RMIT UNIVERSITY

Risk Management Model

Risk Management Model

Oversight

Oversight accountability is defined based on the applicable charters for Council, Academic Board and Committee's (ARMC, NRPC and IITC)
- Committees have oversight for Risk Domains within their scope of operation
- Executive oversight is quarterly via the VCE

Oversight reporting to the VCE and ARMC to support:
- Monitoring risk appetite levels set by Council
- Review of material exceptions to progress of treatments plans
- Review identified control deficiencies and any significant losses/incidents
- Consideration of changes to conditions or exposure or emerging risks

Risk Management Process

Risk Profile

The RMIT Group Risk Profile is comprised of the following:
- Mutually exclusive and comprehensive Risk Domains
- The key areas of risk in each Risk Domain defined as a Tier 1 risk
- Causes identified for each Tier 1 risk with a defined operating range for the desired level of control to achieve operating within risk appetite
- Specific instances of each cause defined as a Tier 2 risk at entity/college/portfolio level

Risk Appetite

- The RMIT Risk Appetite Statement (RAS) is set by Council
- The RMIT RAS is comprised of a RAS for each Risk Domain
- The RAS defines risk outcomes in qualitative and quantitative terms
- Quantitative measures provide a desired operating range with upper and lower thresholds

Risk Measurement

- Risk is measured via the Service Risk Score (SRS) measurement methodology to better support decision making and trade off conversations that:
- Allows comparison on a like for like basis
- Is granular enough to allow differentiation
- Provides "value for your dollar" measurement
- Supports risk reduction tracking and measurement

Risk Treatment and Prioritisation

- Risks are treated to maintain the operating range for the level of control required to operate within risk appetite
- Risk profile is directly linked to the investment prioritisation, funding and resource allocation decision processes
- Approved risk mitigation projects are managed via the AOP

Monitoring

- The quarterly risk and assurance operating rhythm is aligned to the University strategy, planning and governance cycles
- This includes monitoring of any changes to context, level of exposure, progress of risk treatments, and the results of any assurance
- Monitoring is undertaken at the Risk Domain, entity/college/portfolio and VCE level

Assurance

- Each Risk Domain maintains an assurance map that that defines the layers and appropriate levels of management assurance, oversight and independent assurance
- Each Risk Domain maintains and executes an annual assurance plan to assess the design and effectiveness of key controls

Accountability and Culture

The risk accountability model is aligned with management accountability, delegations of authority and governance charters.
It details accountability for all stakeholders across the risk management lifecycle

Risk management tools and techniques are embedded in our way of working including our planning, reporting and key operational business processes (projects, procurement, contracts etc)

Feedback loops are established for risk decisioning and oversight processes.

Operating Model and Rhythm

The risk management quarterly operating rhythm is aligned to the applicable RMIT governance, strategy, planning, investment and reporting cycles

The RMIT risk framework establishes the people, process and technology, aligned to accountability, to support implementation of the model