

NAME OF POLICY	RISK MANAGEMENT POLICY
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2.1 INTRODUCTION

Risk management is a systematic approach to maximize the prospects of ongoing success by identifying, analyzing, evaluating and treating threats. *(ISO/IEC Guide 73 (202))*

Risk management of the Colleges of Technology (CTs) is designed to understand, prioritize and develop action plans for avoiding potential risks and their consequences that may affect the efficiency of running the college operations.

2.2 POLICY

The colleges of technology recognize that risks in its many forms can affect governance and management, reputation, health and safety, environment and community. They must therefore be committed to identify, manage and minimize risks that may affect the day-to-day college operations.

2.3 SCOPE

Staff in the college has a role to play in the identification and analysis of risk through the risk management processes which are incorporated within the operational and activity plans of centers and departments. The college is responsible to do the following;

- Setting out a risk management policy to support the objectives such as:
 - a) avoid or minimize loss,
 - b) identify opportunities and threats, and
 - c) manage risks.
- Training the staff to provide a rational basis in deciding what to do with regard to any identified risks.

2.4 PROCEDURES

Step (1) Risk Identification

Step (2) Risk Analysis

Step (3) Risk Evaluation

Step (4) Risk Treatment

Step (5) Risk Monitoring

Note: For details of the procedures, see the Annexure

2.5 Risk Management Committee

This committee is responsible for ensuring that risk management is applied to all college activities.

A. Membership

Chairman : Dean

Members : The ADAA, ADSA and ADAF
Head of Centers and Heads of Departments (HoDs and HoCs)
College Risks Officer (CRO)

B. Roles and Responsibilities

Chairman

1. Oversees the functioning of the CRO.
2. Reviews the identified risks along with the corresponding contingency plans submitted by CRO.
3. Approves the contingency plan for identified risks.
4. Ensures proper implementation of the risk management system in the college.

HoCs and HoDs

1. Promote risk awareness amongst staff through discussions and training.
2. Ensure that procedures are followed in identifying, assessing and managing risks according to policy.
3. Inform the CRO which risk requires immediate attention.
4. Submit risk register to CRO.

CRO

1. Oversees the risk management activities of the centers and departments
2. Reviews the risk register submitted by centers and departments.
3. Evaluates and prioritize treatment of risks.
4. Prepares contingency plans for identified high risk cases.
5. Reports to the Chairman of the Committee the identified risks along with the corresponding contingency plans and the actions taken by the units concerned.

2.6 RELATED DOCUMENTS

1. Bylaws of Colleges of Technology
2. Quality Assurance Manual (QAM)
3. Quality Sub-Manuals(QSMs)

Approval:

Effective Date:

First Review:

Approved by:

Annexure

Risk Management Process

Risk management is the process of anticipating and analyzing risks and coming up with effective and efficient ways of managing and eliminating them. Managing risks is a continuous activity, which assists in making decisions to improve current practices.

In establishing the context, risk management process requires an examination of the external and organizational aspects of the college. It also studies the environment for risk identification, analysis and treatment options. The context determines the scope for each level of the assessment.

There are different steps involved in this process which are illustrated in Figure 1 below.

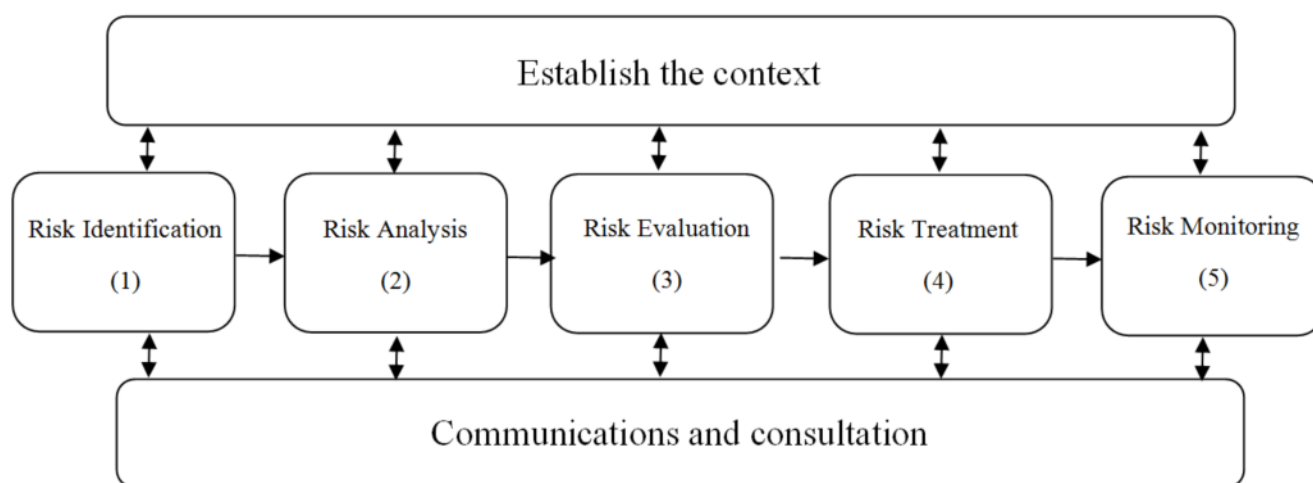


Figure 1: Risk Management Process

Adopted from:

a) Victorian TAFE Governance Programme 2006. Training Materials. org (based on ISO31000)

b) Office of Training and Testing Education 2006. Retrieved on 15 November 2010 from

http://www.vta.vic.edu.au/docs/GovW3_Participants_Notes.pdf

c) Southern Cross University, 008 retrieved on 15 November 2010 from

http://www.scu.edu.au/risk_management/index.php/2/

Step (1) Risk Identification: Define the types of risks that may occur, how they could happen, and which stakeholders (student, staff, community) will be affected. The table below defines the types of risks with examples.

Table 1. Types of Risks

Types of Risk	Definition	Examples
Strategic	An unexpected event which may affect the effectiveness of the management process towards meeting the college objectives.	<ul style="list-style-type: none"> • Planning and implementation of college strategic and operational plan • Major decisions taken by management
Operational	Risk resulting from inadequate or failed internal systems and processes, resources or from external events.	<ul style="list-style-type: none"> • Recruitment problem • Failure in accounting controls • Failure in IT systems, e.g. registration • Breakdown of equipment • Inadequate document retention or record keeping • Poor management • Lack of supervision, accountability and control
Financial	The risk of having inadequate budget to meet financial obligations	<ul style="list-style-type: none"> • Budget allocation • Links between planning and resource allocation
Compliance	Risk arising from centers and departments not following policies and procedures	<ul style="list-style-type: none"> • Non-adherence to new policies such as health and safety policy, parking policy and maintenance policy
Reputation	Risk arising from negative opinion of others which affects the institution's image and its ability to continue or establish new relationships or services	<ul style="list-style-type: none"> • Leakage of information

*Adapted from: <http://www.businesslink.gov.uk/bdotg/action/detail?itemld=1074405311&types=RESOURCES>
Retrieved on 18 November 2010*

Step (2) Risk Analysis: The likelihood of the risk happening and the consequence or impact of that event occurring.

Step (3) Risk Evaluation: Describe and quantify the likelihood and consequences that risk may cause. The risks are ranked and prioritized to help in deciding the extent and nature of treatment required. The table below describes the degrees of consequences and likelihood of risks,

Table 2. Severity

Level	Descriptor	Description
5	Very High	Loss would lead to questioning the viability of the college and system
4	High	Loss will disrupt the functioning of the college
3	Average	Loss would disrupt the operations or threaten the viability of an operational process
2	Low	Minor loss
1	Very Low	Loss is within acceptable or reasonable range associated with day-to-day activities

Table 3. Occurrence

Level	Descriptor	Description
A	Very High	Loss is likely to occur on a day-to-day basis
B	High	Loss is likely to occur at regular intervals.
C	Average	Loss are likely to occur within the upcoming year.
D	Low	Occurrence of loss in the future
E	Very Low	Occurrence of loss in the near future is possible, but unlikely

Adopted from Road to implementation. Enterprise Risk Management for colleges and universities.0 Arthur Gallagher Higher Education practice. 2009 retrieved on 12 December 2010 from http://www.jgrms.com/portal/server.pt/gateway/PTARGS_0_28406_570311_0_0_18/ERM%20TT%20Report%20Final%209-23-09.pdf

Step (4) Risks Treatment: Develop and implement a plan with specific solutions to address the identified risks.

Table 4. Risk Register

Event/ Situation	Possible Loss due to Even/Situation	Risk Based on		Recommended Solution	Resources Needed	Possible handling options	How risks options can be monitored	Staff Responsible
		Severity	Occurrence					
Computer Breakdown Due to Electric Failure	In-progress practical sessions need to be postponed	4	B	Provide Generator of Powerful Uninterrupted Power Supply (UPS)	Generator or powerful UPS	Ensure the availability of Resources		Technicians of centers and department
Lack of classrooms due to increase enrollees	Timetable schedules not followed	3	C	*Extend the number of teaching hours *Increase number of buildings		Forecasting of student enrollees		HoCs and HoDs

Step (5) Risk Monitoring: Monitor the activities and process to determine the accuracy of assumptions and the effectiveness of the measures taken to treat the risk (see table 4 above).