

Board or Board Committee papers - Example key risks

The 'Key Risks' section should identify the key risks for the University in making or not making the decision. Risk refers to the potential for harm, loss, or negative outcomes associated with a particular action, decision, or event. It involves uncertainty and the possibility of undesirable consequences.

Risks can also give rise to opportunities or benefits when we take calculated risks, which results in potential for positive outcomes, such as financial gains, personal / organisational growth, innovation, or achieving targeted goals.

In completing the table, you ought to consider the following:

- **Risk Description:** Set out any key risks for whether the recommendation is adopted or not adopted, as well as the overall risk rating. You ought to have regard to the following:
 - What is the risk outcome (adverse or beneficial) if the proposal in the paper gets endorsed/approved?
 - What is the risk outcome (adverse or beneficial) if the proposal in the paper does not get endorsed/approved?
 - If the paper proposes an opportunity which is beneficial for the University, what is that opportunity seeking to achieve (e.g. financial gains, organisational growth, innovation, achieving a targeted goal)?
 - What categories of risk might arise through the activity proposed or being reported on? See [Risk Category List](#).
 - What is the business goal or objective that you are trying to achieve and what future events or circumstances would stop/hinder you from achieving your goals/objectives?
 - What is the overall risk rating for the proposal in the paper in the context of the [risk appetite statement](#)?
- **Likelihood:** choose from the drop down menu. Definitions of each level of likelihood is available in the WSU Likelihood Rating table (Figure 5) of the [Western Risk Assessment Guide](#) (page 6)
- **Impact:** choose from the drop down menu. Definitions of each level of impact is available in the Impact / Consequence Rating table (Figure 4) of the [Western Risk Assessment Guide](#) (pages 5-6)
- **Risk Rating:** choose the correct risk rating from the drop down menu, based on the below Risk Rating matrix (see the Level of Residual Risk / Overall Risk Level (Impact x Likelihood) table (Figure 6) of the [Western Risk Assessment Guide](#) (page 6):

Figure 6 - Level of Residual Risk / Overall Risk Level (Impact x Likelihood)

Impact	Likelihood				
	Rare (1) (remote)	Unlikely (2) (uncommon)	Possible (3) (occasional)	Likely (4) (probable)	Almost Certain (5) (frequent)
Catastrophic (5)	Moderate	Moderate	High	Critical	Critical
Major (4)	Low	Moderate	High	High	Critical
Moderate (3)	Low	Low	Moderate	Moderate	High
Minor (2)	Very Low	Low	Moderate	Moderate	Moderate
Insignificant (1)	Very Low	Very Low	Low	Low	Low

The template will apply the relevant colour coding for the risk rating selected.

- **Strategy to Manage:** identify one or two points of how the risk is being mitigated or managed. You ought to have regard to the following:
 - What is the risk appetite of the University?
 - Do the risks fall outside of the University's risk appetite?
 - What current controls are in place to avoid or reduce the risk?
 - What additional controls will you put in place to further manage / reduce the risk?
 - Are there no further risk mitigation actions that can be taken and the risks need to be accepted for strategic or commercial reasons? Note: the University's risk management guidelines need to be followed and appropriate management prior approval is required for acceptance of risks. For example all residual High or Critical Risk acceptance needs to be approved by the Vice-Chancellor.

Additional risk management materials available at:

https://www.westernsydney.edu.au/ara/audit_and_risk_assessment/risk_management/download_material

Below are samples of the 'Key Risk' table to be completed on Board and Committee papers.

#1 2023 Internal Audit and Risk Assessment Work Plan – for approval

Purpose [of the Board / Committee paper]: To provide the Audit and Risk Committee with the 2023 Audit and Risk Assessment Work Plan (Work Plan) for review and approval.

Business Objective/Goal: Provide assurance on performance of controls and management of risks for an approved program of work across the university.

Risk description	Likelihood	Impact	Risk rating	Risk Appetite & Strategy to Manage
High priority functions of the University are not audited in a timely manner and risk assessments are not reviewed for key business areas, to provide timely and quality assurance and feedback to management and ARC.	Almost Certain	Moderate	High	<ul style="list-style-type: none"> • High priority areas that are not being audited will have risk assessment reviews. • The VC accepts the risk that not all areas of the university can be covered with the current level of resourcing.
Delays in commencing the work in 2023 if the ARA workplan is not approved.	Unlikely	Moderate	Low	<ul style="list-style-type: none"> • Executive Committee and Vice-Chancellor endorsement of the Work Plan prior to ARC submission.

				<ul style="list-style-type: none"> Quarterly review and adjustment to the Work Plan
--	--	--	--	--

#2 Compliance matters – for noting

Purpose [of the paper]: To report to the Audit and Risk Committee on legislative compliance incidents (breaches and near misses) and issues (bills and amending legislation) impacting the University.

Business Objective/Goal: be aware of the legislative breaches and help business put corrective actions in place including meeting any regulatory reporting of the actual breaches. Raise awareness of the legislative changes that will impact the University.

Risk description	Likelihood	Impact	Risk rating	Strategy to Manage
Fail to meet regulatory obligations resulting in adverse regulatory attention, investigation, action/findings resulting in infringement notices and/or legal proceedings, and reputational damage.	Possible	Moderate	Moderate	<ul style="list-style-type: none"> Proactive communication with regulator to reassure of non-compliance control mitigation. Proactive development/ implementation of compliance controls to mitigate operational non-compliance risk.

#3 Controlled entities report – for noting

Purpose [of the paper]: To provide the Audit and Risk Committee with an update on the operations of University controlled entities.

Business Objective/Goal: ensure there is appropriate governance of controlled entities.

Risk description	Likelihood	Impact	Risk rating	Strategy to Manage
Controlled entities exercise a function or engages in an activity that is not authorised by or under the Act	Unlikely	Moderate	Low	<ul style="list-style-type: none"> Strong governance established through <i>Controlled and Associated Entities Governance Framework</i> Regular reporting to Board Committees on all entities' compliance, governance and financials.
Failure to report significant operational matters managed by	Unlikely	Moderate	Low	<ul style="list-style-type: none"> Strong governance established through

controlled entities, posing reputational risk to the University.				<i>Controlled and Associated Entities Governance Framework</i> , including through staff representatives being on entity Boards <ul style="list-style-type: none"> • Directors of most entities having dotted line reporting to the Senior Deputy Vice-Chancellor.
--	--	--	--	---

#4 SMS Update – for noting

Purpose [of the paper]: To provide an update on the status of the SMS Program status and ongoing development and support activities across the Ellucian Banner Student Management System (SMS).

Business Objective/Goal: implement a new Student Management System to support the end-to-end student life-cycle process.

Risk description	Likelihood	Impact	Risk Rating	Strategy to Manage
Retaining and attracting key personnel impacts the delivery of program of work.	Possible	Major	High	<ul style="list-style-type: none"> • Seek to recruit • Review project deliverables with key stakeholders and manage scope and volume of deliverables.
Data errors impact end of year revenue or other processes.	Likely	Major	High	<ul style="list-style-type: none"> • Prioritise resourcing to critical reporting requirements • Develop temporary alternate data source for reporting purposes
System delivery delayed (with reporting compliance, reputational and revenue risks) due to conflicting business requirements	Possible	Major	High	<ul style="list-style-type: none"> • Proactively engage senior management in project activity schedule and as an escalation point for conflict resolution.

#5 Strategic Asset Management Plan Update – for noting

Purpose [of the paper]: To update the Committee on the development of the Strategic Asset Management Plan.

Business Objectives/Goal: invest in and maintain assets that support the strategic initiatives of the University

Risk description	Likelihood	Impact	Risk rating	Strategy to Manage
Capital and facility management programs are not aligned to maximise strategic outcomes.	Possible	Major	High	Programs reviewed through budget and project assessment.
Stakeholder engagement does not support clarity of project scope and operations.	Possible	Major	High	Stakeholder engagement strategies incorporated within project plans and governance framework.
Contractor management system becomes obsolete – impact on operations and efficiencies.	Likely	Major	High	Establish a fit for purpose contractor induction system and project management system

#6 Campus Contamination – for noting

Purpose [of the paper]: To update the Committee on actions relating to a contamination issue on the Parramatta campus.

Business Objective/Goal: monitor and report emerging risk issues to the university executives and governance bodies.

Risk description	Likelihood	Impact	Risk rating	Strategy to Manage
Campus site is found unsuitable for intended use	Possible	Major	High	Remediation and/or relocation of University activities and tenant/s
Contamination is publicly reported within media and local community	Possible	Major	High	Undertake independent testing, and develop a communication strategy

#7 ‘Nil’ Key Risks

It is unlikely that many papers submitted to the Board or a Board Committee will have no key risks. A ‘nil’ response for key risks should only be included in a paper if:

- (a) the paper is for noting; and
- (b) there is or has been no management decision or position taken in relation to the substantive issue being presented to the Board or Committee. (If a management decision or position has been taken, such decision or position ought to have considered a risk analysis and should be referenced in the key risk table).

For example, a Board paper for noting which reports for the Board’s interest only in relation to matters of historical value only. For example, in commemorating the passing of the late Queen Elizabeth II, historical records of Her Majesty’s visit to Hawkesbury campus were provided for the information of the Board. The paper was for noting and there was no

current management decision or position being taken and, as such, there are no key risks to be identified.

Not sure? Ask:

- ***Office of Audit and Risk Assessment (Aman Chand - Chief Audit and Risk Officer)***
- ***Office of Governance Services (Sophie Buck – Director, Governance Services, Christine Sharpe – Executive Governance Officer)***
- ***Jane Hutchison, University Secretary***