

# Risk Management Framework

2023-28



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### 1. Executive Summary

At the Institute of Health & Nursing Australia, we understand that risk is inherent in our mission to foster a diverse learning community that prepares students for life-enhancing careers in an ever-changing world. A defined approach to identifying and managing risks is needed to ensure that everyone understands the nature and magnitude of risks that IHNA is willing (or unwilling) to take in pursuit of its strategic objectives and to ensure the effective management of those risks.

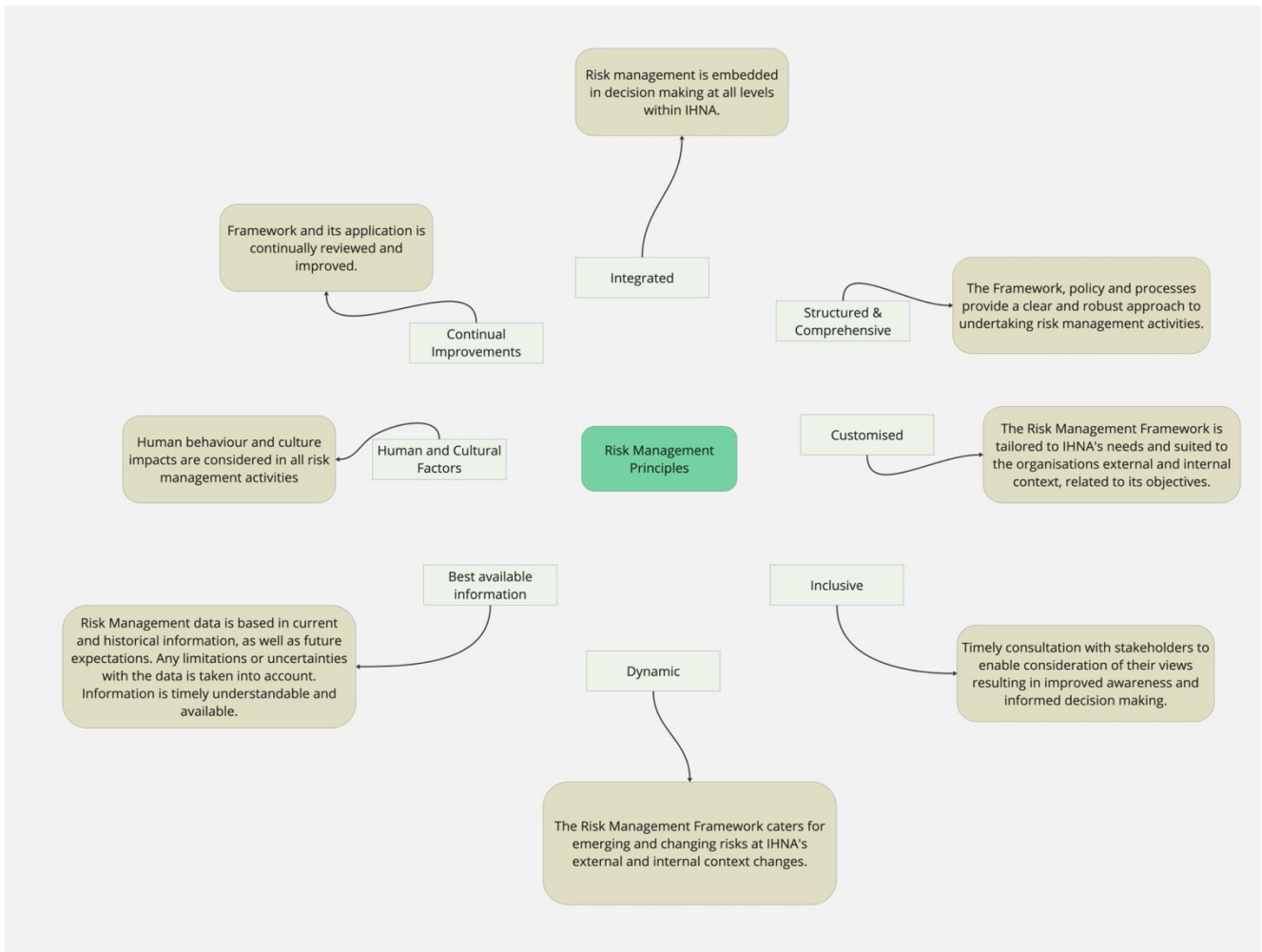
IHNA'S approach to risk management is based on the AS/NZS ISO 31000:2018 Risk Management Principals and Guidelines (ISO 31000). The alignment to ISO 31000:2018 allows IHNA to measure the successful implementation of its Risk Management Framework against the value creation and protection principles outlined in Figure 1.

### 2. Objectives

IHNA'S Risk Management Framework provides an overview of IHNA's approach to risk management and explains how this approach should be implemented and applied across the organisation. The objectives of this framework are to:

- Support IHNA's Risk Management Policy and provide a common approach to identify, assess, and manage potential risks that may affect the business.
- Describe the governance and oversight of risk management activities;
- Encourage a high standard of accountability at all levels of IHNA;
- Support stakeholders to make decisions about risks that align with IHNA's values, policies, and risk tolerance, and provide decision-makers with accurate, timely, comprehensive risk information;
- Encourage closer alignment between risk management and other business functions such as planning, continuous improvement and internal audits;
- Ensure IHNA employees and other stakeholders have access to practical, plain language resources for identifying and managing risks;
- Assist the business in complying with the Australian Stock Exchange Corporate Governance Principles, specifically in relation to risk management.

**Figure 1: ISO 30001:2018 Value Creation and Protection Principles**



### 3. Risk Management Framework Architecture

There are four (4) key documents that comprise IHNA's guidance on its risk management framework. These are:

- Risk Management Framework** – This document outlines the approach and structures in place at IHNA to identify, assess, and manage risks. It also describes the reporting and escalation processes at an IHNA- wide level.
- Risk Management Policy** – This document sets the tone from the top, outlining the Board and Executive Management's commitment to the use of risk management as a driver of decision making. It also outlines the key risk-related responsibilities of employees and Governing bodies.
- Risk Appetite and Tolerance Statements** – This document provides the decision-maker guidance on the level of risk-taking that the Board has determined is appropriate, and when risks need to be escalated or further controlled to bring them into line with the Board expectations.
- Risk Management Procedure** – This document provides practical, common-sense guidance on how to apply the risk framework, policy, and appetite statements to manage risks, including risk identification, analysis, treatment, and reporting.

#### 4. Risk Management Themes

IHNA’s Risk Management Framework applies organisation wide. It can be applied to all levels of IHNA. The framework applies, but is not limited, to:



#### 5. Risk Management Calendar

The table below shows key events and stakeholders involved in activities to ensure that IHNA’s approach to risk management stays current.

Task	Actions	Responsible	Reporting	Timing
<b>Annual Review of IHNA-wide Risk Framework Documents</b>	<ul style="list-style-type: none"> <li>Review Risk Management Framework, Policy, and Appetite Statements – recommended by Audit &amp; Risk Committee for Board Approval</li> <li>Review Risk Management Procedure Document and supporting templates –</li> <li>Review of risk culture at all levels of IHNA</li> </ul>	Risk Manager	<ul style="list-style-type: none"> <li>Executive Management Committee (EMC) &amp; Audit &amp; Risk Committee (ARC) Board of Directors</li> </ul>	Jun/Jul

	<ul style="list-style-type: none"> <li>Review of the framework including any assurance reviews</li> </ul>			
<b>IHNA-wide Major Risk Update Exercise</b>	<ul style="list-style-type: none"> <li>Undertake environmental scan considering external factors, SWOT analysis and review of strategic objectives to identify changes to IHNA-wide risk profile.</li> <li>Analysis of internal audit findings to inform the risk profile</li> <li>Analysis of incident trends including student complaint</li> <li>Compliance obligations review</li> </ul>	Risk Manager	<ul style="list-style-type: none"> <li>EMC</li> <li>ARC</li> <li>Board</li> </ul>	Mar/Apr
<b>Quarterly IHNA Risk Updates</b>	<ul style="list-style-type: none"> <li>Review and report changes to the risk profile – including progress with implementing risk treatment plans and changes to risk ratings</li> </ul>	Risk Manager	<ul style="list-style-type: none"> <li>Risk Owners</li> <li>EMC</li> <li>ARC</li> <li>Board</li> </ul>	Jun/Jul Sep/Oct Dec/Jan Mar/Apr
<b>Business Unit Risk Profile Exercise</b>	<ul style="list-style-type: none"> <li>Undertake exercise twice a year to create/update Business Unit risk profiles.</li> </ul>	Risk Manager/DQM	<ul style="list-style-type: none"> <li>EMC</li> </ul>	Nov & May
<b>Business Unit Annual Review of Local Risk Appetite</b>	<ul style="list-style-type: none"> <li>Considering the IHNA-wide risk appetite, create/update local risk appetite and tolerance statements</li> </ul>	Risk Manager/DQM	<ul style="list-style-type: none"> <li>EMC</li> </ul>	Nov/Dec

## 6. Responsibilities

IHNA applies the Three Level model for clarifying accountabilities within its Risk Management Framework. The Risk Team’s role is to provide oversight, challenge, and guidance to IHNA on the management of risks. The Internal Audit function, along with other assurance activities, provide IHNA with independent assurance as to the effectiveness of IHNA’s Risk Management Framework.

For a description of key roles and their risk management related responsibilities, please refer to the IHNA Risk Management Policy.

Level 1	
If the risk level is severe and outside of Tolerance	When a risk is classified as severe and falls outside the established tolerance thresholds, the Board and the Audit and Risk Management Committee will intentionally overlook it.
Level 2	
If the risk is identified as Moderate or Major	In the case of risks identified as moderate or major, the Executive Management Team and employees at level 5, including managers and other team leaders, will intentionally overlook them.
Level 3	
If the risk is categorised under minor/insignificant	For risks categorised as minor or insignificant, relevant department heads and team members will intentionally overlook them.

## 7. IHNA’s Risk Culture

### a. Risk Culture

All IHNA staff have a role to play in managing risk at IHNA. We have a culture where all employees appreciate the importance of risk management and proactively contribute to its framework, policy, process, and practices. It is important to highlight that risk culture is part of IHNA’s overall organisational culture – it is not a separate activity. IHNA has the full support of Executive Management, the Audit & Risk Committee, and the Board of Directors to create and maintain a positive risk culture. IHNA’s risk culture, direction and improvement are reviewed annually along with the Risk Management Framework.

IHNA is committed to building a risk management culture where:

- Staff engages constructively with risk and understand thinking about and managing risk is a core part of their role.
- Consideration of risk is incorporated into decision making.
- Staff feel supported by executive management in raising and escalating risks as this is seen as a valuable activity.

IHNA will develop risk culture indicators and reporting to provide regular updates to Executive Management, Audit & Risk Committee and Board of Directors and to inform its annual review of risk culture and the effectiveness of the Risk Management Framework.

### b. How risk is defined at IHNA

Adopting the ISO 31000:2018 Standard’s definition, Risk is the effect of uncertainty on objectives and effect is a deviation from the expected – positive or negative.

Objectives can have different aspects, (such as financial, health and safety, technology, and environmental goals) and can apply at different levels (such as organisation-wide, operational, project, product, and process)

Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.

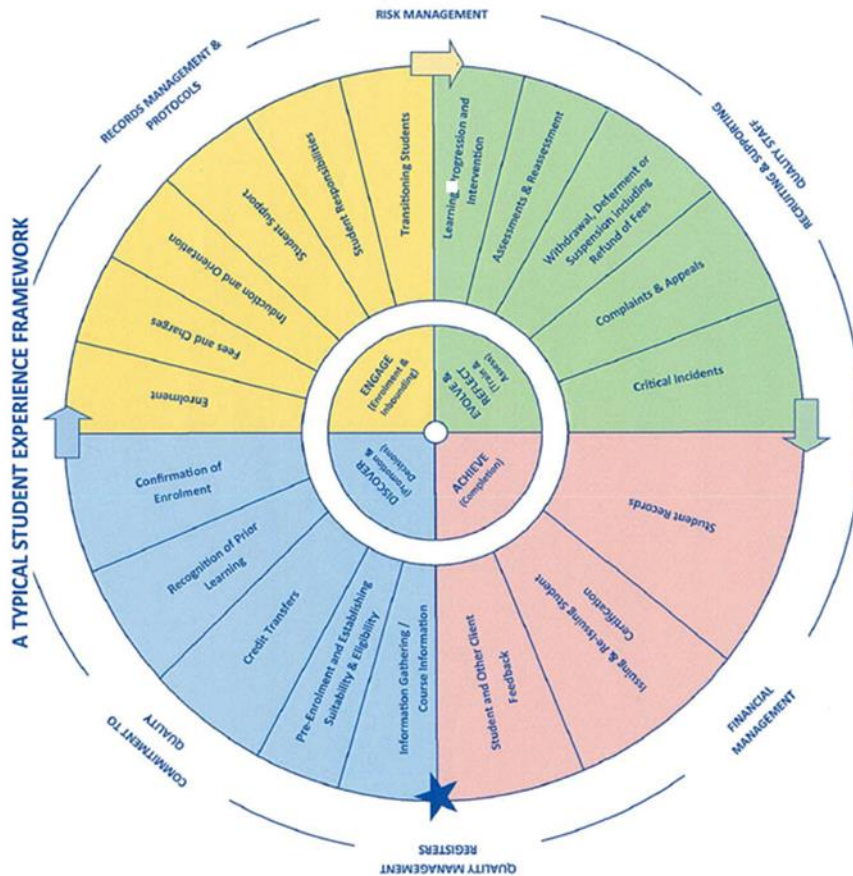
The definition emphasises that risk is not just about downside or adverse events, it is also about missing out on the upside or added value that opportunities bring. IHNA must recognise opportunities in time and capitalise on them. High risk, and high reward is often a phrase utilised and highlight the opportunities aspect of risk.

### **c. Objectives of Risk Management**

The overall purpose of risk management is the creation and protection of value for IHNA's key stakeholders, through embedding risk information into everyday decision making across the organisation.

The objectives and benefits of IHNA's approach to risk management are to:

- a) Establish a positive risk culture;
- b) Help IHNA to protect its assets including its reputation;
- c) Protect the safety of students and staff;
- d) Support achievement of strategic and operational objectives, through early identification and management of risks and opportunities;
- e) Encourage innovation;
- f) Prevent business disruptions from interrupting IHNA's critical functions;
- g) Support sound decision-making and effective resource management;
- h) Support adoption of risk treatment strategies that are fit for purpose, cost-effective and reduce risk to an acceptable level.
- i) Manage risk and incorporate quality management across the entire student life cycle of the student journey.



**d. Definition and Purpose of the Risk Appetite Statement (RAS)**

Fundamental to a robust Risk Management Framework is the development and understanding of IHNA’s Risk Appetite. Risk Appetite can be defined as the amount of risk, on a broad level, that IHNA is prepared to take in meeting its organisational goals.

The Board is responsible for determining IHNA’s appetite for risk. The Board’s risk appetite must align to:

- a) the risk culture of IHNA;
- b) the vision, mission, and values of IHNA;
- c) strategic plan and goals;
- d) IHNA’s service commitment and student demographic;
- e) the financial and budget environment in which IHNA is operating.

The Board recognises that certain risk types that are inherently risky, such as the provision of professional experience placements for students may not be capable of being managed to a level of zero risk. This means that not all risks can be removed; some can be reduced or shared consistent with industry practice; however, these risks where appropriate are understood, tolerated and/or controlled, then monitored by Executive Management and the Board. The Board understands that incidents and challenges may occur but does expect that IHNA will learn from these events. For material events, a root cause analysis or other similar investigation is undertaken, and where relevant learnings are shared to prevent recurrence where possible.

**e. Approach to Risk Appetite**

IHNA sets its risk appetite by:

- a) Setting top-down risk appetite statements that define the expected level of risk that IHNA is willing to accept across a range of strategic priorities and consequence areas.
- b) As part of the regular review of the IHNA risk profile, determining whether each reported risk, its rating, controls effectiveness and proposed treatments are within or outside appetite.

**Appetite vs Tolerance**

IHNA defines **risk appetite** as the amount of risk it is prepared to accept during normal operations. Anything outside of its risk appetite must be escalated without delay for decision making about whether the risk can be brought back within acceptable levels and what controls, or resources are required to effect that change.

IHNA defines **risk tolerance** as the upper limit the organisation can bear, or put another way, something that is outside tolerance should not be allowed to occur.

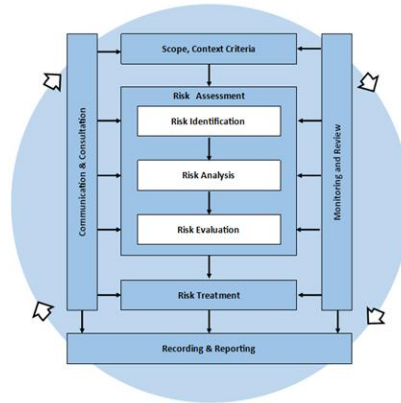
Within Appetite	Within Tolerance	Outside Tolerance
<ul style="list-style-type: none"> <li>• Operations proceeding within expected ranges.</li> <li>• Risks within these ranges can be taken by Executive Management as long as proactively managed.</li> </ul>	<ul style="list-style-type: none"> <li>• Operations or risks have exceeded the Board’s appetite level.</li> <li>• Escalation is required by the Audit &amp; Risk Committee and Board for monitoring and oversight.</li> <li>• Executive Management, with oversight from the Audit &amp; Risk Committee and Board, would seek to bring these risks back to within appetite as quickly as possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Operations or risks have exceeded the level that the organisation has determined is its upper limit of capacity to manage/absorb.</li> <li>• Typically risks or measures should not be allowed to reach this stage.</li> <li>• Escalation is required by the Audit &amp; Risk Committee and Board and may result in the activity ceasing, being modified or significant resources applied to control the risk back to an acceptable level.</li> </ul>

It is important to note that Escalation is required as soon as a risk or measure exceeds the appetite threshold even where it is within the tolerance range.

Please refer to IHNA’s Risk Appetite Statement for detail on IHNA’s risk appetite and tolerance levels.

**8. Risk Management Process**

IHNA has a systematic and integrated risk management process that is effective in managing risk. The risk management process outlined below is aligned with ISO 31000: 2018 and describes the steps IHNA takes when identifying and assessing a risk:



IHNA’s risk management approach often begins with a clear understanding of the outcome it is trying to achieve, defined during the Scope, Context and Criteria phase, and the identification of barriers or roadblocks (risks) to achieving those objectives.

This outcome-focused approach to risk management ensures that the risk management process is helping IHNA create and protect value.

To supplement this approach, and to ensure that IHNA has a broad and wide view of all threats and challenges, IHNA will also periodically (at least once a year) conduct environmental scanning and threat analysis exercises to ensure that all possible risks, challenges, and threats (not just those that neatly align to defined goals and objectives) are identified and given appropriate consideration.

IHNA will also ensure that both a top-down (Board and Executive Management) and Bottom-Up (Operational and Front-Line teams) approach to risk identification occurs annually.

Each year, IHNA will undertake:

- a) Board and Executive Management-level workshops to understand and define threats and challenges to achieving IHNA’s objectives
- b) Board and Executive Management-level assessments of IHNA’s Internal and External context through an environmental scan and threat analysis
- c) A bottom-up approach to risk identification including:
  - A business unit level identification of risks to achieving objectives at an operational level (reviewed 6-monthly)
  - Analysis of internal audit reports to identify gaps in risk management strategies and controls
  - Analysis of incident trends
  - An annual assessment of IHNA’s compliance obligations and how effective its management controls are.

For more detail on each step of the risk management process, refer to IHNA’s Risk Management Process document.

**a. Risk Categories**

In the risk identification stage of conducting a risk assessment, risks identified are classified into one of the following risk categories:

Risk Category	Description
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<b>Strategic</b>	Strategic risks have the potential to impact the achievement of IHNA’s strategic objectives.
<b>Operational</b>	Operational risks are identified by Business Units in relation to their business plans and day-to-day operations.
<b>Academic</b>	Risks that have an impact under the areas of Academic Quality and Academic Integrity.
<b>Regulatory and Compliance</b>	Regulatory Risks relate to IHNA’s registration, accreditation, regulatory policy, and compliance requirements essential for the ongoing operations of the organisation. <ul style="list-style-type: none"> <li>• Standards for Registered Training Organizations (RTOs) 2015</li> <li>• Education Services for Overseas Students (ESOS) Act (2000)</li> <li>• National Code of Practice for Providers of Education and Training to Overseas Students 2018</li> <li>• Education and Training Reform Act 2006 (Victoria)</li> <li>• VET Quality Framework (VQF)</li> </ul>
<b>Financial</b>	Risk is identified all areas of Finance that will have an impact on the achievement of financial objectives which also financial viability and financial sustainability.

These categories are helpful to understand the appropriate audience and escalation points for each risk type (e.g., strategic risks are important to Executive Management and the Board regardless of risk rating), and to inform conversations on appropriate treatment strategies.

To provide useful reporting to the Board and the broader business, IHNA will also classify its risks in relation to the consequence categories defined in this Risk Management Framework. More than one category may apply to one risk (align to the themes and rework)

**b. Risk Analysis Criteria**

In the analysis phase of conducting a risk assessment, IHNA determines a risk’s rating using the following risk measures and scales:

- Likelihood Table (Probability of the occurrence)
- Consequence Table (Severity/Impact level of the occurrence)
- Effectiveness of the Existing Controls
- Residual Risk
- Risk Tolerance

With the risk rating being expressed using the Risk Matrix

The detailed process for conducting a risk assessment and using these measures can be found in the Risk Management Procedure Document.

**c. Escalation and Monitoring of Risks**

IHNA is empowered to manage and monitor their own risks in line with the organisation’s risk appetite and tolerance levels. There may be a need to escalate risks that are rated higher than the appetite level, or when controls have been assessed as weak. Risk escalation and monitoring are important tools for

ensuring that risks are known and understood by the people with the authority to appropriately manage them. If an identified risk poses a material risk and requires the allocation of substantial risk treatment resources, then the risk is escalated to Executive Management for monitoring.

All risks identified at any level of the organisation, regardless of the risk rating, need to be reported and monitored in IHNA's Risk Register (in Microsoft Dynamics CRM & Monday.com)

When a risk that requires escalation is identified outside the ongoing quarterly risk review process, escalation to the appropriate recipient in line with the escalation criteria defined below needs to occur quickly.

All strategic and escalated risks are to be reported to Executive Management and the Audit & Risk Committee quarterly. Risk reporting also occurs regularly to the Board through the Risk Compliance and Safety Report and through the CEO's Tier 1 Risks Report.

**Table Risk Escalation & Monitoring**

Escalation Level	Criteria for escalating management of risks	Criteria for inclusion in reporting (in addition to the column to the left)
<b>ARC &amp; Board</b>	<ul style="list-style-type: none"> <li>All strategic risks</li> <li>Any risk with a residual risk rating of Very High</li> </ul>	<ul style="list-style-type: none"> <li>Incidents rated moderate and above</li> <li>Overall risk profile (all risks)</li> </ul>
<b>CEO / Executive Management Committee (EMC)</b>	<ul style="list-style-type: none"> <li>Residual risk rating of High or above</li> <li>Residual risk rating of Medium where the control rating is Weak or action plans are &gt; 3 months overdue</li> </ul>	<ul style="list-style-type: none"> <li>Incidents rated moderate and above</li> <li>Overall risk profile (all risks)</li> </ul>
<b>Campus Managers</b>	<ul style="list-style-type: none"> <li>Business unit risks with a residual risk rating of Medium or above</li> </ul>	<ul style="list-style-type: none"> <li>All risks and incidents within their business unit</li> </ul>
<b>Managers and Course Coordinators</b>	<ul style="list-style-type: none"> <li>Business unit risks with a residual risk rating at all levels</li> </ul>	<ul style="list-style-type: none"> <li>All risks and incidents within their sphere of control</li> </ul>

Escalated risks that are included in the reporting to the Board, ARC, Management Committee may be de-escalated and removed from the report once the risk has been managed to a level within risk appetite as agreed by the escalation body.

## 9. Communicating and reporting Risk Information

### a. Reporting the Risks

Risk information will be reported to the Executive Management Committee monthly, and the Audit & Risk Committee and Board of Directors quarterly.

Reporting provided will include:

Body	Reporting
<b>ARC &amp; Board</b>	<ul style="list-style-type: none"> <li>Escalated Risks Snapshot (Dashboard summary)</li> <li>Risk Register – Detailed</li> <li>Residual Risk Heat Map</li> <li>Risk Profile (snapshot of all risks including those at lower levels)</li> <li>Risk and incident trend analysis</li> <li>Quarterly Board reporting</li> </ul>
<b>CEO</b>	<ul style="list-style-type: none"> <li>Risk Indicator Reports- Financial and Student</li> </ul>

<b>Executive Management Committee</b>	<ul style="list-style-type: none"> <li>• Risk, Compliance and Safety Report, focusing on claims and incident (staff and student) data</li> <li>• End of Month Risk Reporting</li> </ul>
<b>Course Manager</b>	<ul style="list-style-type: none"> <li>• Business Unit Risk Snapshot and Heat Map</li> <li>• Business Unit Risk Register – Detailed</li> </ul>

**b. Risk Communication**

IHNA uses several methods to keep its employees up to date with emerging risk trends. This includes, but is not limited to:

- Regular risk management discussions during team meetings at Business Unit level;
- Sharing Quarterly IHNA Risk Profile reports with the Executive Management Team;
- Ad hoc risk communication sent by the Quality Assurance Team;
- Best practice and success stories within IHNA are communicated to inspire and encourage other employees.

**c. Risk Management Strategy & Roadmap**

IHNA’s Risk Management Improvement Plan is a strategic roadmap document that describes the organisation’s future vision, direction, and objectives for risk management. It incorporates key strategies to be implemented over the next three years to achieve these objectives and is updated annually. As well as clear statements about the future evolution of the Risk Management Framework and Approach.

**10. Building Risk Capabilities**

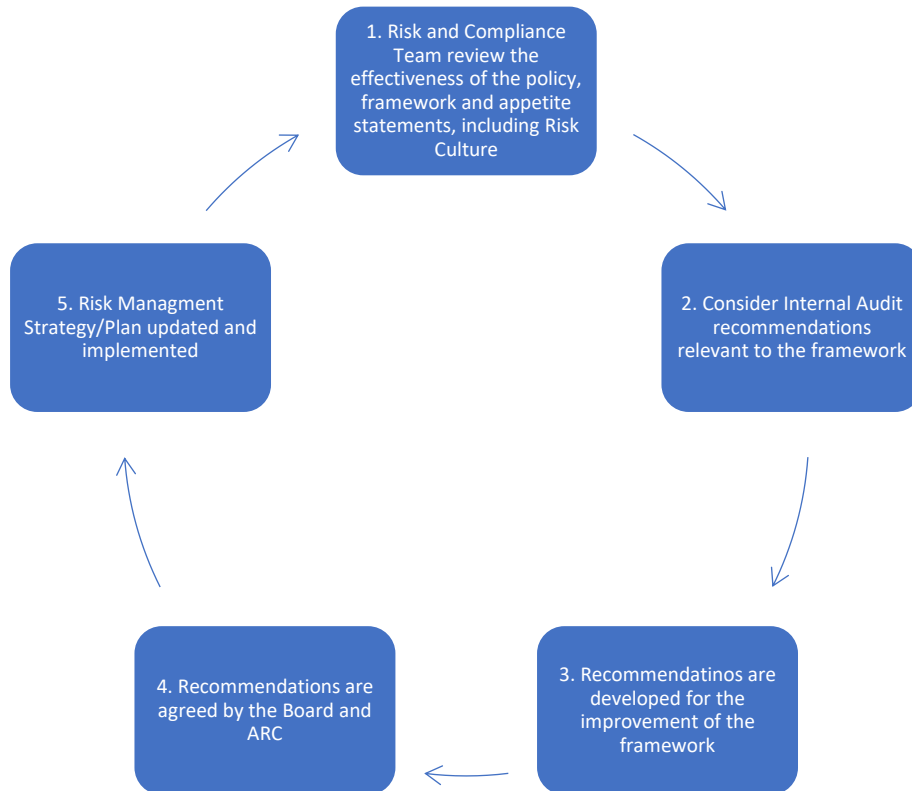
IHNA staff are expected to have the skills to be able to apply the Risk Management Framework. Requisite competence will be obtained through a combination of formal training and on-the-job learning specifically:

- New starters will be provided risk management training as part of their induction program. New staff with risk owner responsibilities will also be provided additional 1-on-1 training by the Risk and Compliance team.
- Existing staff, requiring upskilling in risk management, will receive refresher training every 1 – 3 years.
- Other staff who require additional risk management skills will receive training tailored to their needs.
- Online learning tools, face-to-face classroom-style learning and 1-on-1 training methods will be applied as appropriate.

**11. Monitoring and Review of the Risk Management Framework**

IHNA acknowledges that effective risk management is an ongoing, evolving practice and commit to the annual review of the Risk Management Framework to ensure it remains current and provides a consistent, cohesive, and standard approach to the application of risk management. Continual Improvement of the Risk Management Framework will be implemented through monitoring and analysis of key performance data.

The annual cycle of review for the Risk Management Framework is as follows:



When assessing the effectiveness of the Risk Management Framework and Appetite Statements, the Risk & Compliance Team will consider:

- Internal audit recommendations (as needed, an internal audit function will be involved. )
- Key Risk Indicator performance and trends
- Changes in the IHNA risk profile over time
- Performance against IHNA’s insurance program
- Any changes to IHNA’s internal and external operating context
- Any changes to international standards or best practice guidance
- Feedback from key stakeholders, staff and management, including feedback from the ARC and Board

## 12. Key Related Documents

- Risk Management Framework
- Risk Management Policy
- Risk Management Procedure
- Risk management improvement plan
- Audit Plan
- AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines (ISO 31000: 2018).
- AS HB 436 – 2013 Risk Management Guidelines (HB 436)
- AS NZS ISO 9001 2016 Quality Management Systems - Requirements
- ASX Corporate Governance Principles and Recommendations – Principle 7

### 13. Appendix

#### a. Risk Consequence Levels Statement

Strategic						
		Consequence Level				
Risk Indicator	Source / Indicator	Insignificant	Minor	Moderate	Major	Severe
Business Continuity	Business Continuity Report	Business interruption less than 1 week or loss of critical business systems during offers, enrolment, exams or results for less than half a day	Business interruption less than 2 weeks or loss of critical business systems during offers, enrolment, exams or results less than 2 days	Business interruption less than 4 weeks or loss of critical business systems during offers, enrolment, exams or results less than 3 days	Business interruption less than 6 weeks or loss of critical business systems during offers, enrolment, exams or results less than 7 days	Business interruption greater than 6 weeks or loss of critical business systems during offers, enrolment, exams or results greater than 1 week
	Cyber Security Report	<ul style="list-style-type: none"> <li>Breach of corporate systems exposing non-sensitive data</li> </ul>	<ul style="list-style-type: none"> <li>Loss of access to critical systems for few hours</li> <li>Data breach exposing personal data of students /</li> </ul>	<ul style="list-style-type: none"> <li>Loss of critical systems &lt;1 days</li> <li>Ongoing and systematic theft of funds / assets over a period</li> </ul>	<ul style="list-style-type: none"> <li>Temporary loss of critical systems impacting delivery of key services &gt; 1 days</li> </ul>	<ul style="list-style-type: none"> <li>Loss of critical business data impacting delivery of key projects</li> <li>Large scale data breach exposing</li> </ul>

			staff limited to cohort	exceeding 6 months	<ul style="list-style-type: none"> <li>Moderate scale exposure of personal data across IHNA</li> </ul>	protected personal information i.e., health records, bank records
<b>Reputation</b>	CEO Report	<p>Issue resolved promptly by management</p> <p>Social media negative reviews: one per month</p>	<p>Issue raised by students and / or local press requiring media engagement</p> <p>Social media negative reviews: two per month</p>	<p>Student and / or community concern, heavy local media coverage.</p> <p>Substantial impact to enrolment at campus, school or unit level.</p> <p>Negative feedback from the regulator.</p> <p>Social media negative reviews: three per month</p>	<p>National adverse media coverage</p> <p>Significant impact on enrolments.</p> <p>Loss of research funding and industry engagement.</p> <p>Regulatory Risk Damage.</p> <p>Social media negative reviews: four per month</p>	<p>Reputation of the IHNA affected nationally and internationally, front page news.</p> <p>Material reputational damage with ASQA and/or other regulators.</p> <p>Social media negative reviews: five per month</p>

Operational						
		Consequence Level				
Risk Indicator	Source / Indicator	Insignificant	Minor	Moderate	Major	Severe
<b>OH&amp;S/WHS</b>	<ul style="list-style-type: none"> <li>OHS/WHS Report</li> </ul>	<ul style="list-style-type: none"> <li>Non-medical treatment required (no first aid, no follow up with health practitioner)</li> </ul>	<ul style="list-style-type: none"> <li>Physical or psychological injury requiring first aid only, no lost time</li> </ul>	<ul style="list-style-type: none"> <li>Short term physical or psychological injury, condition; or treatment and/or lost time &lt; 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Long term physical or psychological injury or condition (able to return to work); or long-term treatment and/or lost time &gt; 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Death or permanent physical or psychological injury to an employee</li> </ul>
<b>IT and Equipment</b>	<ul style="list-style-type: none"> <li>Digital Transformation Report</li> </ul>	<ul style="list-style-type: none"> <li>IT Systems not performing as desired</li> </ul>	<ul style="list-style-type: none"> <li>Business-critical applications down less than 2 working hours</li> </ul>	<ul style="list-style-type: none"> <li>Business applications down for 2 - 4 working hours</li> </ul>	<ul style="list-style-type: none"> <li>Business-critical applications down for 4 – 36 working hours</li> </ul>	<ul style="list-style-type: none"> <li>Business-critical applications down for &gt; 36 hours</li> </ul>

Academic						
		Consequence Level				
Risk Indicator	Source / Indicator	Insignificant	Minor	Moderate	Major	Severe
<b>Student load</b>	<ul style="list-style-type: none"> <li>Quarterly student load report</li> <li>Student Participation, progress and Completion Report</li> <li>Course Enrolment Report</li> </ul>	<p><b>10% student load</b></p> <p>Planned fluctuations within a small margin of enrolment projections.</p>	<p><b>15-25% student load</b></p> <p>Slight deviations from enrolment projections with minimal impact on resources.</p>	<p><b>25-35% student load</b></p> <p>Noticeable variations in student load requiring some resource adjustments.</p>	<p><b>35-50% student load</b></p> <p>Significant unplanned fluctuations necessitating substantial resource reallocation.</p>	<p><b>&gt;50% student load</b></p> <p>Unprecedented and disruptive variations severely impacting academic delivery and resources.</p>

<p><b>Attrition rate</b></p>	<ul style="list-style-type: none"> <li>• Student Participation, progress and Completion Report</li> <li>• Annual Academic Risk Report</li> </ul>	<p><b>Up to 5%</b> Normal attrition rates consistent with historical data.</p>	<p><b>Up to 10%</b> Slightly elevated attrition rates manageable with existing retention strategies.</p>	<p><b>Up to 15%</b> Noticeable increase in attrition rates prompting targeted retention interventions.</p>	<p><b>Up to 20%</b> Substantial and concerning rise in attrition rates requiring urgent intervention.</p>	<p><b>Above 20%</b> Excessive attrition rates jeopardizing program viability and requiring immediate corrective actions.</p>
<p><b>Progress rate</b></p>	<ul style="list-style-type: none"> <li>• Student Participation, progress and Completion Report</li> <li>• Annual Academic Risk Report</li> </ul>	<p><b>Above 85%</b> Steady progress rates within expected ranges.</p>	<p><b>85% - 80%</b> Slight variations in progress rates with timely interventions.</p>	<p><b>79% -70%</b> Noticeable deviations prompting focused support for struggling students.</p>	<p><b>70% -60%</b> Substantial and concerning deviations requiring systemic interventions.</p>	<p><b>Below 60%</b> Drastic and widespread deviations severely impacting program outcomes and necessitating immediate corrective actions.</p>
<p><b>Graduates Completions</b></p>	<ul style="list-style-type: none"> <li>• Student Participation, progress and Completion Report</li> <li>• Annual Academic Risk Report</li> </ul>	<p><b>Above 95%</b> Expected and planned number of graduates completing their programs</p>	<p><b>90%</b> Slight under or over completions within</p>	<p><b>85%</b> Noticeable under or over completions affecting</p>	<p><b>80%</b> Significant under or over completions requiring</p>	<p><b>Below 80%</b> Extreme under or over completions severely impacting</p>

			manageable limits	program outcomes.	strategic interventions.	program viability and necessitating immediate corrective actions
<b>Graduate Satisfaction</b>	<ul style="list-style-type: none"> <li>Annual Academic Risk Report</li> <li>Student Satisfaction Surveys</li> </ul>	<p><b>&gt;86%</b></p> <p>High levels of satisfaction within established benchmarks.</p>	<p><b>&gt;82%</b></p> <p>Slight variations in satisfaction scores with targeted improvement efforts.</p>	<p><b>&gt;77%</b></p> <p>Noticeable decreases prompting focused efforts to address specific concerns.</p>	<p><b>&gt;70%</b></p> <p>Significant declines necessitating immediate intervention and strategic adjustments.</p>	<p><b>Below 70%</b></p> <p>Drastic and widespread dissatisfaction severely impacting the institution's reputation, requiring urgent and comprehensive corrective actions.</p>
<b>Graduate Destinations</b>	<ul style="list-style-type: none"> <li>Annual Academic Risk Report</li> </ul>	<p><b>Above 76%</b></p> <p>Graduates consistently securing desired career destinations.</p>	<p><b>&gt;70%</b></p> <p>Some variations in career destinations manageable with targeted career services.</p>	<p><b>&gt;65%</b></p> <p>Noticeable challenges in graduate employment or further education placements.</p>	<p><b>&gt;60%</b></p> <p>Significant issues affecting a substantial number of graduates, requiring urgent intervention.</p>	<p><b>Below 50%</b></p> <p>Widespread and severe challenges severely impacting the institution's ability to prepare graduates for successful careers,</p>

						necessitating immediate corrective actions.
<b>Senior Academic Leaders</b>	<ul style="list-style-type: none"> <li>Annual Academic Risk Report</li> <li>Teaching Staff Report</li> </ul>	Leadership Staff between- 4-5 per ANZAC Code	Leadership Staff between- 4-2 per ANZAC Code	Leadership Staff between- 3-2 per ANZAC Code	Leadership Staff below < 2 per ANZAC Code	Leadership Staff is 1 or zero per ANZAC Code
<b>Student to staff ratio</b>	<ul style="list-style-type: none"> <li>Annual Academic Risk Report</li> <li>Teaching Staff Report</li> </ul>	<b>Ratio between 1-10</b> Slight fluctuations within an acceptable range based on enrollment changes.	<b>Ratio between 10-15</b> Modest variations requiring minimal adjustments to maintain a balanced ratio.	<b>Ratio between 15-25</b> Noticeable increase impacting faculty workload, necessitating strategic interventions.	<b>Ratio Above 25-30</b> Significant imbalance affecting teaching quality and student support, requiring urgent corrective actions.	<b>Ratio Above 31</b> Extreme deviations severely impacting educational outcomes, necessitating immediate and comprehensive restructuring.
<b>Academic staff on casual work contracts</b>	<ul style="list-style-type: none"> <li>Annual Academic Risk Report</li> <li>Teaching Staff Report</li> </ul>	<b>Insignificant</b> <b>10% - 25%</b>	<b>Minor</b> <b>25% - 32%</b>	<b>Moderate</b> <b>32%- 45%</b>	<b>Major</b> <b>45%-58%</b>	<b>Severe</b> <b>Above 58%</b>

<b>Academic Integrity</b>	<ul style="list-style-type: none"> <li>• Turnitin Similarity Reports</li> <li>• Academic Integrity Reports</li> </ul>	0% - 5% plagiarism instances	5% - 10% plagiarism instances	10-15% plagiarism instances	15-20% plagiarism instances	>20% plagiarism instances
<b>Academic Quality</b>	<ul style="list-style-type: none"> <li>• Compliance Reports</li> <li>• Audit Reports</li> </ul>	Minor deviations from stipulated standards, easily addressable within a short timeframe.	Slight discrepancies in Academic domains compliance that can be rectified with limited effort and resources.	Moderate non-compliance with Academic domains, requiring focused efforts and interventions for resolution.	Significant breaches of Academic domains standards, demanding substantial resources and time for corrective measures.	Critical and widespread violations of Academic domains, posing an imminent threat to academic quality and requiring urgent, comprehensive corrective actions.

Regulatory Compliance						
		Consequence Level				
Risk Indicator	Source / Indicator	Insignificant	Minor	Moderate	Major	Severe
<b>Regulatory Compliance</b>	<ul style="list-style-type: none"> <li>• CEO Reporting to Board</li> </ul>	<ul style="list-style-type: none"> <li>• Verbal complaint, no</li> </ul>	<ul style="list-style-type: none"> <li>• A dispute that can be resolved through</li> </ul>	<ul style="list-style-type: none"> <li>• Material negative</li> </ul>	<ul style="list-style-type: none"> <li>• Conditions placed on accreditation</li> </ul>	<ul style="list-style-type: none"> <li>• Significant loss of accreditation or another</li> </ul>

		<p>legal outcome</p> <ul style="list-style-type: none"> <li>A dispute that can be resolved through informal negotiation</li> </ul> <p>Non-compliance with low level non-compulsory administrative processes</p>	<p>formal mediation</p> <ul style="list-style-type: none"> <li>Non-compliance with compulsory administrative or legal processes that can be resolved easily with dialogue</li> </ul>	<p>findings by the regulator</p> <ul style="list-style-type: none"> <li>Registration /Accreditation with Conditions notice issued by ASQA</li> </ul>		<p>regulatory incident that impacts operational ability across IHNA</p>
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**Finance**

Risk Indicator	Source / Indicator	Consequence Level				
		Insignificant	Minor	Moderate	Major	Severe
	<b>Financial Report</b>					
<b>EBITDA</b>		0 to 1% of EBITDA	1 to 3% of EBITDA	3 to 5% of EBITDA	5 to 10% of EBITDA	> 10% of EBITDA
<b>Operating margin %</b>	<b>Financial viability Report</b>	If actual < 5% of budgeted  15%≤OM≤20%	If actual < 15% of budgeted  10%≤OM≤15%	If actual < 25% of budgeted  5%≤OM≤10%	If actual < 50% of budgeted  0%≤OM≤5%	If actual < 75% of budgeted  OM≤0%
<b>Liquidity</b>		1.75 ≥CR	1.50≤CR≤1.75	1.00≤cr≤1.25	.8≤CR≤1	CR≤.75

<b>Current Ratio</b>						
<b>Total Liabilities-to-Tangible Assets</b>		TL Less than 25% of TA	TL less than 50% of TA	TL less than 75% of TA	TL less than 100% of TA	TL more than 100% TA
<b>Debt Service Coverage</b>		>=2.5 times	<=2 times	<=1.5	<=1.25	<=1
<b>Operating cash flow ratio</b>		>=1	>=.75	>=.50	>=.25	<=0
<b>Change in revenue %</b>	<b>Financial Sustainability Report</b>	Steady growth of 25% YOY	Steady growth of 15% YOY	Steady growth of 5% YOY	Steady growth of 0% YOY	Downward growth on YOY basis
<b>Asset (Capital) replacement</b>		>=5	>=4	>=2	>=1	<=0
<b>YoY change in commencements (EFTSL)</b>		Steady growth of 25% YOY commencement	Steady growth of 15% YOY commencement	Steady growth of 5% YOY commencement	Steady growth of 0% YOY commencement	Downward growth on YOY basis commencement
<b>Revenue Concentration</b>		Less than 25% from one course or one source	Greater than 25% but less than 35% from one course or one source	Greater than 35% but less than 50% from one course or one source	Greater than 50% but less than 75% from one course or one source	Greater than 75% but less than 100% from one course or one source

\*Consequence refers to the potential impact or outcome of a risk event being realised. A common mistake in risk identification is to define the consequence as a risk.

## 14. Attachment B: Control

### Effectiveness Ratings, Likelihood Table and Risk Matrix

<b>Control Effectiveness Rating</b>	<b>Weak</b>	Controls are largely ineffective. They do not provide reasonable assurance that risks will not eventuate.
	<b>Fair</b>	Controls are partially effective in mitigating risk. Improvements are required to provide further assurance that the risk will not eventuate.
	<b>Good</b>	Most controls are designed correctly and are in place and effective. Minor control improvements could be made, but controls already mitigate risk to a tolerable level.
	<b>Excellent</b>	Nothing more to do except review and monitor existing controls. Controls are well designed for risk to address the root causes and management believes that they are effective and reliable at all times. Controls effectively and efficiently mitigate risk to an optimal level.

### Likelihood Assessment Table

Rating	Description
<b>Almost Certain</b>	High level of recorded occurrences and / or strong anecdotal evidence Would be expected to occur in the next 12 months
<b>Likely</b>	Some recorded occurrences and / or anecdotal evidence Could probably occur over a period of 1 to 3 years
<b>Possible</b>	Few, infrequent, recorded occurrences, or little anecdotal evidence Reasonable probability that it could occur over a period of 3 – 5 years
<b>Unlikely</b>	Plausible, but no recorded occurrences or anecdotal evidence May occur over a period of 5 – 10 years
<b>Very Unlikely</b>	Not impossible, but no recorded occurrences or anecdotal evidence May occur only in exceptional circumstances e.g., within 10 years

## 15. Risk Matrix

		Consequence				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
Likelihood	Almost Certain (5)	<b>MEDIUM (5)</b>	<b>HIGH (10)</b>	<b>HIGH (15)</b>	<b>VERY HIGH (20)</b>	<b>VERY HIGH (25)</b>
	Likely (4)	<b>LOW (4)</b>	<b>MEDIUM (8)</b>	<b>HIGH (12)</b>	<b>HIGH (16)</b>	<b>VERY HIGH (20)</b>
	Possible (3)	<b>LOW (3)</b>	<b>MEDIUM (6)</b>	<b>MEDIUM (9)</b>	<b>HIGH (12)</b>	<b>HIGH (15)</b>
	Unlikely (2)	<b>LOW (2)</b>	<b>LOW (4)</b>	<b>MEDIUM (6)</b>	<b>MEDIUM (8)</b>	<b>HIGH (10)</b>
	Very Unlikely (1)	<b>LOW (1)</b>	<b>LOW (2)</b>	<b>LOW (3)</b>	<b>LOW (4)</b>	<b>MEDIUM (5)</b>

## 16. SECTION 1

### Associated Information

<b>Related Internal Documents</b>	<ul style="list-style-type: none"> <li>• Risk Management Policy</li> <li>• Risk Management Procedure</li> <li>• Risk Appetite and Tolerance Statement</li> </ul>
<b>Related Legislation, Standards, and Codes</b>	<ul style="list-style-type: none"> <li>• AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines</li> <li>• (ISO31000)</li> <li>• AS HB 436 2013 Risk Management Guidelines (HB 436)</li> <li>• AS NZS ISO 9001 2016 Quality Management Systems – requirements</li> <li>• ASX Corporate Governance Principles and Recommendations – Principle 7</li> <li>• Standards for Registered Training Organizations (RTOs) 2015</li> <li>• Education Services for Overseas Students (ESOS) Act (2000)</li> <li>• National Code of Practice for Providers of Education and Training to Overseas Students 2018</li> <li>• Education and Training Reform Act 2006 (Victoria)</li> <li>• VET Quality Framework (VQF)</li> </ul>

<b>Date Approved</b>	14/12/2023
<b>Date of Effect</b>	15/12/2023
<b>Date of Next Review</b>	14/12/2027
<b>Approval Authority</b>	Board of Directors
<b>Responsibility for implementation</b>	CEO and Executive Management
<b>Document Custodian</b>	CEO
<b>DocID</b>	IHNA-RMF-1.0

**Change History**

Version Control		Version 1.0
Version No.	Date	Brief description of the change, incl version number, changes, who considered, approved, etc.
V.1.0	14/12/2023	New Framework Approved in the meeting