

Risk Management Policy Statement

Policy

Version 4 | July 2022



Australian Government
Australian Skills Quality Authority

ASQA

(Working together)

ASQA plays a critical role in supporting the Australian Government's vision of a vocational education and training (VET) sector that delivers for students and employers and equips Australians with the skills needed for emerging jobs and to drive the nation's future economic growth. ASQA will contribute to this vision by achieving our purpose, which is:

To ensure quality vocational education and training so that students, employers, governments, and the community have confidence in the integrity of national qualifications issued by training providers.

As a best practice regulator, we take a risk-based approach to regulation. Led by data and intelligence, we allocate our resources to address regulatory risk priority areas. In doing so, we make the best use of a range of regulatory tools to ensure compliance and support providers to understand risks to quality outcomes, ranging from education and encouragement to court action and civil penalties.

Risk-based regulation means we choose regulatory actions that are appropriate, proportionate and directed toward the highest risks. We accept that, when we identify systemic or provider risk, they do not all have equal weight. We will focus our resources on addressing those risks which have the most significant impact on the achievement of quality VET outcomes. ASQA's [Regulatory Risk Framework](#) sets out ASQA's risk-based approach to regulatory decision-making and managing sector and provider risk.

A key part of this risk focus is defining our risk appetite—the amount of risk we are prepared to take as an organisation and a regulator. ASQA's Strategic Risk Appetite reflect our desire to:

- be an efficient and effective organisation with appropriate governance at its core
- take calculated risks to achieve quality regulatory outcomes.

ASQA's strategic risks and respective risk appetite is outlined in **Attachment A**.

Where ASQA has identified a low risk appetite, we have a limited willingness to accept risk. ASQA is prepared to invest significant time and cost in establishing appropriate controls to minimise these risks.

Where ASQA has identified a medium risk appetite, we are prepared to accept some risk in pursuing innovative approaches to business operations and strategy.

Our Risk Management Framework is in line with the International Standard on Risk ISO 31000:2018, *Public Governance, Performance and Accountability Act 2013* requirements, and the Commonwealth Risk Management Policy.

Effective, integrated management of risk is critical to the successful delivery of our purpose and strategic objectives, and as such ASQA has committed to continuing to build its risk maturity. Effective risk management helps us:

- guard against the possibility that by act, oversight or omission, our ability to achieve our purpose is compromised
- make sound evidence-based decisions in relation to our strategic objectives, management approaches and day-to-day operations
- build our capacity to innovate
- engender confidence in our stakeholders.

ASQA accepts that, despite best efforts and robust risk management practices, things may still go wrong. ASQA will build a positive risk culture based on the premise that we will review the reasons for failure and use our learnings to further strengthen our risk treatments, including the systems,

processes and controls used to reduce the likelihood of reoccurrence. Achieving this positive risk culture will rely on the individual and collective contribution of everyone working at ASQA, as reflected in the Risk Management Framework.

Supporting the development of a culture of self-assurance and continuous improvement across the VET sector is a key feature of this risk-based approach to regulation. We are committed to supporting the industry to improve the sector's own capability to identify and manage risks to improve quality outcomes.

Achieving our purpose is too important for us to get off-track. Ensuring we all manage risk to the best of our ability will enable the successful achievement of our strategic objectives. We do this by embedding effective risk-management within our culture and our processes – which is a responsibility of everyone at ASQA.

A handwritten signature in black ink, reading "Saxon Rice". The signature is fluid and cursive, with the first letters of "Saxon" and "Rice" being capitalized and prominent.

Saxon Rice
CEO and Accountable Authority
11 July 2022

Attachment A: ASQA's Strategic Risk Appetite

Strategic Risk	Risk Appetite	Accountability
Risk that ASQA does not attract, support and retain an engaged, skilled and resilient workforce in order to deliver on our objectives	Medium	Chief Executive Officer
Risk that ASQA does not respond efficiently and effectively to changes in government priorities	Medium	Chief Executive Officer
Risk that ASQA's system of governance does not ensure we meet our performance and compliance obligations	Low	Chief Executive Officer
Risk that ASQA does not lead and model a cultural shift to self-assurance and continuous improvement	Medium	Chief Executive Officer
Risk that ASQA's Regulatory Risk Framework and Regulatory Operating Model do not address risks to quality vocational education and training	Medium	Deputy Chief Executive Officer