



RISK MANAGEMENT POLICY & PROCEDURES

Policy Statement	<p>Kent Institute Australia (Kent) is committed to managing risk in accordance with the Kent Risk Management Framework and Guidelines in order to benefit Kent and manage the cost of risk. To meet this commitment, managing risk is considered to be every employee's business. All employees are required to be responsible and accountable for managing risk in so far as is reasonably practicable within their area of responsibility.</p> <p>Sound risk management principles and practices must become part of the normal management strategy for all Kent Units.</p> <p>The management of risk is to be integrated into Kent's existing planning and operational processes and is to be fully recognised in Kent's reporting processes and in recognition of the <i>Higher Education Standards Framework (Threshold Standards) 2021</i> and <i>Standards for Registered Training Organisations (RTOs) 2015</i>.</p>
Responsibility for Implementation	Chief Risk and Compliance Officer
Compliance and Monitoring	Governing Board Audit & Risk Management Committee Chief Compliance Officer

Purpose

Kent is committed to the management of risk as an integral part of its operations, focusing on strategies to minimise risks to Kent's mission and objectives.

The objectives of this policy are to:

- outline Kent's approach to risk management
- improve decision-making, accountability and outcomes through the effective use of risk management
- integrate risk management into daily operations of Kent and implementation of internal audits, and
- consider risk appetite in strategic and operational decision making.

Scope

This policy applies to all areas and staff of Kent.

Aim

The aim of the policy is not to have risk eliminated completely from Kent's activities, but rather to ensure that every effort is made by Kent to manage risk appropriately to maximise potential opportunities and minimise the adverse effects of risk.

Definitions

The following definitions will assist with understanding this Policy:

Risk Appetite An organisation's approach to assess and eventually pursue, retain, take or turn away from risk¹

Risk The effect of uncertainty on Kent achieving its strategic objectives.

Risk Management The co-ordinated activities that are directed towards realising potential opportunities whilst managing adverse effects in order to improve the achievement of Kent's objectives.

Risk Management Process The systematic application of management policies, procedures and practices to the tasks of communication, establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks to the attainment of Kent's outcomes and outputs.

Risk Tolerance The boundaries of risk taking outside of which the organisation is not prepared to venture in the pursuit of its long-term objectives.²

Responsibilities for Compliance, Monitoring and Review

1.0 Governing Board

The Governing Board Charter provides that the specific responsibilities of the Governing Board include:

- *Reviewing and setting the strategic direction of Kent each year and monitoring management's implementation of that strategy;*
- *Establishing a sound planning and risk management framework that outlines responsibility for key governance and accountability matters;*
- *Ensuring the financial integrity, viability and sustainability of Kent through implementation of financial safeguards and other measures that ensure business continuity.*
- *Ensuring that effective quality assurance systems & processes underpin all Kent operations including the delivery of courses by other entities and include systematic monitoring, review and improvement, thereby assuring delivery of quality education services, in alignment with all regulatory and legislative requirements.*
- *Identifying and evaluating the principal risks faced by Kent and ensuring appropriate systems are in place to avoid or mitigate these risks and ensuring that any lapses in compliance with regulatory requirements (including the Higher Education Standards Framework (Threshold Standards) 2021 and Vocational Education and Training Quality Framework) are addressed promptly and appropriately and measures implemented to prevent such lapses in future.*
- *Ensuring that effective fraud control systems and processes are in place and are regularly monitored and reviewed;*
- *Monitoring financial outcomes and the integrity of reporting, in particular, approval of annual budgets and longer term strategic and business plans to maximise shareholder value through active oversight of the financial position, financial performance and cash flows of the business, accuracy of financial reporting, compliance of financial management practices with Australian accounting standards, and implementing effective financial safeguards and controls including independent auditing of financial statements by a qualified auditor against Australian accounting and auditing standards.*

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- *Approval of Kent policies and monitoring of business activities against the Kent Policy suite, including the regular review of these policies to achieve continuous improvement.*
- *Setting specific limits of authority for management; for example, to commit to new expenditure, enter contracts or acquire businesses without prior Governing Board approval;*
- *Conferring Higher Education and Vocational and Training Awards.*
- *Ensuring the safety and wellbeing all Kent students and staff by ensuring implementation and effective operation of a Health and Safety Management System through active monitoring of Work Health and Safety and Critical Incidents and their outcomes.*
- *Ensuring equitable treatment of all Kent students and staff and that all Kent operations and policies and practices are inclusive, support participation of minority groups, including Aboriginal and Torres Strait Islander people, and are sensitive to the needs, knowledge and cultures of such groups.*
- *Monitoring outcomes of complaints and appeals, allegations of misconduct and outcomes of breaches of Kent Policies and Procedures and any relevant legislative requirements, including allegations of misconduct, breaches of academic or research integrity and ensure that appropriate remedies are implemented*
- *Risk management policies, for example, hedging*

2.0 Audit & Risk Management Committee

In accordance with its Charter the role and responsibilities of the Audit & Risk Management Committee is to monitor, investigate and make recommendations to the Governing Board with respect financial and external reporting, financial management, external audit, ethical considerations, Risk Management and Internal Control and Compliance. Notably, the Audit & Risk Management Committee has a responsibility to:

- *Review Kent's risk profile to ensure that material business risks to Kent are dealt with appropriately.*
 - *Ensure that material business risks have been dealt with in a timely manner to mitigate exposure to Kent.*
 - *Assess the internal processes for determining, managing and reporting on key risk areas.*
 - *Ensure that Kent has an effective risk management system and that macro risks to Kent are reported at least annually to Kent's Governing Board.*
 - *Address the effectiveness of Kent's quality assurance and risk management systems, information technology security and internal control with management.*
 - *Confirm that Kent's delegations of authority are documented and updated at least annually and when required by organisational changes. Review the adequacy of Kent's arrangements for ensuring compliance with approval requirements and recommend appropriate improvements.*
 - *Assess whether management has appropriate controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.*
 - *Review and monitor the propriety of related party transactions.*
 - *Meet periodically with key management, external auditors and quality assurance staff to understand and discuss Kent's control environment.*
- Maintain oversight over complaints, misconduct matters, breaches of academic or research integrity and critical incidents, including Work Health and Safety (WHS) Sexual Assault and Sexual Harassment (SASH).*
- *Review processes in place to ensure compliance with Laws, Regulations and internal Codes of Conduct.*
 - *Assist with any due diligence procedures required by the Corporations Act, Australian Securities and Investments Commission (ASIC) or other such comparable body including the Higher*

3.0 Chief Risk and Compliance Officer

The Chief Risk and Compliance Officer is responsible for:

- Management oversight of Kent governance and related organisational risk management functions in an efficient and effective manner compliant with legislative and regulatory frameworks and Kent's risk management and compliance program.
- Delivering services and initiatives to fulfil governance and management requirements for Kent.
- The development and implementation of policies, quality plans and procedures that allow Kent to appropriately respond to industry standards, relevant legislation and current best practice within the education sector in liaison with other Senior Managers to maintain currency and efficiency of policies and procedures.
- Ensuring a two-year (24-monthly) review of all Kent Policies & Procedures is undertaken and reported aligned with established governance committee protocols.
- The development, implementation and management of an integrated risk management and compliance program for Kent.
- Liaison with and provision of executive support to the Executive Chair, Chair of Audit and Risk Management Committee, the CEO and other Executive Managers in delivering services and initiatives to fulfil quality assurance and risk management requirements for Kent.
- The development and implementation of the Kent Risk Registers, identifying and monitoring all areas of risk to Kent
- Ensuring risk and quality compliance practices and processes are in place and maintained throughout the organisation.
- Quarterly review of Risk Registers in liaison with the respective Executive Manager of each Kent Operation Unit. Each quarterly update will be submitted to the Audit & Risk Management Committee for review and approval and consideration of any required actions.
- Conduct Internal Audits in all Kent Operation Units via a published schedule.
- Ensuring ongoing compliance with all relevant legislation.

The Chief Risk and Compliance Officer may be required by the Governing Board Executive Chair and/or Chair of the Audit & Risk Management Committee to conduct additional Internal Audits to address individual requirements that may arise from time to time.

4.0 Executive and Senior Management

The effectiveness of risk management is linked to management competence, commitment and integrity, all of which forms the basis of sound Corporate Governance. Corporate Governance provides a systematic framework within which the Kent Senior Management Group as designated on the Kent Organisation Chart, can discharge their duties in managing Kent.

The Kent Senior Management Group (SMG) is designated on the Kent Organisation Chart and consists of Managers of each Operation Unit.

Executive and Senior Management are responsible for:

- Providing direction, guidance and training within their areas of accountability so that their reports best utilise their abilities in the preservation of Kent's resources.
- Successfully promoting, sponsoring and co-ordinating the development of a risk management culture throughout Kent.

- Guiding the inclusion of risk management in all strategic and operational processes and decision making.
- Possessing a clear profile of major risks within their area of control, incorporating both opportunity and negative risks.
- In conjunction with the Chief Risk and Compliance Officer , maintaining a Risk Register to manage, monitor and report risk within their Operation Unit and implement any resulting actions required
- Managing risks to meet Kent’s objectives, goals and vision.
- Improving Corporate Governance.

5.0 Line Management

Line Managers at all levels are responsible for the adoption of risk management practices and will be directly responsible for the results of risk management activities, relevant to their area of responsibility. As part of the annual planning cycle all responsible managers will be required to consider and document existing risks and their impact on proposed plans.

Any new risks identified due to changes in the operating environment must also be documented. The Risk Register must be reviewed by the Executive Manager of each Kent Operation Unit and updated on an on-going basis to reflect any changes which may occur in collaboration with Chief Compliance Officer. Amendments to the Risk Register will be presented to the Audit & Risk Management Committee for review, deliberation and approval and consideration of any actions required.

6.0 All Employees

All employees are responsible for:

- Acting at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace
- Providing direction and training to persons for whom they have a supervisory responsibility or duty of care provision relating to health and safety or other legislative or regulatory requirements
- Identifying areas where risk management practices should be adopted and advise their supervisors accordingly
- Meeting their obligations under relevant legislation including Workplace Health and Safety, Privacy, Equal Employment Opportunity and Anti-Discrimination, and Kent’s Policies and Procedures, and
- Taking all practical steps to minimise Kent’s exposure to contractual, tortious and professional liability

8.0 Kent Document Register Administrator

Kent Document Register Administrator is responsible for:

- Maintenance of the Kent Document Register to ensure currency and accuracy
- Liaison with the Chief Risk and Compliance Officer to ensure at least a two-year (24-monthly) review of all Kent Policies & Procedures is undertaken and reported aligned with established governance committee protocols.

9.0 Education and Training

The Chief Risk and Compliance Officer is responsible for the development and provision of risk management awareness and/or training throughout Kent and communicating outcomes of internal audits to relevant Executive Managers and CEO via updates to the Kent Risk Registers and reports to the Audit and Risk Management Committee. The Chief Risk and Compliance Officer is responsible for provision of training to new staff with respect to risk management at Kent, as part of the new staff member’s induction.

The Chief Risk and Compliance Officer and the Document Register Administrator conduct annual Policy & Procedures Workshops in the Sydney and Melbourne and Sydney campuses. These Workshops are scheduled in the *Staff Professional Development Calendar* to expand on any Staff Induction sessions and to facilitate assurances for Kent staff awareness, familiarisation and update with the *Kent Document Register*. Review of the *Business Management System/Sharepoint* and *Kent Group Drive Network* as the approved folder locations for all Kent Policies & Procedures and supporting management/administration documentation assists staff to ensure they can identify access to all required documentation.

10.0 Procedures for Internal Audits

Internal Audit evaluates systems, procedures and internal controls for Risks identified in the Kent Risk Registers and are conducted in accordance with the following procedures:

1. An Internal Audit Schedule will be prepared aligned with the associated risk areas identified in the Kent Risk Register. The *Internal Audit Schedule* will be developed by the Chief Risk and Compliance Officer annually in June and presented to the Audit & Risk Management Committee meeting for approval to ensure quality assurance management oversight of Kent's audit processes.
2. The Chief Risk and Compliance Officer may communicate details of the intention to conduct an Internal Audit directly to the Executive Manager of the relevant Kent Operation Unit and provide details of the specific areas for attention during the audit.
3. Prior to the Internal Audit being conducted the Chief Risk and Compliance Officer Compliance will undertake an investigation and review of any supporting documentation that may be required via the approved documents on the Kent Document Register uploaded to the Kent SharePoint folders or other storage locations. This investigation may also result in a request to the relevant Manager of the Kent Operation Unit to prepare documentation to present during the Internal Audit to take place.
4. The Internal Audit outcomes will be conveyed by a report prepared by the Chief Risk and Compliance Officer. The audit report will first be presented to the Chair of the Audit and Risk Management Committee and Executive Chair, Governing Board.
5. The Audit Report will then be distributed further to the Executive Manager of the relevant Unit and other relevant stakeholders.
6. Depending on the nature and/or findings, a further response may be sought directly from the relevant Executive Manager and/or CEO with a designated response timeframe notified reporting activities to mitigate the risk and management strategy to ensure no reoccurrence of the issue.
7. A Risk Treatment Plan will be developed where required and subsequent follow-up scheduled.
8. Internal Audit Reports and outcomes of Risk Treatment Plans forming the resolution to the matter and submitted to the Audit & Risk Management Committee via Kent's Risk Registers.
9. Any matters associated with amendment to Kent Policy & Procedures are to be reviewed by the Operation Unit Manager and submitted in compliance with the Kent Policy Development and Approval Policy & Procedures and any academic matters or those related to Policy & Procedures that Academic Board have the imprimatur will also be reported by the Executive Dean to Academic Board.
10. It is the responsibility of the Chief Risk and Compliance Officer to inform the Chair of the Audit and Risk Management Committee and Executive Chair Governing Board of all the audit outcomes, responses and recommendations.
9. An Internal Audit Report will be submitted to each Kent Audit & Risk Management Committee meeting aligned with audits listed in the Internal Audit Schedule. These Reports to include exception reports on audit outcomes, additional request for response, requested action to occur to remedy or associated Risk Treatment Plan and/or recommendations to be addressed

by the Audit & Risk Management Committee for implementation of strategic management activities or amendment to procedures to prevent re-occurrence of identified issues.

11.0 Records Management

All records relevant to this document are to be maintained securely in Kent's record keeping system.

The Chief Risk and Compliance Officer will submit all Internal Audit Reports to the Kent Audit & Risk Management Committee and regularly review and update the Kent Risk Register where required.

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AMENDMENTS: 03/07/2017 – Minor word changes only – version control change to reflect currency of the document. 26/03/2019 – Update Kent position titles and addition of internal audit and reporting requirements as determined to the Audit & Risk Management Committee and transfer of reporting lines for the Manager Risk & Compliance/Governing Board Secretary to the Governing Board Executive Chair. 16/04/2020 – update Kent position titles and addition of Executive Manager Governance Systems/Academic Board Secretary responsibilities and update of Internal Audit procedures. 02/06/2021 - 12 Month Review, removal of references to ISO31000:2009 with reference to Audit and Risk Management Committee & Governing Board 2020 decision that the Kent framework was sufficiently robust, separation of Document Register Responsibilities from the Executive Manager Governance Systems/Academic Board Secretary, update to extracts from Governing Board and Audit and Risk Management Committee Charters based on changes approved by Governing Board 3 rd February 2021. 02/06/2022 - Review as part of annual Strategic Planning. Minor wording updates to reflect or detail existing practices. Update to Chief Risk and Compliance Officer title to reflect changes in Kent's Organisation Structure. 05/04/2023 – Annual update. Changes to reflect current/proposed organisational structure.	