

Understanding and managing risk at an Institute of Higher Education

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Risk, per se, is all around us in our everyday lives and we all take precautions to ensure our health and wellbeing. The processes we put in place are part of our *risk mitigation*. The same principle applies to higher education providers. The key issues then are – to determine what the risks are; what are the best mitigation strategies needed; and how we best manage the risk process over time (regular review) including making sure stakeholders are kept up to date.

Identifying the Key Risks

A capable organisation should be able to highlight the key risks associated with delivering domestic and international higher education students. This needs to be managed through a detailed, regularly reviewed, and benchmarked **Risk Register**.

Maintaining the register is an essential part of compliance and a feature of good corporate governance.

The register needs to be comprehensive and would do well to cover a range of key risk domains including – *Strategic Risk, Operational Risks, Financial Risks, Compliance and Legal Risks, Reputational Risks, Human Resources Risks, Health and Safety Risks, Technology and Cybersecurity Risks, Environmental Risks, Project Management Risks, Supply Chain Risks, Cultural and Social Risks, Insurance and Risk Transfer.*

A good risk register is benchmarked against other like institutions (triangulation) to ensure appropriateness.

Mitigating the Risks

A key area of responsibility is the development of effective (and appropriate) mitigation strategies that are articulated clearly and followed carefully. The process of identifying risk is crucial – so too is the development of sensible and well-articulated strategies to mitigate these risks. Ideally, risk is circumvented (because of the mitigation strategies in place that are regularly reviewed) before the actual issue becomes unmanageable or harmful.

Managing the Risk Process

Fundamental to the success of risk identification and mitigation is managing an appropriate process for the regular examination of the risks identified and ensuring that the mitigation strategies are updated and monitored.

This mitigation needs to be comprehensive and well thought through. Additionally, it needs to be reviewed regularly championed by senior staff members and supported the by board/committee structure of the organisation.

This is best practice.

A log of the dates of the regular reviews should be embedded in the Risk Register as a means of evidencing regular review and adjustment that has taken place.

Keeping Stakeholders Informed

It is important to ensure that the Governing Body is kept up to date with the risk assessment and mitigation. Further, good corporate governance suggests that ALL stakeholders are kept informed. To this end the Risk Register is best made available on the public website; ALL staff and stakeholders are informed of meetings and reviews; and any changes to the Risk Register are highlighted by way of internal bulletins and external newsletters.

Risk Management should be a standing item on all Board of Directors' and Academic Board meetings.

Transparency is the key.

Emeritus Professor Greg Whateley recently retired from the positions of Deputy Vice-Chancellor (UBSS) and Chief Executive Officer (GCA) and is currently an independent consultant with AGE.