

PP200

Risk Management Policy and Procedure

PURPOSE

To provide assurance to the Southern Cross Education Institute (SCEI) Board, and community stakeholders that SCEI has an effective risk management framework underpinning all SCEI business and learning activities. SCEI is committed to the ongoing identification, analysis and management of all risks to SCEI staff, students/trainees/clients and stakeholders within the ongoing training and delivery services of SCEI.

The objectives of this policy are to:

- Framework the organisation's approach to risk management.
- Improve and direct decision-making, accountability and outcomes through the effective use of risk management;
- Integrate risk management into daily operations of the training organisation.
- Consider issues of risk in strategic and operational decision making and to be included in the continuous improvement process.

SCOPE

All areas of the operations of SCEI and applicable to all SCEI employees, activities, students, contractors, and visitors.

DEFINITIONS

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| Risk | The effect of uncertainty on objectives. |
| Risk assessment | Overall process of risk identification , risk analysis and risk evaluation |
| Risk analysis | Process to comprehend the nature of risk and to determine the level of risk |
| Level of risk | Magnitude of a risk, expressed in terms of the combination of consequences and their likelihood |
| Risk appetite | The amount and type of risk an organisation is prepared to accept in the pursuit of its organisational objectives |
| Risk management plan/matrix | Documented outcomes arising from the application of the risk management process. |

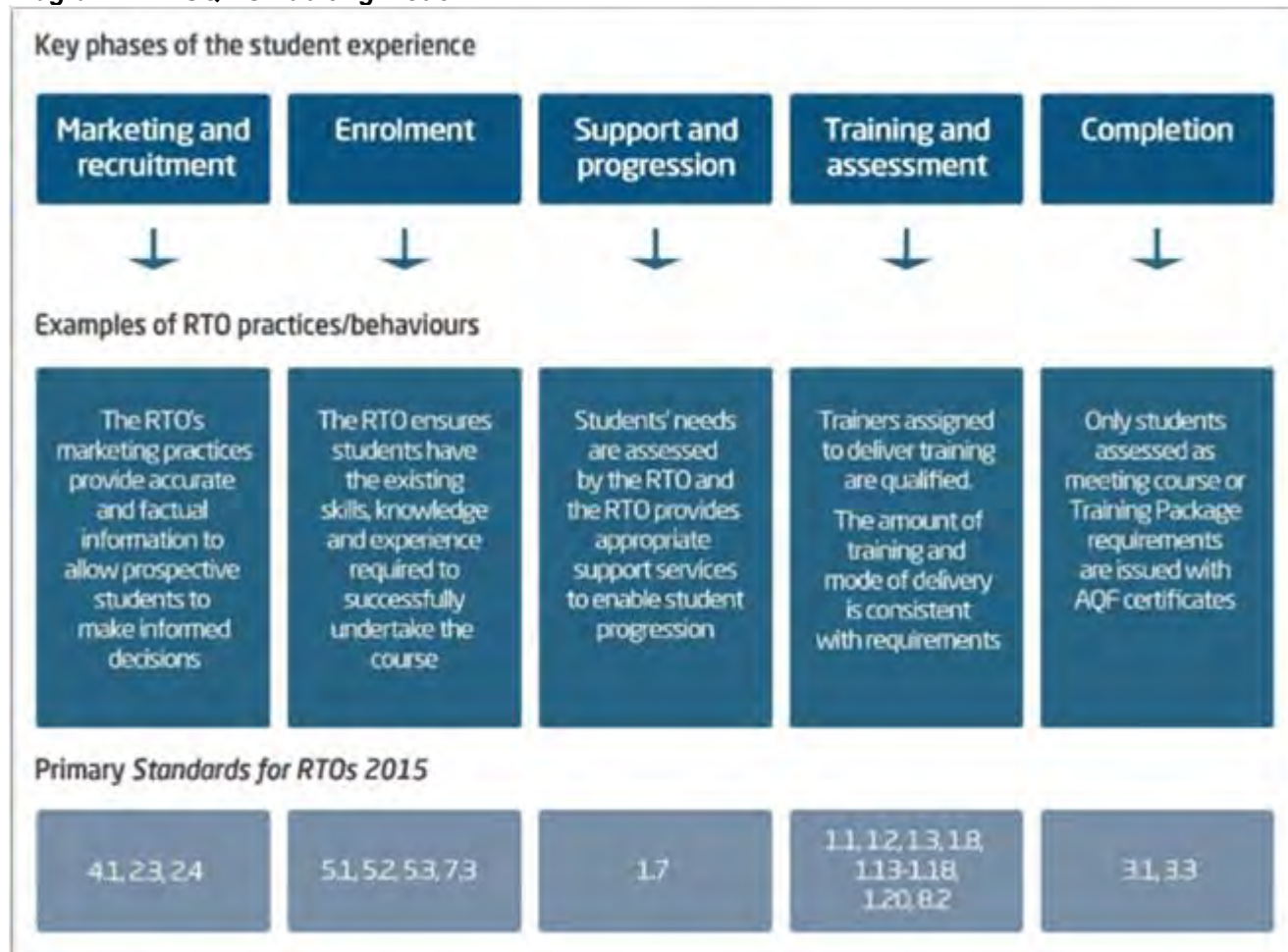
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| Affiliate | Is a person (other than a Staff member or Student, including HDR candidates) who is affiliated with JCU by letter of appointment or invitation to work, research or study at the University for a particular activity and typically for a prescribed time frame and who is bound to comply with the University's policies during that period (for example, volunteers, visiting scholars and adjunct appointees). |
| CEO | Chief Executive Officer |
| Institute / SCEI | Southern Cross Education Institute |
| Operational Risk | Risks associated with transactional activities undertaken as part of day-to-day operations, such as enrolling students and scheduling of classes and the payment of invoices. |
| Regulatory Risk | Risks associated with regulatory compliance. These risks are driven by the SCEI's regulatory obligations arising from legislation. |
| Project Risk | Risks associated with individual projects. All projects carry a certain degree of risk, which must be considered according to each project's unique circumstances and project management arrangements. |
| Risk Management | Coordinated activities to direct and control an Institute with regard to risk. |
| Risk Assessment | The overall process of risk identification, risk analysis and risk evaluation. |

POLICY

1. SCEI is committed to ensuring that all business, operational and learning and teaching activities are underpinned by an effective risk management process.
2. SCEI has adopted an organisational-wide approach, integrating risk management strategies with SCEI business processes. Risk management forms part of the overall SCEI governance framework.
3. For risk management to be suitable and effective, all the training operations are required to utilise the following principles in context to their area of operation of the business:
 - 3.1. Risk management must create and protect the value of SCEI and its operations in line with regulatory compliance requirements;
 - 3.2. Risk management is integrated into all areas of SCEI processes;
 - 3.3. Risk management helps the management make informed decision and drive continuous improvement;
 - 3.4. Risk management identifies and addresses sources of uncertainty around the achievement of objectives;
 - 3.5. Risk management is tailored to the context and needs and fit for purpose and responsive to change particularly regarding regulatory compliance.
4. SCEI is committed to maintaining an effective, efficient, and tailored risk management framework that consists of:
 - 4.1. this policy
 - 4.2. a risk management plan
 - 4.3. supporting policies that complement risk management such as Continuous Improvement Policy and Procedure, Workplace Health and Safety management systems and codes of conduct.
5. SCEI's risk management framework will enable:
 - 5.1. a formal, structured approach to risk management that is appropriate to SCEI's activities and operating environment; and
 - 5.2. a risk management approach consistent with the principles of AS/NZS ISO 31000:2009

6. SCEI's Risk Management framework models the Australian Skills Quality Authority (ASQA) auditing model which is organised around five (5) key phases of the student experience, as illustrated in **Diagram 1 ASQA's Audit Model** below.

Diagram 1 – ASQA's Auditing Model



PROCEDURE

1. Management Responsibilities for Risk and Compliance Management

- 1.1. SCEI Management works collaboratively with all SCEI staff (Academic and Non-Academic) to manage strategic, operational, regulatory and project risks, including:
- 1.1.1. Develop, review and delivery all related risk management and matters.
 - 1.1.2. Identify and report on emerging risks and significant events to senior management and governance
 - 1.1.3. Undertaking the risk analysis and assessment
 - 1.1.4. Work with associated departments including consult with SCEI's regulatory compliance on risk matters
 - 1.1.5. Develop and implement risk strategies
 - 1.1.6. Embed risk practices and capacity within SCEI to foster a culture risk management
 - 1.1.7. Promoting awareness of the Organisation Risk Management framework and providing risk management training and education to the whole staff.

- 1.1.8. Monitor implementation of continuous improvement activities
- 1.1.9. Review the Institute's operations and initiate change as required
- 1.1.10. Deal with other business that may arise
- 1.2. CEO is responsible for scheduling all Manager Meetings which are held monthly as well as maintaining the minutes of meeting and implementation of suggestions for improvement. CEO work collaboratively SCEI staff to manage strategic, operational, regulatory and project risk
- 1.3. CEO is responsible for ensuring the policies and procedures they develop, and review will ensure compliance with relevant regulatory obligations and have ongoing interactions.

2. Training/Program Coordinator Responsibilities for Risk and Compliance Management

- 2.1. Training/Program Coordinators are responsible for day-to-day operation and scheduling for Trainer/Assessor Meetings which be held fortnightly.
- 2.2. These meetings will involve a discussion of all aspects of the SCEI Operation including:
 - 2.2.1. Provide the advice to staff on the implication of new or amended legislation
 - 2.2.2. Educate and promote a culture of regulatory compliance among relevant staff, policies and procedures of operational risk, regulatory risk, and project risk.
 - 2.2.3. Identify, assess, and mitigate operational, regulatory, and project risks.
 - 2.2.4. Contribute to the assessment of any risks.
 - 2.2.5. Provide expert advice in support of risk assessments.
 - 2.2.6. Ensure the regulatory non-compliance to senior management and governance committees (as appropriate).
 - 2.2.7. Assessment of the units and/or modules
 - 2.2.8. Delivery Methodology/ Issues
 - 2.2.9. Moderation of Assessment outcomes
 - 2.2.10. Professional Development opportunities
 - 2.2.11. SVTS Requirements
 - 2.2.12. Student services including addressing students LLN needs within the delivery methodology
 - 2.2.13. Recording of Results
- 2.3. All staff are encouraged to understand the regulatory environment relevant to their role and/or activities
- 2.4. Staffs are expected to provide timely specialist advice on risk indicators
- 2.5. Inform the CEO when they become aware of changes to activities undertaken within their area that may affect the regulatory obligations the SCEI is required to monitor

3. Staffs Responsibilities for Risk and Compliance Management (Academic and Non-Academic)

- 3.1. All staff are encouraged to understand the regulatory environment relevant to their role and/or activities
- 3.2. Staffs are expected to provide timely specialist advice on risk indicators
- 3.3. The Staff member who becomes aware of new legislation that applies to the SCEI, either due to changes to the law and/or commencement of new activities within the SCEI, must contact the Training/Course Coordinator and/or line Manager accordingly.
- 3.4. A monthly meeting of all staff within a department will be scheduled and facilitated by Training/Course Coordinator and/or Administration Manager
- 3.5. These meetings will involve a discussion of all aspects of the SCEI operations as well as sector specific information including:
 - 3.5.1. Policies and Procedures
 - 3.5.2. Procedural issues/ suggestions for improvement
 - 3.5.3. SVTS Requirements
 - 3.5.4. Student services
 - 3.5.5. Department KPI's

3.6. Action arising from any meetings will be documented and evidence of the action taken will be maintained and recorded in Continuous Improvement Register.

3.7. Staff are expected to provide timely specialist advice on risk indicators, commentaries, and mitigation measures.

4. Internal Audit

4.1. Internal audits are conducted annually as per the Internal Audit schedule SharePoint/Quality Drive/Compliance/Internal Audit using the *Appendix 1 - SCEI RISK ASSESSMENT MATRIX*.

4.2. Compliance Manager in conjunction with the CEO is responsible for scheduling and conducting the internal audits.

4.3. A report on each audit will be documented, a rectification plan developed, and appropriate action will be taken to rectify any non-compliances / suggestions for improvements within 3 months.

RELATED DOCUMENTS

- PP23 Continues Improvement Policy and Procedure
- PP88 Student and Stakeholder Feedback Policy and Procedure
- PP93 Validation and Moderation Policy and Procedure
- PP39 Legislative and Regulatory Compliance

LEGISLATIVE CONTEXT

- Standards for RTO's 2015,
- 2022 Standard VET Funding Contract Skills First Program: Clause 7 and Clause 12 of Schedule 1
- Enrolled Nursing Accreditation Standards 2012, standard 9
- VET Student Loans Act 2016
- VET Student Loans Rules 2016

RESPONSIBILITIES

The position(s) responsible for implementing and ensuring compliance with the policy and procedure are:

- CEO
- Compliance Manager
- Training/Program Course

The position(s) or groups who should be aware of the policy and procedure content are:

- Training Coordinator
- Program Coordinator
- All Managers

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| Author | Compliance Manager |
| Approved by | Chief Executive Officer |
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| Reviewed | June 2022 |
| Version | V6.0 |
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Appendix 1 - SCEI RISK ASSESSMENT MATRIX

| RISK MATRIX | | | | |
|-------------|----------|--------|----------|--------|
| | | Impact | | |
| | | LOW | MODERATE | HIGH |
| Likelihood | Unlikely | Low | Medium | Medium |
| | Possible | Low | Medium | High |
| | Likely | Medium | High | High |

| RISK RATING | |
|-------------|--|
| Rating | Possible responses |
| Low | Tolerable risk: no specific activity required by ASQA SCEI. SCEI to manage as part of normal continuous improvement. |
| Medium | No immediate action expected by ASQA / relevant regulatory bodies of SCEI. Nonetheless mitigation strategies must be carried out to reduce/eliminate risk/s. |
| High | Action expected by the regulatory bodies of a type determined appropriate by them. Immediate action required by Senior Management to reduce/eliminate risk/s |

| RISK ASSESSMENT | |
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| Likelihood: The likelihood that each adverse event will take place can be defined as; | |
| Unlikely | Failure to achieve required outcome not expected to occur |
| Possible | Failure to achieve required outcome is possible |
| Likely | Failure to achieve required outcome is almost certain |
| Impact: All identified risks shall be assessed to determine the overall Impact of the risk. The impact of risks can be defined as | |
| Low | Little disruption/inconvenience for students and little, if any, damage to reputation of SCEI (ASQA and/or relevant regulatory bodies would not be involved) |

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| Moderate | Disruption/inconvenience for number of students; ASQA and/or relevant regulatory bodies may be involved |
| High | Significant disruption/inconvenience for number of students or long-term damage to the reputation of JMC Academy RTO; ASQA would be involved |

| RISK ELEMENT | | Mitigating activities | Relevant Standards |
|--|----------|---|---|
| INACCURATE AND/OR MISLEADING MARKETING/RECRUITMENT PRACTICES | | | |
| Likelihood | Unlikely | Quality and Compliance Manager signs off on all marketing and communications prior to publication. Recruitment/Student Admissions is a standing item at each Senior Management Meeting, Marketing Sector Meeting All marketing and enrolment staff members are provided ongoing training to mitigate potential risks. Administration staff conducts regular systemic audit against Standards | RTO Standards 2015, Clauses 2.3,2.4 and 4.1 |
| Impact | Moderate | | |
| Risk Rating | Medium | | |
| INELEGIBLE STUDENTS ENROLLED/STUDENTS WITH LITTLE OR NO DEMONSTRABLE CHANCE OF SUCCESS ENROLLED | | | |
| Likelihood | Unlikely | Recruitment/Student Admissions and profile is a standing item at each Senior Management Meeting as well as Marketing Sector Meeting All marketing and enrolment staff members are provided ongoing training to mitigate potential risks. Administration staff conducts regular systemic audit against Standards All students are subject to SCEI approved LLN test to ensure they have the required LLN skills to achieve successful completion. | RTO Standards 2015, Clauses 2.3,2.4, 4.1, 5.1, 5.2, 5.3 and 7.3 |
| Impact | Moderate | | |
| Risk Rating | Medium | | |
| POOR LEVELS OF STUDENT SATISFACTION WITH SUPPORT PROVIDED AND/OR TRAINING AND ASSESSMENT PROVIDED | | | |
| Likelihood | Unlikely | The quality and compliance teams survey all students on the ongoing bases across all campuses. | RTO Standards 2015, Clauses 1.1, 1.2, 1.3, 1.7, 1.8, 1.13-1.18, 1.20, 8.2 |

| | | | |
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| Impact | Moderate | <p>Student Representative Committee meetings are also held on a bimonthly bases to gather firsthand any complaints or grievances for immediate action.</p> <p>All data is analysed and present during the scheduled Sector and Academic Board Management meetings for action.</p> <p>Grievances and Complaints is a standing item on the agenda for the Sector and Academic Board Management.</p> | |
| Risk Rating | Medium | | |
| INSUFFICIENT SUITABLY QUALIFIED AND EXPERIENCED TRAINERS AND/OR ASSESSORS | | | |
| Likelihood | Possible | <p>Trainer and Assessors qualifications and experience are clearly defined in each position description to the Human Resource Department. The HR department is responsible to vet all the potential new applicants against the PD with specific focus on required Qualifications, Industry registration (if applicable) and required experience.</p> <p>Course Coordinators / program Coordinators are responsible for ensuring sufficient suitably qualified and experienced trainer/s and assessor/s are engaged to deliver all training products being offered.</p> | <p>RTO Standards 2015, Clauses 1.1, 1.2, 1.3, 1.8, 1.13-1.18, 1.20, 8.2</p> |
| Impact | High | | |
| Risk Rating | High | | |
| AQF QUALIFICATIONS ARE ONLY ISSUED TO STUDENTS WHO HAVE MET ALL REQUIREMENTS OF TRAINING PRODUCT AND HAVE PRODUCED AN USI | | | |
| Likelihood | Possible | <p>Students USI is verified upon commencement of enrolment. Trainer and Assessor are responsible for ensure that all assessments are marked according to the benchmarked assessor's guides. assessment principals, meet the assessment evidence guidelines and the relevant training package requirements. All assessment outcomes are recorded accurately and promptly in the student management system</p> <p>The following department are responsible for quality checks prior to issuing a student's qualification:</p> <ul style="list-style-type: none"> - Course Coordinator / program Coordinator - Quality and Compliance officer - Administration Officer | <p>RTO Standards 2015, Clauses 1.1, 1.2, 1.3, 1.8, 1.13-1.18, 1.20, 3.1, 3.3, 8.2</p> |
| Impact | High | | |
| Risk Rating | High | | |

UNSATISFACTORY COMPLETION RATES

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| Likelihood | Unlikely | <p>Student progression monitored regularly to identify students at risk and additional support offered.</p> <p>Student satisfaction monitored and finding reported to the Sector and Academic Board meeting for action.</p> <p>SCEI's Welfare department's sole focus is on assisting students and organising engagement events and study support sessions.</p> <p>Assessment validation and moderation</p> | <p>RTO Standards 2015, Clauses 1.1, 1.2, 1.3, 1.8, 1.13-1.18, 1.20, 3.1, 3.3, 8.2</p> |
| Impact | Low | | |
| Risk Rating | Low | | |

REDUCED ENROLMENTS

| | | | |
|-------------|----------|--|--|
| Likelihood | Unlikely | <p>Recruitment/Student Admissions is a standing item at each Senior Management Meeting.</p> <p>Strategic planning in regard to recruitment includes a combination of international students from low-risk countries and domestic students with suitable educational background / capabilities</p> <p>SCEI Scope is ongoingly evaluated to ensure it meets Australian occupational skills needs as per ABS.</p> <p>Strong connection with Industry.</p> | |
| Impact | Low | | |
| Risk Rating | Low | | |

LOSS OF RESOURCES OUTSIDE OF RTO'S CONTROL (FIRE, FLOOD, ROBBERY ETC.)

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|-------------|----------|--|--|
| Likelihood | Unlikely | <p>Critical Incident Policy and Procedure Insurances Back to base alarms</p> <p>24-hour video surveillance Off campus storage of digital records</p> | |
| Impact | Low | | |
| Risk Rating | Low | | |

LEGISLATION CHANGE

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|-------------|---|---|--|
| Likelihood | Possible | Constant review of appropriate legislation Communication of changes to Owner, CEO, Program Coordinator, Course Coordinators and Quality and Compliance team Adaptation strategies designed and implemented | |
| Impact | Low to High | | |
| Risk Rating | High, pending on legislative changes and timeframe for adjustment | | |