

Policy Title	Compliance Risk Management Policy and Procedure				
Policy Number	PP-38	Version Number	V2 Dec 2023	Status	APPROVED
Owner	Senior Management	Approved By	CEO		

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1. POLICY

IQY Australia Pty Ltd, trading as IQY Technical College is a Registered Training Organisation (RTO) recognizes that risk management is an integral part of good governance and management practice, and the RTO is committed to its application at all management levels within its operations.

The Australian/New Zealand Standard on Risk Management (AS ISO 3100:2018) sets the basis for our best practice risk management process and framework.

2. PURPOSE

IQY Technical College's Risk Management Policy is strategically designed to cultivate a systematic approach to compliance, identifying the likelihood of non-compliance within its operations and evaluating the consequential impact of such instances. The policy underscores the importance of assessing management control over high-risk, low-control items, ensuring that effective measures are in place to manage and mitigate potential risks.

Emphasizing a proactive stance, the policy fosters a culture of continuous improvement, leveraging insights from past incidents to strengthen preventive measures and risk mitigation strategies. The policy aims to optimize resource allocation by prioritising high-priority risks, contributing to enhanced operational resilience, and fortifying a comprehensive control framework with continuous monitoring of risk management.

3. SCOPE

This policy applies to all employees, contractors, students, and stakeholders involved in the operations of IQY Technical College Institute of Business and Language.

4. DEFINITIONS

Risk management definitions can be found in the definitions section of the Standards Australia risk management standard, AS/NZS ISO 31000:2009- Risk Management.

The key definitions for this policy follow:

Risk: Risk is now defined as the "effect of uncertainty on objectives". The emphasis is now on the 'effect' rather than the 'chance'. Like AS/NZS 4360, the definition is neutral in terms of negative and positive consequences of uncertainties and there is still a focus on objectives.

Risk Assessment: Comprises of the processes for identifying, analysing and evaluating risks. This is the shaded component of the schematic diagram on the page below this policy. Risk assessment helps decision makers understand the risks that could affect the achievement of objectives as well as the adequacy of the controls already in place.

Risk Management: The Australian New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) defines risk management as the "coordinated activities to direct and control an organisation with regard to risk".

Risk Management Process: The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, and analysing, evaluating, treating, monitoring and communicating risk.

5. OBJECTIVES

The application of risk management is to promote the following objectives:

- ✓ Foster an understanding of actual operational risks and their potential ramifications for IQY Technical College Institute of Business and Language.
 - ✓ Exercise due diligence in decision-making processes to endorse the assumption of calculated risks, particularly in the pursuit of training and assessment opportunities.
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- ✓ Instil confidence in the organisation that risks are adequately managed in proportion to their level of threat or exposure.

6. RELATIONSHIP TO TRAINING AND ASSESSEMENT OPERATIONS

As a general principle, the application of our risk management process is in the context of promoting high quality training and assessment as an RTO. The risks will be analysed against our compliance with the Standards for Registered Training Organisations and the conditions of registration as an RTO. Specifically, risk will be managed in relation to:

- ✓ Ensuring the delivery of high-quality training and assessment across all organisational operations.
- ✓ Commitment to principles of access and equity, striving to maximise training and assessment outcomes for learners.
- ✓ Development and maintenance of management systems that promptly respond to the needs of learners, staff, stakeholders, and the operating environment.
- ✓ Promotion of RTO governance that aligns with compliance with applicable standards and requirements set by the Australian Skills Quality Authority (ASQA).
- ✓ Adherence to applicable Commonwealth, State, or Territory legislation and regulatory requirements.
- ✓ Establishment and maintenance of insurances in line with the assessed exposure to loss and compliance with regulatory requirements.
- ✓ Management of RTO finances to ensure compliance with Australian Accounting Standards, safeguarding fees paid in advance, and implementing a fair refund policy.
 - ✓ Ensuring the proper issuance of qualifications and statements of attainment in accordance with the Australian Qualifications Framework.
 - ✓ Recognition of qualifications and awards issued by other Registered Training Organizations.
 - ✓ Development and maintenance of accurate, ethical, and consistent marketing of training and assessment services in alignment with the scope of registration.
 - ✓ Managing the transition from superseded training packages within 12 months of their revision and publication in the Training.gov.au.

This comprehensive approach to risk management underscores our commitment to maintaining the highest standards in training and assessment operations, thereby ensuring the best possible outcomes for our learners and stakeholders.

7. REVIEW CYCLE

Risk management reviews are to be undertaken at least annually. The Chief Executive Officer may require reviews to be conducted more frequently or may identify several management risks to be reviewed on a six-monthly cycle based on the need for increased monitoring and organisational performance.

There is an important relationship between implementing risk controls and treatments, and the IQY Technical College/Institute Continuous Improvement process. The committee responsible for continuous improvement will meet on a more regular cycle than formal risk management reviews and become the vehicle by which risk controls and treatments are implemented and monitored.

8. RISK CRITERIA

When undertaking risk assessment, we identify the following risk criteria:

- ✓ The Standards for Registered Training Organisations;
 - ✓ Applicable Commonwealth, State or Territory legislation; and
 - ✓ Industry licensing requirements applicable to our scope of registration.
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9. COMPLIANCE AND RISK MANAGEMENT PROCEDURES

The procedure to manage risk and conduct risk management reviews is specified in the Australian/New Zealand Standard on Risk Management (AS ISO 3100:2018).

In applying this to the vocational education and training environment, the following guidance is applicable:

9.1 Step 1 - Establish the risk context

Establish risk management context in which the risk analysis will be undertaken. This includes establishing the internal and external risk criteria that will be used and the environmental factors to be considered during the analysis.

Example: As an example, the risk criteria might be the Standards for Registered Training Organisations, clause 1.13 – 1.16 relating to the competence of trainers and assessors. This is a very clear compliance requirement but will need to be considered in light of other environmental factors such as the availability of competent staff, financial capacity to employ or contract, legislative requirements relating to employment, etc. Once these broader factors are identified along with a good understanding of the risk criteria an analysis of the risks should be undertaken.

9.2 Step 2 - Identify risks

Identify how the quality of services, business operation and compliance could be impacted on if the risk criteria are not addressed. The identification of risks should be undertaken using the Continuous Improvement Committee as the forum in which these matters are considered.

Example: In the previous example relating to the competence of trainers and assessors, the risks will relate to not having access to competent and experienced trainers and assessors and therefore engaging a person who is not competent and not experienced.

9.3 Step 3 - Analyse risks

When analyzing the risks and how you might address them, it is important to first identify the things that you are currently doing to control risks. Using this information, we need to consider both the consequences and the likelihood of the risks occurring with the current controls in place and being applied. With this information you can identify the residual likelihood and consequence and classify the level of risk. The analysis of risks should be undertaken using the Continuous Improvement Committee as the forum in which these matters are considered.

Example: In the example relating to the competence of trainers and assessors, the existing controls may include knowledge of the requirement expressed in Standards for Registered Training Organisations, clause 1.13 – 1.16 and the intent to apply this requirement to new recruitment of trainers and assessors without any systematic management approach to ensuring this occurs. With these controls in place the likelihood that inappropriate personnel are recruited is possible based on there being no formal arrangements for recruitment and induction that would validate qualifications and experience. The consequences of this occurring are:

- poor learning outcomes,
- assessments being made which are not valid,
- an expensive remediation process to correct invalid assessment decisions,
- being found non-compliant at an internal or external Standards for Registered Training Organisations audit,
- having to respond to corrective action orders from regulators,
- being allocated a higher risk rating due to non-compliances, and
- loss of reputation in the marketplace.

These broad consequences would lead to a consequence rating of major. Taking the likelihood rating of possible and the consequence rating of major would result in a risk rating of High. A high-risk rating requires new controls (treatments) to reduce the overall risk and close implementation and monitoring by management.

9.4 Step 4 - Evaluate risks

Once the risk rating is established, a comparison between the adequacy of the existing controls and what new controls are required to treat the residual risk. This comparison will lead to the identification of new controls in order to bring both the likelihood and the consequence down. This will have a direct influence on the overall risk rating by bringing it down to an acceptable level. The evaluation of risks should be undertaken using the Continuous Improvement Committee as the forum in which these matters are considered.

Example: In the example relating to the competence of trainers and assessors, the new control measures may include the introduction of a formalized process to recruit personnel including validating qualifications and experience, assessment mentoring and moderation, professional development, trainer/assessor evaluations and a validation process around assessment arrangements.

In evaluating these new control measures, the assessed likelihood is now considered to have reduced to rare and the consequence is assessed as moderate. This would result in an overall risk rating of moderate which requires close monitoring of implemented control measures. In this example this is now considered to be an acceptable risk.

9.5 Step 5 - Treat risks

In the treatment of risks, we need to develop strategies and resources for the specific control measure. This often requires management analysis like any other improvement to an operating system and should be facilitated using the Continuous Improvement Committee as the forum to drive implementation. The new control measures will need to be communicated to IQY Technical College staff so everyone understands their role in making the new arrangement fit into the operation and produce the desired outcome. Strategies should be implemented by allocating specific responsibilities to staff that are given realistic timeframes to achieve implementation.

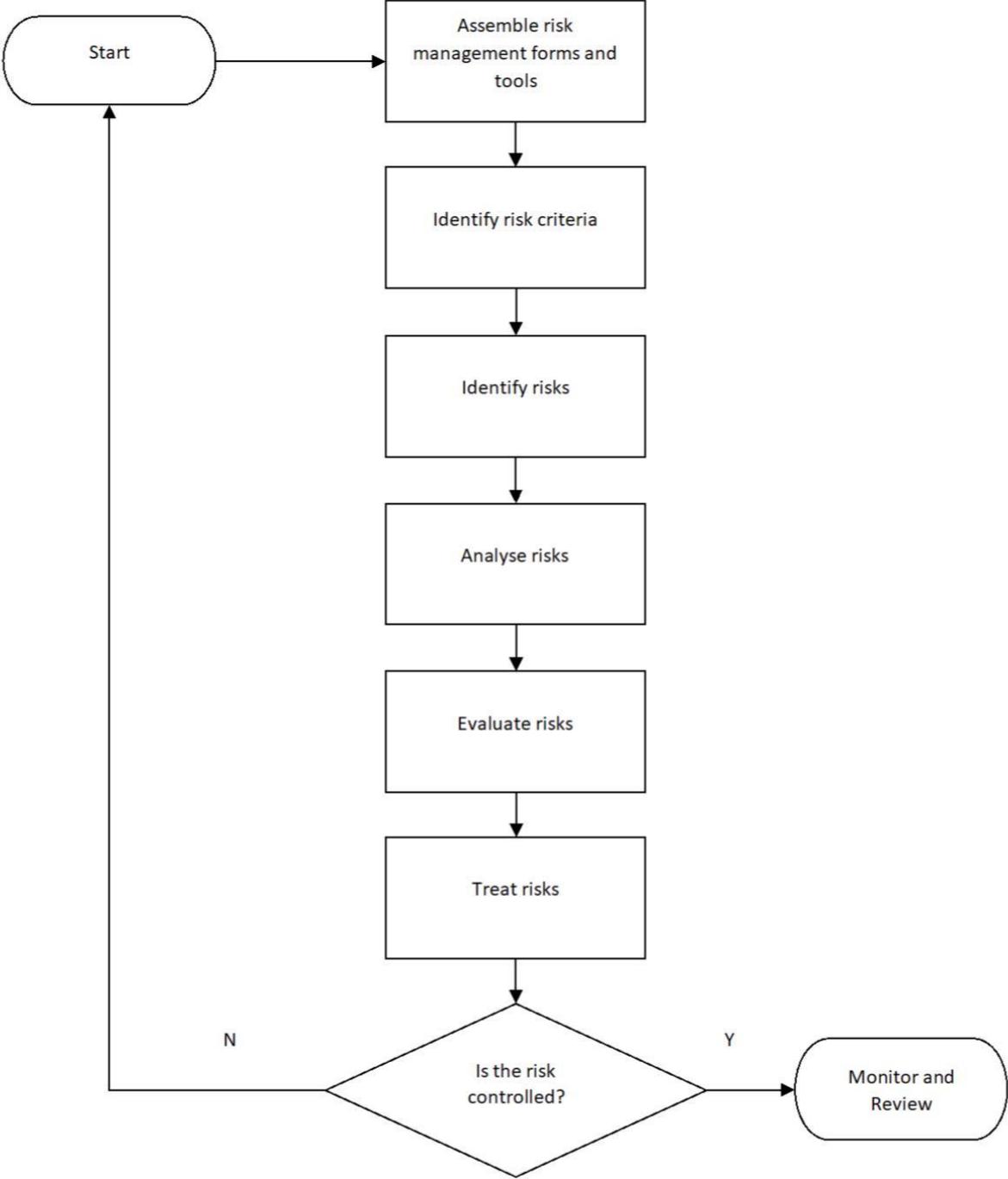
Example: In the example relating to the competence of trainers and assessors, one of the control measures is the introduction of a formalized process to recruit personnel including validating qualifications and experience. Within the forum of the Continuous Improvement Committee, this improvement is discussed and the strategies and resources are agreed on. This may include the development of a new policy on trainer recruitment and induction and forms which ensure that induction has occurred and that qualifications have been sighted, validated and a copy taken. This responsibility is allocated to a Continuous Improvement Committee member with a defined timeframe to report back to the committee on the actions taken and the progress made. From this point, the Committee will monitor the risk through normal data gathering as part of the systematic approach to continuous improvement. The systematic approach to continuous improvement is discussed in section two of this policy and procedure manual.

9.6 Step 6 - Monitor and review

It is necessary to monitor the outcomes achieved from the implementation of risk treatments. This is important to ensure that the changes and improvements have led to a real reduction in the occurrence and effects of risks becoming reality. Monitoring seeks to collect relevant data relating to the risk and analyzing the data to identify trends of performance or the need for further improvement.

Example: In the example relating to the competence of trainers and assessor, from this point, the Continuous Improvement Committee will monitor the risk through the collection and analysis of data as part of the systematic approach to continuous improvement. This data includes the Quality Indicator survey data and the results from twice yearly internal audits.

10. COMPLIANCE RISK ASSESSMENT PROCESS



11. CONSEQUENCE ASSESSMENT TABLE

This tool should be used in conjunction with the Australian/New Zealand Standard on Risk Management (AS ISO 3100:2018).

Consequence	
Catastrophic	<ul style="list-style-type: none">- Significant non-compliance that could result in the suspension or cancellation of the Registered Training Organization (RTO) status.- High-profile media coverage highlighting inadequate standards, causing substantial damage to the organization's reputation.- Incidents leading to injuries with fatal consequences.- Events that pose a significant threat to the RTO's existence.- Substantial compromise in the quality of services provided to clients.- Substantial financial loss impacting the organization significantly.- Extended loss of capability to provide core services for a period exceeding two weeks.- Legal actions initiated against the RTO for negligence or failure to fulfill its responsibilities.
	<ul style="list-style-type: none">- A prevalent occurrence of non-completions in the enrolment process.- Data from quality indicators reveals widespread dissatisfaction with services and outcomes.- Occurrence of a serious personal injury leading to either incapacity or hospitalization.- Serious breaches of compliance resulting in sanctions or a reduction in the scope of registration.- Adverse media coverage highlighting subpar standards, causing a loss of reputation.- Circumstances that pose a significant threat to the viability of the Registered Training- Significant compromise in the quality of services provided to clients.- A considerable financial loss impacting the organization significantly.- Inability to continue core services for a duration exceeding one week.- Threatened Legal Action for Negligence or Failure to Meet- Legal action is threatened but not yet taken against the RTO for negligence or failure to meet responsibilities.

<p>Moderate</p>	<ul style="list-style-type: none"> - The training and assessment systems are falling short of achieving desired quality outcomes and are not adequately catering to individual learners' needs. - Quality indicator data indicates dissatisfaction among various clients regarding the services and outcomes provided by the Registered Training Organization (RTO). - A notable level of non-compliance has been identified, resulting in corrective actions being mandated following a compliance audit. - While the RTO is generally on track, prompt action is necessary to address identified issues. - Some disruption is observed in the access and/or quality of services provided to clients. - The RTO experiences a moderate financial setback. - Limited media reporting highlights concerns about service standards, posing a potential risk to the organization's reputation. - The RTO faces a temporary inability to continue core services for a duration extending between 3 to 4 days. - Incidents requiring medical treatment due to injury have occurred. - Gaps in staff skills and knowledge have been identified, indicating a need for improvement in this area.
<p>Minor</p>	<ul style="list-style-type: none"> - The training and assessment systems lack a dedicated focus on achieving quality training and assessment outcomes and meeting the individual needs of learners. - Quality indicator data indicates that clients, overall, express satisfaction with the services provided. - Limited instances of non-compliance have been identified, leading to corrective actions following a compliance audit. - Services experience only a minor disruption. - The media does not feature significant adverse comments, preserving the organization's image. - The organization incurs a minor financial loss. - The loss of reputation is confined to a specific client, with limited impact overall. - A minor injury necessitates first aid treatment.
<p>Insignificant</p>	<ul style="list-style-type: none"> - No significant impact is observed. - There is no disruption in access and/or quality of service provided to clients. - No financial loss is incurred. - The compliance audit identifies areas for improvement. - Challenges arise but are effectively resolved through normal management processes. - There is an insignificant loss of capability with minimal disruption to core business operations.

12. LIKELIHOOD ASSESSMENT TABLE

Likelihood	Description	Historical Context
Almost Certain	<p>Anticipated to occur during the activity under consideration.</p> <p>The risk has consistently materialized with each occurrence of the activity.</p>	<p>Historical data demonstrates a consistent pattern of risk occurrence.</p>
Likely	<p>Possible occurrence during the activity under consideration.</p> <p>The risk manifested in the last month.</p>	<p>Recent historical data indicates a likelihood of risk occurrence.</p>
Possible	<p>Occurrence is conceivable but expected infrequently.</p> <p>The risk manifested in the last year.</p>	<p>Historical occurrences are sporadic, happening infrequently within the last year.</p>
Unlikely	<p>Conceivable but expected on only a few occasions.</p> <p>The risk manifested in the last 2 years.</p>	<p>Historical instances are infrequent, occurring only on a few occasions in the last 2 years. Rare.</p>
Rare	<p>Unlikely to happen, but not impossible.</p> <p>There is only anecdotal evidence that the risk has ever occurred.</p>	<p>Historical evidence is scarce, and occurrences are extremely rare and anecdotal.</p>

13. RISK EVALUATION MATRIX

		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	Almost certain	M	H	H	E	E
	Likely	M	M	H	E	E
	Possible	L	M	M	H	E
	Unlikely	L	L	M	H	H
	Rare	L	L	M	M	H

L - Low Risk

Bring to attention in the upcoming management meeting and institute control measures using standard business procedures.

M - Moderate Risk

Initiate and closely monitor the implementation of new control measures as soon as possible.

H - High Risk

Vigilantly oversee and urgently implement new control measures as a top priority.

E - Extreme Risk

Halt regular operation and responsibilities and immediately implement new control measures before resuming normal duties.

15. RESPONSIBILITY

The Chief Executive Officer holds the primary responsibility for comprehensive risk oversight, including the following key duties:

- Supervising the execution of operational risk management reviews.
- Granting approval for risk management action plans and strategies.
- Communicating with stakeholders of IQY Technical College to apprise them of matters pertaining to operational risk management.

Additionally, the management team is tasked with the following responsibilities:

- Conducting periodic operational risk management reviews.
- Executing risk management action plans and strategies.
- Offering continuous guidance to all levels within IQY Technical College concerning risk management plans, strategies, and processes.

16. RELATED DOCUMENTS

Related Documents

Annual Compliance Calendar – Compliance Risk Management Register