

Risk Management Framework

Version	Approved by	Approval date	Review date
01	Board of Directors	August 2024	September 2025

Administering entity	Board of Directors, Risk Management and Audit Committee (RMAC), President
Purpose	The purpose of the Risk Management Framework (RMF) at the International School of Global Leaders (ISGL) is to systematically identify, evaluate, and manage potential threats and opportunities that could impact our mission of delivering quality education. The RMF not only ensures adherence to regulatory and compliance standards, such as those set by TEQSA, but also strengthens our commitment to academic excellence, operational integrity, and stakeholder trust. Through proactive risk management, we aim to ensure the sustained growth, reputation, and resilience of our institution in an ever-evolving educational landscape.
Scope	The Risk Management Framework (RMF) encompasses the entirety of ISGL's operations, activities, and processes. This includes academic programs, administrative functions, infrastructure management, student and staff well-being, external partnerships, and engagements with the broader community. The RMF applies to all stakeholders, including faculty, staff, students, management, board members, vendors, and partners. It covers a spectrum of risks, from strategic and operational to financial, regulatory, and reputational. The framework provides the foundation for an integrated approach, ensuring that risk management is embedded across all levels, departments, and initiatives, fostering a culture of informed decision-making, resilience, and continuous improvement.

A. Objectives

- a. **Comprehensive Identification:** To systematically identify potential internal and external threats and opportunities that could affect ISGL's operational and strategic goals.
- b. **Informed Decision-making:** To provide a structured basis for making informed choices, allocating resources, and determining appropriate actions, all of which are centered on risk insights.
- c. **Regulatory Compliance:** To ensure consistent adherence to local, national, and industry-specific regulations and standards, including those set by TEQSA.
- d. **Promote a Risk-aware Culture:** To instill a culture where all stakeholders, from leadership to staff and students, understand the importance of risk management and their individual roles within it.
- e. **Protect and Enhance Reputation:** To manage and mitigate risks that could harm the reputation of ISGL, thereby upholding its stature in the educational community.
- f. **Operational Resilience:** To enhance ISGL's ability to continue its core operations and academic activities in the face of adverse situations or disruptions.
- g. **Continuous Improvement:** To use the insights derived from the risk management process as a driver for continuous improvement in both academic and administrative areas.
- h. **Stakeholder Trust:** To build and maintain trust with students, parents, staff, partners, and the broader community by demonstrating a proactive approach to risk management.
- i. **Financial Stability:** To identify and manage financial risks, ensuring ISGL's financial sustainability and viability in the long term.
- j. **Enhanced Communication:** To foster open channels of communication regarding risks and their management, ensuring clarity and transparency with all internal and external stakeholders.
- k. **Strategic Alignment:** To ensure that risk management practices align with ISGL's strategic objectives and vision, facilitating their successful realisation.
- l. **Optimal Resource Allocation:** To guide the allocation of resources, both human and financial, in areas where they can effectively address the most significant risks and leverage the most promising opportunities.

B. Risk Governance Structure

The risk governance structure provides a hierarchical framework for roles, responsibilities, and accountabilities related to risk management. This structure ensures that risks are effectively identified, assessed, managed, and monitored across the institution.

1. Board of Directors
 - a. Role: Ultimate accountability for risk management.
 - b. Responsibilities:
 - Approve the Risk Management Framework (RMF).
 - Ensure that the institution's risk appetite and tolerance are clearly defined and communicated.
 - Monitor the overall risk profile of the institution and ensure alignment with strategic objectives.
 - Ensure that risks are identified throughout the organisation and that material risks are being managed and mitigated effectively
 - Provide guidance to the President and the Senior Management Team on significant risk-related matters.
 - Review and approve major risk decisions based on the recommendations from the President and the Risk Management and Audit Committee.
2. President
 - a. Role: Implementation of the entire risk management process, having been delegated authority from the Board of Directors.
 - b. Responsibilities:
 - Implement the RMF and ensure it is effectively operationalized throughout the institution.
 - Chair the Risk Management and Audit Committee (RMAC) meetings.
 - Ensure that risk management considerations are integrated into strategic planning and decision-making processes.
 - Report to the Board of Directors on the institution's risk posture, notable risk incidents, and risk management performance.
 - Delegate specific risk management responsibilities to the Senior Management Team and departments as needed.
 - Ensure effective communication and coordination between various departments on risk-related issues.
3. Risk Management and Audit Committee
 - a. Role: Strategic oversight of risk management activities.
 - b. Responsibilities:
 - Develop and update the RMF in line with the institution's objectives and regulatory requirements.
 - Identify and assess emerging risks.
 - Monitor the implementation of risk mitigation strategies and action plans.
4. Staff and Faculty
 - a. Role: Frontline identification and management of risks.
 - b. Responsibilities:
 - Adhere to all risk management policies and procedures.
 - Report any identified risks, incidents, or concerns to their respective department heads or directly to the RMO.
 - Participate in risk management training and awareness programs.

C. Review and Update Cycle

To ensure that our Risk Management Framework (RMF) remains dynamic and responsive to both internal and external changes, ISGL commits to a regular review and update cycle. This iterative approach ensures that the RMF is always aligned with our evolving operational environment, regulatory landscape, and strategic priorities.

1. Frequency of Review
 - a. Annual Review: The Risk Management and Audit Committee (RMAC) will conduct a comprehensive review of the RMF annually. This review will assess the overall effectiveness of the framework, the relevance of identified risks, and the efficacy of mitigation strategies.
 - b. Quarterly Monitoring: In addition to the annual review, the RMF will be a standing item in the meetings to assess the progress of risk management initiatives and identify any emergent risks.

- c. Triggers for Ad-Hoc Review: External or internal events might necessitate unscheduled reviews. Such triggers include significant regulatory changes, major incidents, restructuring within ISGL, or significant shifts in the educational landscape.
2. Update Process:
 - a. Recommendations: Post-review, the RMAC will compile recommendations for any modifications to the RMF.
 - b. Board Approval: Significant changes to the RMF, based on the review findings, will be presented to the Board of Directors for approval.
 - c. Communication: Once updates are ratified, they will be communicated to all relevant stakeholders. This ensures that everyone is aligned with the latest risk management practices and policies.
 - Training: Where updates result in substantial changes to processes or responsibilities, training sessions will be organised to acquaint stakeholders with the new protocols.

D. Risk Appetite and Tolerance

Understanding our risk appetite and tolerance is fundamental to informed decision-making, resource allocation, and strategic direction. By delineating the boundaries of acceptable risk, we position ourselves to achieve our institutional objectives while safeguarding our stakeholders and assets.

1. Definition:
 - a. Risk Appetite: Refers to the level and type of risk ISGL is willing to pursue or accept in order to achieve its strategic objectives. It embodies our institution's attitude towards risk-taking and is a reflection of our ambition, values, and mission.
 - b. Risk Tolerance: Denotes the specific limits of acceptable variation concerning the achievement of objectives. It sets the boundaries within which risk should be managed and represents the amount of risk our institution is prepared to accept.
 - c. Our Risk Appetite Statement: At ISGL, we have a balanced risk appetite. While we are committed to innovation and academic excellence, we also place paramount importance on the well-being and safety of our community. We are willing to explore novel approaches and opportunities that align with our mission, provided they do not compromise the integrity and reputation of our institution.
 - d. Risk Tolerance Thresholds: To operationalise our risk appetite, specific risk tolerance thresholds are established across various operational and strategic areas:
 - *Academic Excellence*: We have zero tolerance for any action or decision that compromises the quality of our education. This includes curriculum changes, faculty recruitment, or technology adoption.
 - *Financial Stability*: We set a maximum acceptable variance of 5% from our projected financial metrics, ensuring our long-term sustainability.
 - *Operational Disruptions*: We accept a minimal level of operational disruptions, provided they do not affect the core educational delivery. This might include system downtimes or administrative delays.
 - *Reputation*: We maintain a stringent stance against any risks that could significantly tarnish our institution's reputation, with proactive mitigation measures in place.
 - e. Monitoring and Reporting:
 - *Continuous Monitoring*: The Risk Management and Audit Committee (RMAC) regularly monitors ISGL's risk profile against our established risk appetite and tolerance levels.
 - *Reporting*: Should any activity or decision push the risk beyond our tolerance levels, it is escalated to the President and, if necessary, to the Board of Directors for immediate action.

Our risk appetite and tolerance are dynamic and will be reviewed annually to ensure alignment with our strategic goals, operational environment, and external factors. Changes will be subject to approval by the Board of Directors.

E. Risk Assessment and Categorisation

Risk assessment is a structured process that enables ISGL to understand the nature and level of risks it faces. By categorizing these risks, we can prioritise our mitigation efforts and deploy resources more effectively.

1. Risk Assessment Process:
 - a. Identification: Recognise and describe risks that could influence the achievement of ISGL's objectives.
 - b. Evaluation: Assess the likelihood of the risk occurring and its potential impact.

- c. **Prioritisation:** Rank risks based on a combination of likelihood and impact to guide decision-making and resource allocation.
2. Risk Categorisation:
 - a. To ensure a holistic understanding and management of risks, we have divided them into the following categories:

Category	Description
Strategic	Risks affecting our institution's long-term vision and objectives.
Operational	Risks related to our day-to-day operations.
Financial	Risks impacting the financial health and sustainability.
Compliance	Risks arising from legal and regulatory requirements.
Reputational	Risks that can harm ISGL's public standing or trustworthiness.
Technological	Risks associated with the use of technology in education delivery.
Environmental	Risks related to natural or man-made environmental issues.

F. Risk Evaluation Matrix

By assessing the likelihood against the impact, we can determine the risk rating, helping in prioritisation.

Likelihood	Minor	Moderate	Major	Severe
Very Likely	Medium	High	High	Extreme
Likely	Low	Medium	High	High
Possible	Low	Low	Medium	High
Unlikely	Low	Low	Low	Medium
Rare	Low	Low	Low	Low

Key:

Low: Accept and monitor.

Medium: Specific management effort required.

High: Senior management attention needed.

Extreme: Immediate action required; escalated to the Board.

G. Risk Register

A sample of how risks are documented after assessment:

Category	Risk	Likelihood	Impact	Rating	Mitigation Strategy
Strategic	Shift in education trends	Likely	Major	High	Continuous research & curriculum update
Operational	System downtime	Possible	Moderate	Medium	Redundant systems; regular maintenance
Financial	Budget overrun	Unlikely	Severe	Medium	Strict budget monitoring & controls
...	...	...	...	...	...

H. Periodic Review

Risks evolve over time. Regular reviews of the risk assessment and categorization will be conducted to ensure that it remains relevant, comprehensive, and reflective of the current environment.

Related Documents

- a. Terms of Reference of the Board of Directors
- b. Terms of Reference of Academic Board
- c. Terms of Reference of Risk Management and Audit Committee
- d. Quality Assurance Framework
- e. Strategic Plan
- f. Risk Register