nature of the risk and the tolerance for that risk.
- Identify and design a preferred treatment option once the goal of treatment is known.
 - If the goal is to **reduce the likelihood or possibility** of the risk, then you may need to adjust what is happening or might be planned: successfully altering the approach will depend on identifying the causes of the threat and the causal links between the threat and its impact – both of which should have been identified in the risk assessment phase.
 - If it is not possible to change the approach of the project or activity, then it may be possible to take some other intervening action to mitigate the event's occurrence or reduce the likelihood of the threat.
 - Understanding the nature of the risk event and how it occurs will make it easier to identify any possible intervening actions that would operate to reduce the risk.
 - If the goal is to **reduce the consequence or impact** of the risk, then contingency plans might be required to respond to a threatening event if it occurs. This planning may be undertaken in combination with other controls – that is, even if steps have been taken to minimise the likelihood of the risk, it may still be worthwhile to have a plan in place to reduce the consequences if the event actually occurs.
 - If the goal is to **share the risk**, then involving another party, such as an insurer or contractor, may help. Risk can be shared contractually, by mutual agreement, and in a variety of ways that meet all parties' needs. Any such arrangement should be formally recorded – whether through a contract or agreement or by letter.

Sharing the risk does not remove our obligations and does not avoid us suffering consequential damage if something unexpected happens or something goes wrong.

Risk treatment

The process taken to modify the risk

Treatment options

- Avoid the risk by not starting or continuing an activity
- Take or increase risk in order to pursue an opportunity
- Remove the risk source
- Change the likelihood
- Change the consequence
- Share the risk e.g. through Insurance, contracts, financing
- Retain the risk by informed decision

- If the risk is so significant that the goal is to ***eliminate or avoid it altogether*** then the options are limited to changing the project materially, choosing alternative approaches or processes to render the risk irrelevant or abandoning the activity or partner or program. It is not often that a risk can be eliminated completely and balance is an important part of the risk assessment exercise (please note: this does not refer to safety type risks or hazards).
- Sometimes, a decision is made to ***accept or tolerate*** the risk, due to the low likelihood or minor consequences of the risk event, or the fact that the cost of effectively controlling the risk is unjustifiably high or that the opportunity outweighs the risk. The University acknowledges that in pursuing its strategic objectives *measured risk taking* is both acceptable and appropriate. However, in these instances the decision to accept risk should be carefully documented, so that a record is available for future reference (or evidence) if the risk does eventuate. Thought should also be given to contingency planning in order to deal with and reduce the consequences, should they arise.
- **Evaluate treatment options** and assess their feasibility relative to the tolerance for risk. Do the controls selected appear to have the desired treatment effect (that is, will they stop or reduce what they are meant to stop or reduce)?
 - Will the controls trigger any other risks? *For example, a sprinkler system installed to counter fire risk may cause water damage, presenting a different risk requiring consideration or management.*
 - Are the controls beneficial or cost efficient? Does the cost of implementing the control outweigh the cost that would flow from the event occurring without the control in place? Overall, is the cost of implementing the control reasonable for this risk?

The cyclical process of treating a risk, deciding whether residual risk levels are tolerable and assessing the effectiveness of that treatment are all case-by-case assessments that depend on a good understanding of the risk and a focus on the end objective of the activity being assessed.

- **Document the risk treatment plan.** Once the treatment options have been identified, a risk treatment plan should be prepared (NB. These can be easily generated through the University risk register once a risk is recorded). Treatment plans should identify responsibilities for action, time frames for implementation, budget requirements or resource implications, performance measures and review process where appropriate. The review process should monitor the progress of treatments against critical implementation milestones.
- **Implement agreed treatments.** Once any options requiring authorisation for resourcing, funding or other actions have been approved, treatments should be implemented by those identified as having the responsibility to do so. The person assigned with the primary responsibility for the risk, is ultimately accountable for the treatment of the risk.
- **Once the risk has been treated, assess the level of residual risk.** Even when a risk has been treated and the controls are in place the risk may not be completely eliminated. The level of *residual risk* refers to the likelihood and consequence of the risk occurring after the risk has been treated. Once implemented, treatments provide or modify the controls. The residual risk rating is generally lower than the original risk rating otherwise the controls were not effective.

The residual risk should be documented and monitored and reviewed. Where appropriate, further treatment might be prudent. Having a good awareness of residual risk is important in monitoring and reviewing risk on an ongoing basis.

11. Monitor and review

Monitor changes to the source and context of risks, the tolerance for certain risks and the adequacy of controls. Ensure processes are in place to review and report on risks regularly.

To ensure structured reviews and regular reporting occurs each local area is encouraged to identify a process that allows key risks within their area to be monitored.

Given the diverse and dynamic nature of the University environment, it is important to be alert to emerging risks as well as monitoring known risks.

Process:

- **Continuous monitoring:** once risks have been identified, recorded, analysed, and the agreed treatments have been implemented, an appropriate monitoring and reporting regime needs to be established to provide assurance that the treatment has been effective and now helps to control the risk. Some risk treatments will of course become embedded into daily practices and methods of work.

Monitoring & review is a planned part of the risk management process

The University's changing and evolving environment means the source and context of risks, risk tolerance and risk controls may change over time.

The frequency of review will depend on the risk rating, the strength of controls and the ability to effectively treat the risk. Each of us has a role to play in continually monitoring known or emerging risks and regularly checking or ensuring that controls are in place and are being used.

- **Faculty/School, Division/Branch or Controlled Entity Management review:** managers need to ensure there is a process for reviewing risk profiles and activities in their area of responsibility. Wherever possible, risk management should become an agenda item on management meetings or committees and avoid the need for separate processes.

The aim of regular review is to identify when new risks arise, and to monitor existing risks to ensure that treatments or controls are still effective and appropriate. How frequently a review process and reporting cycle occurs will depend on the risk appetite and level of risk tolerance but local management review is required.

- **Internal audit:** the University's internal audit program provides for a review of systems, policies and process assurance and compliance. The auditors apply a risk-based approach to the audit program and help bring a measure of independence and external perspective to the University Risk Management Framework.
- **External audit:** the University is audited annually by the South Australian Auditor General. That external audit covers financial, governance, contracting, IT and risk management systems and processes. Management and staff may be required to respond to the risk management activities involved with these audits. Other audits occur from time to time and are imposed through contracts, compacts, and Federal and State legislation.
- **Local Coordinators or Risk Facilitators:** for staff active in the monitoring and review of risks, being able to access and use the University Risk Register (URR) may be required. To apply for access to the URR please contact the Director Risk Services for training and support.

(Refer to the contact details in PART D: Resources).

Formal Risk Reporting

Formal risk reporting is an important part of being able to demonstrate the effectiveness of the risk management program. The University is required to report to various internal and external bodies and stakeholders; to achieve this the University needs to be informed about risks in a timely manner and to be able to access - and reproduce - those risk assessments easily.

Therefore, the Risk Policy requires Heads of School and Branch Managers to report, at least annually, to the Executive Dean or Vice-President on, or against, the School/Branch risk profile.

This reporting process will enable:

- Executive Deans to report annually on extreme and high risks to the University Risk Management Committee;
- Vice-Presidents to report annually to the University Risk Management Committee on the Division's risk management; and
- Board Directors/Chief Executives/General Managers of Controlled Entities to report annually on the entities risk management to the nominated Standing Committee of Council.

Risk management records should be traceable

In the risk management process, records provide the foundation for improvement in methods and tools, as well as in the overall process.

Formal risk reporting needs to occur via the University Risk Register or other appropriate formal report. Formal reports should identify new risks, detail the progress with treating existing risks and report outcomes from the monitoring and review process.

Annual risk reporting should confirm that all risks relevant to the area of responsibility are being adequately and appropriately managed.

In addition, any risk verified as an extreme risk will require a risk assessment and management plan to be prepared by the senior manager for the Vice-Chancellor. Extreme and high risks will be overseen by the University Risk Management Committee (URMC). Responsive and appropriate action will be agreed between the person with primary responsibility for the risk (risk owner) and the appropriate Vice-President (or Controlled Entity where relevant). Medium and low risks need to be managed by the local area and monitored and reviewed locally as necessary.

Having a formal structured reporting process enables the University to confirm that the risk management framework is effective and that individuals are doing what should be done and that those who are accountable are answerable for risk management.

Recording the Risk Management Process

To ensure that risk management is effective, and to provide evidence of a *demonstrable* risk management system, it is important to have a documented formal record of the risk management process and outcomes.

The tool for recording risks in the University, and across its Controlled Entities, is the **University Risk Register**. A risk register is simply a documented record of the identified risks, their significance or rating, and how they are managed or treated. The University's risk register is an electronic web based tool that enables the recording of risks and facilitates the printing of risk reports and summaries.

All areas of the University, and each of the Controlled Entities, are encouraged to formally record and document their risks within the risk register. In this way, a *risk profile* or description of the types and significance of risks will evolve. Risk profiles will vary greatly by Faculty, School, Branch, Division or Controlled Entity and will evolve over time.

A **risk profile** is a description of any set of risks. Over time the types and significance of risks will evolve.

There is value in each local area having, or compiling, a formal and consolidated risk profile, as it helps to determine how much time and effort should be put into risk management and how frequently monitoring and reviews should be conducted.

Even for areas in the University that might consider themselves to be '*low risk*', the risk management process can contribute significantly to business planning, improving the responsiveness of the area to crises or threats and responding to opportunities in an informed and measured manner.

With all areas gradually contributing to and using the risk register an invaluable body of institutional knowledge will grow, further strengthening the University's demonstrable risk management processes and maximising the University's efforts and strategies.

What to record

When documenting a risk assessment record the following information within the risk register:

- A description of the risk (setting the context)
- Causes or contributing factors
- Consequences (impacts) of the risk – actual or potential
- Current controls in place that help manage the risk
- An assessment of the likelihood and consequence based on current or existing controls, to rate each risk
- Further actions or treatments needed to address the risk
- Any progress updates as the treatments are implemented
- Results from monitoring and review, including effectiveness of controls

By formally recording risks we

- commit to continuous learning;
- obtain benefits for re-using information for management purposes;
- minimise costs & efforts of creating & maintaining records;
- maximise access & retrieval of information; and
- comply with retention periods; and recognise the sensitivity of the information.

Printing risk records: the risk register can automatically generate Risk Summary Reports. These reports, which reflect the risk profile for the area, can be used for local area reporting and to supplement formal/annual reports.

The risk register can also generate Risk Management Reports and Risk Treatment Plans for individual risks.

12. Communicate and consult

Effective communication and consultation is essential to ensure that those responsible for implementing risk management, and those with a vested interest, understand the basis on which decisions are made and the reasons why particular treatment options are selected.

Communicate and consult with internal and external stakeholders during any and all stages of the risk management process, particularly when plans are being first considered and when significant decisions need to be made.

Risk management is enhanced through effective communication and consultation when all parties understand each other's perspectives and, where appropriate, are actively involved in decision-making.

Methods of communication and consultation may include:

- meetings;
- distribution of minutes;
- reports;
- on-line communication systems and learning packages;
- induction packages;
- newsletters;
- circulation lists;
- flow charts; and
- staff awareness and education sessions / staff training.

Communicate and consult

Use a variety of methods to ensure that those responsible for implementing risk management are kept properly informed.

A collaborative and consultative team approach - through co-creation - is more likely to:

- Help establish the context appropriately;
- Ensure the interests of all stakeholders are understood and considered;
- Ensure that risks are adequately identified;
- Bring together different areas of expertise when assessing or analysing risks;
- Ensure that different, and sometimes opposing, views are appropriately considered when defining risk criteria and in evaluating risks;
- Help secure endorsement and support for a treatment plan; and
- Enhance any change management processes associated with the risk.

PART D: RESOURCES

In this section of the Handbook additional resources are included to assist staff with the risk management process and to encourage a consistent and comprehensive language and approach to managing risk across the whole University.

The resources include:

- A glossary of key risk management terms (from the Risk Management Standard)
- University Risk Register: a basic introduction to reporting a risk
- University Risk Matrix: with the consequence and likelihood tables

Other tools and resources can be found on the University website:

<https://www.adelaide.edu.au/legalandrisk/self-service>

For more information on risk management in your local area, contact your Head of School or Branch or your line manager or supervisor.

For assistance in applying risk management practices, for training and access to the University Risk Register or for clarification on any content in this handbook, please contact:

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Director, Risk Services
Legal and Risk Branch
Room G07
Mitchell Building,
North Terrace Campus

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anne.hill@adelaide.edu.au

13. GLOSSARY

Risk	Effect of uncertainty on objectives <ul style="list-style-type: none"> • <i>An effect is a deviation from the expected; positive or negative;</i> • <i>Objectives may have different aspects and can apply at different levels;</i> • <i>Often characterised by reference to potential events and consequences or a combination of these;</i> • <i>Often expressed in terms of a combination of an event and the associated likelihood of occurrence;</i> • <i>Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of, an event, its consequence or likelihood</i>
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 organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation
Risk management policy	Statement of the overall intentions and direction of an organisation related to risk management
Risk management process	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context and identifying, analysing, evaluating, treating, monitoring and reviewing risks
Stakeholder	Person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity
Establishing the context	Defining the external and internal parameters to be taken into account when managing risk, and setting the scope and risk criteria for the risk management policy
Risk assessment	Overall process of risk identification, risk analysis and risk evaluation
Risk identification	Process of finding, recognising and describing risks
Risk description	Structured statement of risk usually containing four elements: sources, events, causes and consequences
Risk source	Element which alone or in combination has the intrinsic potential to give rise to risk
Event	Occurrence or change of a particular set of circumstances <ul style="list-style-type: none"> • <i>An event can be one or more occurrences, and can have several causes;</i> • <i>Can consist of something not happening;</i> • <i>Can sometimes be referred to as an ‘incident’ or ‘accident’;</i> • <i>An event without consequences can also be referred to as a ‘near miss’, ‘incident’, or ‘close call’.</i>
Hazard	Source of potential harm
Risk owner	Person or entity with the accountability and authority to manage a risk
Risk analysis	Process to comprehend the nature of risk and to determine the level of risk <ul style="list-style-type: none"> • <i>Provides the basis for risk evaluation and decisions about risk treatment;</i> • <i>Includes risk estimation.</i>
Likelihood	Chance of something happening In risk management terminology, likelihood is used to refer to the chance of something happening, whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (such as probability or a frequency over a given time period)
Consequence	Outcome of an event affecting objectives <ul style="list-style-type: none"> • <i>An event can lead to a range of consequences;</i> • <i>A consequence can be certain or uncertain and can have positive or negative effects on objectives;</i> • <i>Consequences can be expressed qualitatively or quantitatively;</i> • <i>Initial consequences can escalate through knock-on effects.</i>
Risk matrix	Tool for ranking and displaying risks by defining ranges for consequence and likelihood

Level of risk	Magnitude of a risk or combination of risks expressed in terms of their consequences and their likelihood. Also known as the risk rating.
Risk evaluation	Process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable
Risk attitude	Organisation's approach to assess and eventually pursue, retain, take or turn away from risk
Risk appetite	Amount and type of risk that an organisation is willing to pursue or retain
Risk tolerance	Organisation's or stakeholder's readiness to bear the risk after risk treatment in order to achieve its objectives
Risk acceptance	Informed decision to take a particular risk <ul style="list-style-type: none"> • <i>Acceptance can occur without risk treatment or during the process of treatment</i> • <i>Accepted risks are subject to monitoring and review</i>
Risk treatment	Process to modify risk <ul style="list-style-type: none"> • <i>Avoid the risk by deciding not to start or continue with an activity that gives rise to the risk;</i> • <i>Take or increase risk in order to pursue an opportunity;</i> • <i>Remove the risk source;</i> • <i>Change the likelihood;</i> • <i>Change the consequence;</i> • <i>Share the risk with another party or parties (including contracts and risk financing);</i> • <i>Retain the risk by informed decision</i>
Control	Measure that is modifying the risk <ul style="list-style-type: none"> • <i>Controls include any process, policy, device, practice, or other actions which modify risk;</i> • <i>Controls may not always exert the intended or assumed modifying effect.</i>
Residual risk	Risk remaining after risk treatment <ul style="list-style-type: none"> • <i>Residual risk can contain unidentified risk;</i> • <i>Also known as 'retained risk'.</i>
Resilience	Adaptive capacity of an organisation in a complex and changing environment
Monitoring	Continual checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected
Review	Activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives
Risk reporting	Form of communication intended to inform particular internal or external stakeholders by providing information regarding the current state of risk and its management
Risk register	Record of information about identified risks
Risk profile	Description of any set of risks

Source: ISO Guide 73: 2009 Risk Management – Vocabulary

14. UNIVERSITY RISK REGISTER

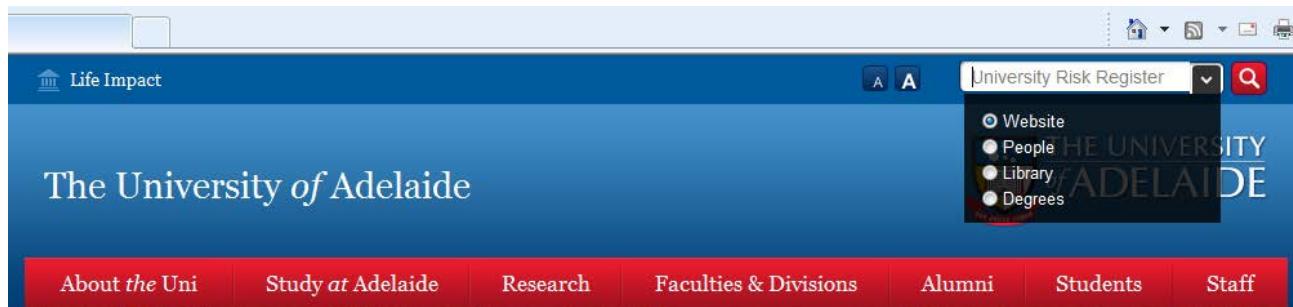
The University Risk Register (register) has been designed to capture risks and facilitate the organisation-wide management and reporting of risks.

The register enables a risk to be logged (recorded), facilitates the assessment of risks, allows for the monitoring and review of risks, and creates risk reports based on standardised templates. In using the register individual areas will, over time, be able to build and maintain their risk profile. The University, as an organisation, will also be able to generate reports for those internal committees, auditors and external stakeholders seeking assurance that risks are being managed.

Risk Register

A record of information about identified risks

The register is accessible from the University's Intranet. To find the register, type **University Risk Register** in the general search function and follow the links.



Please note: **Workplace hazards or safety issues are reported separately.** They are assessed and managed in accordance with the Health Safety and Wellbeing (HSW) Policy and Handbook and under the responsibility of the HSW Team in Human Resources (HR). HSW related risks will be reported through the University Risk Register by HR where and when it is appropriate to do so.

The register allows any staff member to [**Log a Risk**](#) (i.e. no special login is required) – see below:

A screenshot of the University Risk Register login page. The page features a blue header with the university logo and a navigation panel on the left containing links for Issues (with a red circle around it), Login (with a red arrow pointing to it), and Email the administrator. The main content area is titled 'Welcome to the University of Adelaide University Risk Register'. It contains text about the university's commitment to risk management and instructions for reporting risks. Two specific links are circled in red: 'Log a risk' in the text and 'Email the administrator' in the navigation panel. A large red arrow points from the text 'Either of these entry points will allow you to log a risk' to both the circled links.

When logging a risk you are asked to describe the risk and identify where the risk has been detected or where it sits within the University or Controlled Entity organisational structure:

The 'Description & Comments' field
only accepts a limited number of characters or words. If there is too much detail the risk will not be saved.

If you have more information than will fit into the Description & Comments field email the System Administrator (see left hand side of screen).

Description & Comments: Insert details here ...

Issue Date: Add date (dd/mm/yyyy)
Please expand the tree, by clicking on the + sign, until you reach the most suitable branch
Selected level:

Organization level: Select area from drop down boxes ...

About You (so we can contact you if we need to)

Your First name: _____
Your Family name: _____
Your email: _____
Your Contact number: _____

Email the administrator

Submit this Risk

Click on submit button to finish

The University encourages the use of the register.

Access to the system is tailored to suit individual business needs. Local areas are encouraged to identify key staff requiring user access. Training and support will be provided by the Director, Risk Services.

Further information is available from <http://www.adelaide.edu.au/legalandrisk/risk-management/>

15. UNIVERSITY RISK MATRIX (LIKELIHOOD & CONSEQUENCE)

Score	Description of likelihood
<i>a</i> Almost Certain	Highly likely to happen, possibly frequently
<i>b</i> Likely	Will probably happen, but not a persistent issue
<i>c</i> Possible	May happen occasionally
<i>d</i> Unlikely	Not expected to happen, but is a possibility
<i>e</i> Rare	Very unlikely this will ever happen

RISK RATING - MANAGEMENT ACTION REQUIRED
<ul style="list-style-type: none"> • Extreme risk = immediate attention & response needed; requires a risk assessment & management plan prepared by relevant senior managers for Vice-Chancellor; risk oversight by Council or nominated Standing Committee or Management Committee
<ul style="list-style-type: none"> • High risk = risk to be given appropriate attention & demonstrably managed; reported to Vice-Chancellor or other senior Executives / Management Committees as necessary
<ul style="list-style-type: none"> • Medium risk = assess the risk; determine whether current controls are adequate or if further action or treatment is needed; monitor & review locally, e.g. through regular business practices or local area meetings
<ul style="list-style-type: none"> • Low risk = manage by routine procedures; report to local managers; monitor & review locally as necessary

RISK MATRIX						
LIKELIHOOD \ CONSEQUENCE	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme	
<i>a</i> - Almost certain (frequent)	M	M	H	E	E	
<i>b</i> - Likely (probable)	L	M	H	H	E	
<i>c</i> - Possible (occasional)	L	M	M	H	H	
<i>d</i> - Unlikely (uncommon)	L	L	M	M	H	
<i>e</i> - Rare (remote)	L	L	L	L	M	

Score	Generic impact description	Area of impact - description of consequence					
		Education & Research	Human	Service delivery	Brand & reputation	Finance	Legal / Compliance
5 Extreme	Event or circumstance with potentially disastrous impact on business or significant material adverse impact on a key area	<ul style="list-style-type: none"> Unsustainable loss / reduction in student enrolment / retention Loss of a Faculty Serious / sustained reduction in research activity / output Serious / sustained problems reaching a number of student, teaching or research targets Irreparable impact on relationship with partners / collaborators 	<ul style="list-style-type: none"> Death or permanent disability Loss of critical number of key staff impacting on skills, knowledge & expertise Widespread / sustained staff industrial action Sustained student protest / violence 	<ul style="list-style-type: none"> Cessation of major critical business systems or Education / Research programs for an intolerable period and at a critical time in the University calendar 	<ul style="list-style-type: none"> Irreparable damage to or loss of brand / image reputation Serious / long term damage to Go8 status / international rankings Widespread / persistent / sustained negative media attention 	<ul style="list-style-type: none"> Huge financial loss Significant budget impact (revenue shortfall or expense over-run) with no capacity to adjust within existing budget / resources May attract material adverse findings from external regulators or auditors 	<ul style="list-style-type: none"> Serious breach of legislation / contract with significant prosecution / fines likely Future funding / approvals / registration / licensing in jeopardy Potential for litigation including class actions Criminal or civil proceedings initiated
4 Major	Critical event or circumstance that can be endured with proper management	<ul style="list-style-type: none"> Major loss / reduction in student enrolment / retention Loss of a key School Major impact on research activity over a sustained period Major problems meeting teaching or research targets Major long term damage to partnership / collaboration 	<ul style="list-style-type: none"> Serious injury / harm, including sexual assault / rape Dangerous near miss Long term loss of some key staff resulting in skills / knowledge / expertise deficits Threat / staff industrial action Threat / student protests 	<ul style="list-style-type: none"> Cessation of major critical business systems or Education / Research programs for an unacceptable period and / or at a critical time in the University calendar 	<ul style="list-style-type: none"> Sustained damage to brand / image / reputation nationally / internationally Long term national or local negative media coverage 	<ul style="list-style-type: none"> Major financial loss Requires significant adjustment or cancellation to approved / funded projects / programs 	<ul style="list-style-type: none"> Major breach of contract / Act / regulations / consent conditions Expected to attract regulatory attention Investigation, prosecution and / or major fines possible Allegations of criminal / unlawful conduct
3 Moderate	Significant event or circumstance that can be managed under normal circumstances	<ul style="list-style-type: none"> Significant loss / reduction of number of students in a course Loss of a key academic course Significant impact on research activity over a sustained period Significant problem meeting teaching or research targets Significant but short term damage to partnership 	<ul style="list-style-type: none"> Adverse impact on person's health / welfare Lost time or penalty notice due to unsafe act / plant / equipment Short term loss of skills / knowledge / expertise Severe staff morale / increase in workforce absentee rate Student dissatisfaction 	<ul style="list-style-type: none"> Loss / interruption / compromise of critical business systems or Education / Research program for a protracted period of time Major service delivery targets cannot be met 	<ul style="list-style-type: none"> Significant but short term damage to brand / reputation Student / stakeholder and / or community concern Prominent local negative media coverage 	<ul style="list-style-type: none"> Significant financial loss Impact may be reduced by reallocating resources 	<ul style="list-style-type: none"> Breach of contract, Act, regulation or consent conditions Potential for regulatory action Potential for allegations of criminal / unlawful conduct
2 Minor	Event with consequences that can be readily absorbed but requires management effort to minimise the impact	<ul style="list-style-type: none"> Short term reduction in student enrolment / retention Minor impact on research activity Temporary problems meeting some teaching / research targets 	<ul style="list-style-type: none"> Potential adverse impact on person's health / welfare Inappropriate behaviour Work place safety compromised Some loss of staff with tolerable loss / deficit in skills Dialogue required with industrial groups or student body 	<ul style="list-style-type: none"> Loss / interruption / compromise of critical business systems or Education / Research program for tolerable period but at an inconvenient time Problems with delivery of local services or localised programs 	<ul style="list-style-type: none"> Some short term negative media coverage Concern raised by students / stakeholders 	<ul style="list-style-type: none"> Some financial loss Requires monitoring & possible corrective action within existing resources 	<ul style="list-style-type: none"> Minor non compliances or breaches of contract, Act, regulations, consent conditions May result in infringement notice
1 Insignificant	Some loss but not material; existing controls and procedures should cope with event or circumstance	<ul style="list-style-type: none"> Minor downturn in student enrolments / retention Negligible impact on research activity or achievement of teaching / research targets 	<ul style="list-style-type: none"> Minimal or no adverse impact on person's health / welfare Negligible skills or knowledge loss 	<ul style="list-style-type: none"> Negligible impact on delivery of service 	<ul style="list-style-type: none"> Minor / localised damage to brand, image or reputation 	<ul style="list-style-type: none"> Unlikely to impact on budget or funded activities 	<ul style="list-style-type: none"> Unlikely to result in adverse regulatory response or action

FOR FURTHER ENQUIRIES

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