Linking Risk Management and Strategy Development

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Overview

- Why are we here?
- Strategy Development
- An AUQA Perspective
- Risk Management
- Practical Exercise
- Lessons Learned
- Linking Risk Management & Strategy Development
Why are we here?

- Why link risk management activities to strategic planning processes?
- How to establish the link when all organisations are different?
- We’ll look at the risk management process, consider it and think about how to adapt it to your own planning processes.
- How can AAIR as an organisation and its members take account of risk management?
UWS Integrated Strategy:

- A clear direction for UWS - plan on one page - supported by “Making the Difference” projects
- Integrating planning across the institution – teaching and learning, research, international, equity and diversity etc
- Cascading plans to College and Division and below and link with individual performance plans
- Data collection, survey, tracking system including providing feedback to stakeholders
- Performance reporting (internal and external) including regular reports to the Board of Trustees
An AUQA Perspective

From the UWS AUQA Report:

AUQA affirms:

- UWS’s efforts to develop an integrated framework for coordinating and streamlining all levels of university planning, and facilitating the monitoring of performance against plans.

AUQA recommends:

- UWS extend its benchmarking to a national and international peer group chosen in the light of its proposed learning & teaching profile
- UWS define the desired distinguishing characteristics of the UWS student experience and develop a whole-of-institution strategy to implement and track the progress of this strategy
Risk Management

What is risk?

“The chance of something happening that will have an impact on objectives. It is measured in terms of likelihood and consequences.”

Source: AS/NZS 4360:2004 Risk Management
AS/NZS 4360:2004

Australian/New Zealand Standard

RISK MANAGEMENT
The risk management process:

1. Establish context (how and what)
2. Identify risks (joint exercise)
3. Analyse and evaluate risks (risk rate and prioritise)
4. Treat risks (options and actions)
Risk Management

Why?

- Potential problems/ disasters averted
- Community expectations - good corporate governance
- Through co-operation better use of resources
- Monitoring/ active support for remedial action
- A communication process (up, down and across)
The University of Australasia is a large, multi-campus University located in a metropolitan centre and is a member of the “All Over the Place” benchmarking grouping of universities. The University offers a wide range of traditional and non-traditional undergraduate programs including medicine and engineering, as well as a number of innovative programs including gender studies and complementary medicine.

The University's new glossy strategic plan includes a number of strategies around the closure of a number of smaller campuses, an expansion in the number of courses offered online, research performance and international student numbers.
Practical Exercise

- Overview handout
- Using risk register to record results:
  - Step 1 - identify risks
  - Step 2 - analyse & evaluate risks using risk matrix
  - Step 3 - think of ways to treat risks
Lessons Learned

- Keep it simple, avoid the temptation to make it complex
- Try for a top10 – you won’t be able to cover it all
- Go to the edges – places where systems/ processes/ departments/ activities intersect or overlap – places where communications may break down
- Facilitate, but don’t be afraid to eliminate grievance type issues or personal initiatives – undermines credibility
- Senior executive support – critical but be patient
- Timing – correlate risk assessments with strategic planning cycle
Linking Risk & Strategy

- Where to now?
- Risk an area of interest for AUQA Round 2
- AAIR and risk
Questions/ Discussion
End
Reserve Slides
University of Australasia - Risk Profile - 2008

Impact

Catastrophic

Major

Moderate

Minor

Insignificant

Probability

Rare

Unlikely

Moderate

Likely

Almost Certain

Environment

Legal

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Infrastructure

Legislation

Behaviour

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Probability
Risk management at UWS

- Strategic risk profile, 18 monthly update
- Top 10 risks
- Active Audit & Risk Management Committee
- One dedicated person
- COSO based approach for operational risk
- Risk Mgmt Policy, Position Descriptions