

RISK MANAGEMENT POLICY

Section	Risk Management
Contact	Risk Manager
Last Review	March 2014
Next Review	March 2017
Approval	A&R 14/18 – April: 3.5.2
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Purpose:

To ensure that risk management forms part of Massey University's internal control and corporate governance arrangements.

The detail of the risk management process to be adopted by Massey University, the governance responsibilities of Council and those of University Management are included in the Risk Management framework document entitled **Risk Management @ Massey University** (version 9.2, March 2014)

Policy:

Massey University Council and senior management recognise risk management as an integral part of good management practice and an essential component of good governance. It is recognised that risk management creates and protects value, through contribution to the demonstrable achievement of objectives and improvement in organisational performance. It is recognised as an iterative process integral to all organisational processes which when undertaken enables continual improvement in strategic decision-making and innovation, as well as helping protect the organisation from adverse events.

Massey University is committed to implementation of a comprehensive risk management framework, which addresses in detail four fundamental activities:

- Governance and management responsibilities,
- Risk identification, analysis and assessment,
- Risk control/treatment,
- Performance monitoring and risk performance assurance

Massey University defines risk as the effect of uncertainty on objectives. Risk may have a positive or negative impact.

Risk management is the logical and systematic process of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risks associated with any activity, function or process in a way that will enable organisations to minimise losses and maximise opportunities. Risk management is effective if it reliably protects the organisation's goals, and it is efficient if it does this at lowest sustainable long-term cost.

Risk management within Massey University is based on the following principles:

- Risk is part of running any organisation and while not strongly risk averse, Massey University recognises the need to proactively identify and manage its risks.
- Risk Management is a governance issue, and a management responsibility.
- Managers understand and accept their responsibilities to manage those aspects of risk that threaten the organisation's goals, which fall within their areas of influence and control.
- Risk Management is embedded in the culture of the University.
- Risk identification and management is to be undertaken, across all University activities, including subsidiaries, trusts, and controlled entities, as circumstances reasonably dictate as part of:
 - Strategic planning
 - the annual planning process
 - day-to-day operations
 - investment and strategic analysis
 - business case
 - programme and project management

The process used to identify and manage risk at Massey University will reflect AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines. Furthermore Massey University will evaluate the effectiveness of risk controls in accordance with the COSO (Committee of Sponsoring Organisations) model.

Although all members of the University community have a role to play in the identification and management of risk, risk management processes are primarily a line management responsibility since risk is inextricably linked with operational activity.

Therefore Managers must familiarise themselves with the Risk Management Framework and take proactive steps to identify and manage risk within their areas of influence and control.

Managers must provide reports requested from time to time as part of the Management Attestation Programme to the Vice-Chancellor and Council.

As part of the Management Attestation Programme, Managers will prepare risk reports at least quarterly, and more often as required, using agreed templates. Reports will be prepared and forwarded on a 'bottom up' basis and contribute to the Performance Reporting for Council prepared by the Vice-Chancellor and members of the Senior Leadership Team.

Definitions:

Risk: effect of uncertainty on objectives

Risk management: coordinated activities to direct and control and organisation with regard to risk

Risk management framework: set of component the provide the foundations and organisation arrangements for designing, implementing , monitoring, reviewing and continually improving risk management throughout the organization.

Risk Owner: Person or entity with the accountability and authority to manage a risk

Risk management process: systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context and identifying, analyzing, evaluating, treating, monitoring and reviewing risk.

Risk assessment; overall process of risk identification, risk analysis and risk evaluation

Risk Treatment: Process to modify risk. Note 1. can involve avoiding the risk, accepting the risk to pursue an opportunity, removing the source of risk, changing the likelihood or consequence, sharing risk, and/or retaining the risk by informed decision. Note 2: may also be known as “Risk Mitigation”

Risk Control: Measure that is modifying risk Note 1 - includes any process, policy, device, practice, or other actions which modify risk. Note 2; May not always exert the intended or assumed modifying effect.

Audience:

All staff

Relevant legislation:

None

Legal compliance:

None

Related procedures / documents:

AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines

[Risk Management Framework](#)

[Compliance Policy](#)

[Business Continuity Policy](#)

[Fraud Prevention Policy](#)

[Insurance Policy](#)

[Emergency Management Policy](#)

Document Management Control:

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