

## **Risk Management and Financial Viability Policy**

### **What This Policy Covers**

This policy establishes our framework for identifying, assessing, and managing risks across all Institute operations. It ensures we maintain financial viability to deliver all courses, employ qualified staff, provide student support, and meet our obligations to students and regulators.

### **Key Sections of the Policy**

**Business Viability:** We conduct business and financial planning every 2 years to ensure ongoing capacity to deliver all qualifications, employ qualified staff, provide student services, and manage operational risks.

**Risk Management Framework:** We identify, measure, treat, monitor and review all risks including student-related, operational, strategic, compliance, financial, and reputational risks.

**Fit and Proper Persons:** All Executive Officers and High Managerial Agents meet Fit and Proper Person Requirements with appropriate authority to ensure Standards compliance.

**Insurance:** We maintain current public liability insurance appropriate to our size and scope of operations.

**Fee Protection:** International student fees paid in advance are protected through Tuition Protection Service compliance.

**Critical Incident Management:** We have procedures to respond to critical incidents that threaten student health, safety or wellbeing.

**Business Continuity Plan:** We maintain a tested plan to ensure continuity of training delivery during disruptions, including alternative delivery arrangements and communication protocols.

### **Risk Management Process**

**Step 1: Risk Identification** - All staff identify and report risks in their areas. Course Area Heads, Head of Compliance, and Finance Manager systematically review operations for potential risks quarterly.

**Step 2: Risk Assessment** - Assess each identified risk for likelihood and consequence. Calculate risk rating (Low, Medium, High, Extreme). Record in Risk Management Register.

**Step 3: Risk Treatment** - Develop treatment strategies - Accept, Avoid, Reduce, or Transfer risk. Assign responsibility and timeline for implementation. Document control measures.

**Step 4: Risk Monitoring** - Head of Compliance monitors Risk Register monthly. Course Area Heads report on area risks. Finance Manager monitors financial risk indicators monthly.

**Step 5: Governance Review** - Governance and Risk Management Committee reviews comprehensive risk report quarterly. Executive Leadership Team reviews major risks and treatment effectiveness.

**Step 6: Financial Viability Assessment** - Finance Manager conducts monthly financial ratio analysis, budget variance analysis, and cash flow projections. External auditor completes annual financial viability assessment.

**Step 7: Business Continuity Testing** - Business Continuity Plan reviewed and tested annually. Disaster recovery testing conducted bi-annually. Results inform plan improvements.

**Step 8: Critical Incident Response** - When critical incident occurs, activate response procedures. CEO coordinates response team. Communicate with affected parties. Document incident and review response effectiveness.

### **Important Points to Remember**

- All staff responsible for identifying and reporting risks
- Risk Management Register maintained and updated monthly
- Financial capacity assessed regularly to ensure viability
- Business planning conducted every 2 years
- All governing persons meet Fit and Proper Person requirements
- Business Continuity Plan tested annually
- Critical incidents reported immediately to CEO
- International student fees protected through TPS
- Public liability insurance maintained at all times
- Quarterly risk reports to Governance and Risk Management Committee

### **Additional Information**

Our risk management approach aligns with Standards for RTOs 2025 Quality Area 4 requirements. The Governance and Risk Management Committee oversees risk management with CEO as Chair, supported by Head of Compliance, Finance Manager, and Committee Chairs. Risk categories include student welfare, training delivery, compliance, financial, reputational, operational, strategic, and

IT/data security risks. We maintain comprehensive documentation including Risk Management Register, Business Continuity Plan, and critical incident procedures. Financial viability monitoring ensures capacity to complete all student enrolments even in uncertain environments.

### **Need Help?**

For questions about this policy:

Head of Compliance (Risk Management), [compliance@menzies.vic.edu.au](mailto:compliance@menzies.vic.edu.au), 1300 244 002

Finance Manager (Financial Viability), [accounts@menzies.vic.edu.au](mailto:accounts@menzies.vic.edu.au) , 1300 244 002

### **Related Policies and Documents**

- MITP001 - Quality Governance and Accountability Framework
- MITP10 - Refund Policy and Procedure
- MITP14 - Critical Incident Policy and Procedure
- MITP64 - RTO Regulation and Legislation
- MITP71 - Internal Audit Policy and Procedure
- MITP92 - Leadership and Accountability
- MITP93 - Conflict of Interest
- MITP74-BCP - Business Continuity Plan
- Risk Management Register
- Standards for RTOs 2025 - Quality Area 4