



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 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) 2015</i> and <i>Standards for Registered Training Organisations (RTOs) 2015</i>.</p>
Responsibility for Implementation	Executive Manager Risk & Compliance/Governing Board Secretary
Compliance and Monitoring	Governing Board Audit & Risk Management Committee Executive Manager Risk & Compliance/Governing Board Secretary

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:

- *Establishing a sound planning and risk management framework that outlines responsibility for key governance and accountability matters (4.2.2)*
- *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) 2015 and Vocational Education and Training Quality Framework) are addressed promptly and appropriately and measures implemented to prevent such lapses in future. (4.2.6)*
- *Risk assessment and insurance (Annexure A, clause 8.1)*
- *Risk management policies, for example, hedging (Annexure A, clause 8.2)*
- *Approval of company policies, including compliance with the law (Annexure A, clause 8.3)*

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 to:

3.5 Risk Management and Internal Control:

- *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.*

¹ ISO 13000 Guide 73:2009

² Risk Appetite & Tolerance – Guidance Paper, Institute of Risk 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).*

3.7 Compliance:

- *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 or other such comparable body including the Higher Education Standards Framework (Threshold Standards) 2015 and the Standards for Registered Training Organisations 2015, and any subsequent amendments thereto.*

3.0 Executive Manager Risk & Compliance/Governing Board Secretary

The Executive Manager Risk & Compliance/Governing Board Secretary, is responsible for:

- The development, implementation and management of an integrated risk management and compliance program for Kent.
- Liaise with and provide executive support to the Executive Chair, CEO, Executive Manager Governance Systems/Academic Board Secretary 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 Risk Register, 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 approval.
- Conduct Internal Audits in all Kent Operation Units via a published schedule.
- The Executive Manager Risk and Compliance/Governing Board may be required by the Governing Board Executive Chair and/or Audit & Risk Management Committee to conduct additional Internal Audits to address individual requirements that may arise from time to time. These will be effectively communicated to the Managers of Kent Operation Units as required.
- Ensuring on-going compliance with all relevant legislation.

4.0 Executive Manager Governance Systems/Academic Board Secretary

The Executive Manager Governance Systems/Academic Board Secretary, 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.
- Liaise with and provide executive support to the Executive Chair, CEO, Executive Manager Risk & Compliance/Governing Board Secretary and other Executive Managers in 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 the Manager of each Kent Operation Units to maintain currency and efficiency of policies and procedures.

5.0 Executive and Senior Management

- 5.1** 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 ([Kent Website MyKent Staff Link](#)>DOC – Risk Management Framework and Guidelines – Staff Login Required).

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

- 5.2** Executive and Senior Management are responsible for:
- Providing direction, guidance and training within their areas of accountability so that subordinates 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 Executive Manager Risk and Compliance/Governing Board Secretary, maintaining a Risk Register to manage, monitor and report risk within their Operation Unit.
 - Managing risks to meet Kent’s objectives, goals and vision.
 - Improving Corporate Governance.

6.0 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 Executive Manager Risk and Compliance/Governing Board Secretary. Amendments to the Risk Register will be presented to the Audit & Risk Management Committee for deliberation and approval.

7.0 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 and ensure at least a two-year (24-monthly) review of all Kent Policies & Procedures is reported aligned with established governance committee protocols.

9.0 Education and Training

The Executive Manager Risk & Compliance/Governing Board Secretary 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. The Executive Manager Risk & Compliance/Governing Board Secretary 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 Executive Manager Governance Systems/Academic Board Secretary conduct annual Policy & Procedures Workshop 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 Executive Manager Risk and Compliance/Governing Board Secretary 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 Executive Manager Risk and Compliance/Governing Board Secretary 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 Executive Manager Risk and Compliance/Governing Board Secretary 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. 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 Executive Manager Risk and Compliance/Governing Board Secretary. The distribution of this report will include the relevant Executive Manager of the Kent Operation Unit, the Chief Executive Officer and the Governing Board Executive Chair.

5. Depending on the nature and/or complexity giving rise to the exception reporting from the Internal Audit Report, 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. These Reports forming the resolution to the matter and submitted to the Audit & Risk Management Committee.
 - 5.1 Any of these 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* ([Kent Website MyKent Staff Link](#)>POLICY – Policy Development and Approval Policy & Procedures – Staff Login Required).
 - 5.2 Any associated 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.
6. It is the responsibility of the Executive Manager Risk and Compliance/Governing Board Secretary to inform the Governing Board Executive Chair of all the audit outcomes, responses and recommendations.
7. 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 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 in Kent’s record keeping system.

The Executive Manager Risk & Compliance/Governing Board Secretary will submit all Internal Audit Reports to the Kent Audit & Risk Management Committee and regularly review and update the Kent Risk Register.

Document Title: Risk Management Policy & Procedures	
Date Compiled: 30 March 2015	By: Executive Manager Risk & Compliance
Due Date for Review: July, 2022	Website Access Permission: Public
Date Updated: 25 th May 2016 – No Version Control Change - minor amend 3 rd July, 2017 – minor word changes 11 th April, 2018 – 12 month review – no amendment 26 th March, 2019 16 th April, 2020 2 nd June, 2021	Reviewed by: Executive Manager Risk & Compliance Executive Manager Risk & Compliance Executive Manager Risk & Compliance Governing Board Executive Chair Governing Board Executive Chair Governing Board 2 nd June 2021
Version Control Update (Current): Version 1 – 15 th April 2015 Version 2 – 3 rd July, 2017 Version 3 - 26 th March, 2019 Version 4 – 16 th April, 2020 Version 5 – 2 nd June, 2021	Approved By: Governing Board Meeting Date: V1 - 7 th June, 2015 V2 – Managing Director 3 rd July, 2017 V3 – 3 rd April, 2019 V4 – 3 rd June, 2020 V5 – 2 nd June, 2021
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 3rd February 2021.