

APPENDIX A – RISK MANAGEMENT PROCESS

PROCESS STEP		DESCRIPTION	PURPOSE
Communication and Consultation		<ul style="list-style-type: none">Involving stakeholders and information sharing throughout the risk management process.	<ul style="list-style-type: none">Staff involved throughout the risk process understand the basis for decisions and actions.Opportunity to share lessons learnt.
Establishing the Context		<ul style="list-style-type: none">Understanding the University’s objectives and defining the external and internal environment within which the University operates.	<ul style="list-style-type: none">Context is appropriately defined.Understand factors influencing the ability to achieve objectives.Determine boundaries within which the risk management framework operates.Define risk criteria to ensure risks are assessed in a consistent manner.
Risk Identification	Risk Assessment	<ul style="list-style-type: none">Consider the source of risk, the event that could trigger the risk (cause) and the impact on the University’s objectives (effect).	<ul style="list-style-type: none">Generate a list of threats and opportunities that might affect the University’s ability to achieve its objectives.Document risk statements in a way that is easy for others to understand and categorise the risk in accordance with the University’s risk categories.
Risk Analysis		<ul style="list-style-type: none">Comprehend the nature of the risk and determine the level of risk exposure (the consequence(s) and the likelihood).	<ul style="list-style-type: none">Provide an understanding of the inherent (level of exposure should controls fail) risk rating and any controls already in place or included in approved plans to prevent the event from occurring or limit the impact of possible consequences if it occurs.Determine whether these controls are effective and adequate.
Risk Evaluation		<ul style="list-style-type: none">Use the University risk matrix and risk appetite statement to determine whether the risk is acceptable or tolerable.	<ul style="list-style-type: none">Determine if controlled risks need further treatment.Identify priority order in which individual risks should be treated.On review of the local risk profile, the Head of Faculty or Division will determine whether the controlled risk is within the risk appetite of the University, and if not if the risk is acceptable.
Risk Treatment		<ul style="list-style-type: none">Select one or more options for modifying the risk.	<ul style="list-style-type: none">Identify treatments for risks to reduce the residual risk or improve the risk controls.

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	<ul style="list-style-type: none"> Reassess the level of risk with controls and treatment in place (residual risk). 	<ul style="list-style-type: none"> Provide an understanding of the residual risk (level of risk with controls and treatments in place). Identify priority order in which individual risks should be treated, monitored and reviewed. Risk treatments need to be cost effective, practicable and commensurate with the level of the risk.
Monitoring and Review	<ul style="list-style-type: none"> Determining whether the risk profile has changed and whether new risks have emerged. Check control effectiveness and progress of the treatment plan. 	<ul style="list-style-type: none"> Provide currency of risk information. Identify emerging risks. Provide feedback on control efficiency and effectiveness. Identify whether any further treatment is required. Provide a basis to reassess risk priorities. Determine the required management actions and escalation requirements. Capture lessons learnt from event failures, near misses and success.