

## 2: UNIVERSITY'S RISK MANAGEMENT STRATEGY

Identifying and managing risk is a core component of the University's Accountability and Performance Management Cycle. Risk management is separately addressed at a governance and management level to reflect the University's commitment to achieving its strategic goals.

At a governance level, a risk management framework (based on International Standard ISO/FDIS 31000:2009) was approved by Council with several Council committees exercising a governance role on behalf of Council to ensure that designated risk accountabilities were being properly exercised. The University Compliance Officer also reports regularly to Council on compliance issues.

Membership of Council committees comprises external members of Council and other external appointees with relevant expertise in business and commerce, audit and compliance, risk management, financial management, and the law.

### Attestation

I, Professor Glyn Davis, certify that the University of Melbourne has risk management processes in place to enable the University to manage its key risk exposures. The University Risk Committee and Audit Committee verifies this assurance and that the risk profile of the University of Melbourne has been reviewed within the last 12 months.



Professor Glyn Davis AC  
Vice Chancellor, University of Melbourne  
March 2016

### COUNCIL COMMITTEES

#### Audit Committee

Oversees the University's external audit program, recommends the annual financial statements for approval, monitors University response to the annual audit and jointly with the University Risk Committee oversees the annual internal audit program. The Audit Committee reports to Council.

#### Finance Committee

Oversees the University's financial performance, position and risks, assuring that due financial processes and probity are carried out and that the University is fully compliant with legislative and government requirements. The Committee monitors financial and major project risk management processes, as well as audit management letters to ensure that control weaknesses identified in the financial audit process are appropriately managed. The Investment Management Committee reports to Council through the Finance Committee, and has oversight of the University's investment portfolio.

#### Legislation and Trusts Committee

Oversees trusts policies and processes.

#### University Risk Committee

Supports Council in carrying out its accountability for overseeing and monitoring the assessment and management of risk across the University. The Committee advises on the adequacy of the risk management framework and monitors and reviews implementation of risk management practices within that framework. The Committee advises Council, and other committees as appropriate, on significant risks and their management.

At management level, risk is monitored and managed through the Risk Management Committee. Within the University's administration, the Vice Principal, Policy and Projects has delegated accountability for the development of the risk management framework and coordination of attendant risk management programs. Implementation is overseen by the Head of University Services.

Academic and administrative divisions undertake annual strategic risk assessments as part of the business planning process, with mitigation a core responsibility of all senior managers. In addition, the University has a dedicated program for managing specialist risk in the areas of Occupational Health and Safety, Biosafety, Insurance, WorkCover, IT and Information Services, Fraud, Business Continuity Planning, and Crisis Management and Emergency Management Planning. Quarterly reports are received by the Risk Management Committee.

### MAINTAINING REGISTER OF COMMERCIAL AND CORPORATE ACTIVITIES

The Commercial and Corporate Activities Register is required for the purposes of compliance by the University with its Commercial Activities Guidelines, as approved by the Victorian Government and mandated under the terms of the *University of Melbourne Act 2009* (the Act).

The University Secretary is responsible for maintaining the register, and the Chief Financial Officer for submitting proposals for University participation in a company or involvement in a commercial activity to Finance Committee, in accordance with the terms of a compliance framework first approved by Council in December 2010.

In relation to investments or other activities coming within the terms of the Commercial Activities Guidelines, Finance Committee has determined that the University use the following as a guideline for 'significant':

- activities that comprise in excess of 2.5 per cent of University revenue (approximately \$37.5 million) or net assets (approximately \$87.5 million), or
- activities involving third party relationships and that have the potential to pose significant reputational risk to the University, or
- commercial activities coming within section 8(3)(h) of the Act, or activities which the University otherwise 'considers sufficiently important or of interest to list', that is as per the requirement in paragraph 8(a)(i) of the Commercial Activities Guidelines.

The guideline as to the meaning of 'significant' is therefore used by each of the University controlled entities, and entities under Section D of the Register are made on that basis. However, for ease of administration, an amount of \$10 million (cash) in committed or likely expenditure over the life of the project is used as a mandatory threshold above which full

details need to be brought to the attention of Finance Committee, in addition to activities that may otherwise qualify as 'significant' by reference to the criteria outlined by Finance Committee.

In relation to Paragraph B(a)(iv) of Guideline 4, no specific assessments were undertaken in 2015, beyond normal oversight responsibilities of Finance Committee, to determine whether any commercial activity was meeting its purposes and objectives.

## SECTION A. UNIVERSITY-CONTROLLED ENTITIES

(All bodies below are ongoing entities with no anticipated termination date. University of Melbourne appointments to the boards of its controlled entities are covered by its Directors and Officers Liability Policy.)

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Australian Music Examinations Board (Vic) Ltd	To represent in Victoria the Australian Music Examinations Board as the State Committee for the purposes of music examinations  To aid, promote and assist music, music education and the appreciation of music	Professor Barry Conyngham (Chair) Dr Joel Brennan (Deputy Chair) Ms Colleen Pearson Professor Susan Wright	Ms Elizabeth Mitchell Ms Alison Sewell	Low	Low
Australian National Academy of Music Ltd and its subsidiary, ANAM Foundation Ltd	To operate as a national centre of excellence in practical music education and training  To provide practical music education and training for outstandingly talented music students	Mr Adrian Collette Professor Barry Conyngham Professor Barry Sheehan	Ms Alison Beare Ms Janet Holmes a Court, AC Mr Ian McRae (Chair) Mr Kim Williams, AM Mr David Mackintosh	Low	Low
Melbourne Business School Ltd (not a <i>Corporations Act</i> subsidiary) and its subsidiaries, MBS Foundation Ltd and Mt Eliza Graduate School of Business and Government Ltd	To undertake the education of University graduates and others in management studies  To conduct post-experience courses for practising managers  To conduct postgraduate research programs into management and related areas, and to promote licence, develop and apply the results of research activities	Professor Glyn Davis Professor Zeger Degraeve Associate Professor Douglas Dow Professor Paul Kofman	Mr Ross Barker (Chairman) Mr Tony Burgess Dr Jacinth Kincaid Fairley Ms Jacqueline Hey Mr Dean Ireland Ms Antoinette Kimmitt Mr Graeme Liebelt Mr Geoff Lord Mr Ari Mervis Ms Naomi Milgrom, AO Mr David Peever Mr Scott Tanner Mr Frank Zipfinger	Medium	Low
Melbourne Dental Clinic Ltd	To provide students with world-class clinical training as a core component of their studies  To provide continuing professional development training to persons working in the area of oral health and to facilitate research into oral health  To allow students to be exposed to direct patient contact in a private clinical environment	Professor Geoff McColl (Chair) Mr Ian Marshman Professor Mike Morgan	Mr Timothy Hogan Associate Professor John Matthews	Medium	Medium

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Melbourne University Publishing Ltd	To publish the best scholarly writing from Australia and overseas, both within and independent of the tertiary sector  To develop and disseminate text and image-based intellectual property in a variety of formats and media  To retain and develop Melbourne University Press and the Miegunyah Press as imprints of the company	Professor Peter McPhee (Chair) Mr Tony Peake Mr Allan Tait	Ms Louise Adler, AM Mr Daniel Gorog Mr Laurence Muller (Deputy Chair) Ms Jacyl Shaw	Low	Low
Melbourne University Student Union Ltd	To advance the educational experience of students of the University by providing amenities, services and facilities for the benefit of students	Mr Robert Baker Ms Elizabeth Capp Mr Ross McPherson (Chair) Mr Christopher White	Mr Steven Connolly Mr Graham Dennehy Mr James Smith Mr Stephen Smith	Low	Low
Nossal Institute Ltd	To undertake or provide research, development, education, training, consultancies or other activities in the medical or related areas  To provide facilities for study, research and education	Professor James McCluskey (Chair) Mr Allan Tait	Dr Krishna Hort	Low	Low
UoM Commercial Ltd (formerly UMEE Ltd) and its subsidiary, UM Commercialisation Pty Ltd	To commercialise educational services	Professor Mark Considine Professor James McCluskey Professor Margaret Sheil Mr Allan Tait (Chair)	Mr Geoffrey Rees	Low	Low

## SECTION B. UNIVERSITY BUSINESS OPERATIONS

### Section B1 – Semi-Autonomous Bodies (Statute 8.1)

(The entities below are ongoing semi-autonomous bodies within the University, where control and management are exercised by or under the direction of a board on behalf of Council. They are staffed by University employees, although the composition of the boards is as set out below, all of whom are covered by the University's Directors and Officers Policy.)

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Asialink (Regulation 8.1.R5)	To work with business, government, philanthropic and cultural partners to initiate and strengthen Australia Asia engagement.	Professor Barry Conyngham (Chair) Ms Colleen Pearson Professor Glyn Davis	Mr Rob Bazzani Mr Louise Chiam Mr John Denton, AO Sir Rod Eddington, AO Ms Lindley Edwards Ms Nicola Wakefield Evans Mr Mark Johnson, AO Dr Marlene Kanga, AM Mr Mark Laurie Mr Stephen Menzies Professor Tony Milner, AM Mr Sid Myer, AM (Chair) Mr Will Randall Mrs Heather Ridout, AO Mr Kee Wong (Deputy Chair) Ms Alice Wong	Low	Low
Carlton Connect (Regulation 8.1.R9)  (Established 9/12/13 and disestablished 10/8/2015)	To combine a large-scale infrastructure development with a research and innovation agenda that places explicit emphasis on external engagement and impact generation  To foster wholly new ways of working with industry that will add a valuable new dimension to the University's capabilities and reputation	Dr Charles Day Professor Karen Day Mr Robert Johanson (Chair) Professor Jim McCluskey Professor Iven Mareels Mr Ian Marshman		Low	Low
International House (Regulation 8.1.R2)	To be a place of residence, education and corporate life for students and to encourage international understanding and friendship among students	Professor Susan Elliott Emeritus Professor Frank Larkins (Chair) Dr Deborah Seifert Ms Alice Wong	Mr Garry Fowler Mr Peter Godfrey Mr Howard Khoo Ms Cindy Nguyen Ms Vi Peterson Mr David Prest Mr Joshua Wilson, SC	Low	Low
Melbourne Theatre Company (Regulation 8.1.R1)	To enrich lives with understanding and empathy through the storytelling power of the finest theatre imaginable  To produce classic and contemporary Australian and international theatre with style, passion and excellence in order to entertain, challenge and enrich audiences	Mr Adrian Collette, AM Professor Barry Conyngham Professor Glyn Davis Mr Ian Marshman Mr Martyn Myer, AO	Mr Anthony Burgess Ms Patricia Faulkner, AO Mr Jonathan Feder Ms Gillian Franklin Ms Jane Hansen Ms Janette Kendall Mr Terry Moran, AC Ms Maureen Wheeler, AO	Low	Low

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Melbourne University Sport (Regulation 8.1.R7)	To promote the benefits of healthy exercise  To provide a wide range of sporting opportunities for all staff and students, including competition at the highest level  To provide professional management of sport and recreation at the University  To develop and maintain sporting and recreational facilities consistent with the University's aspiration of being one of the finest universities in the world  To enable sporting clubs to maintain and develop their historical contribution to University life  To provide opportunity for engagement with alumni and the wider community	Professor Margaret Abernethy Mr Andrew Gillies Professor Richard James Mr Timothy Lee	Mr Mitchell Anderson Mr Geoff Rees (Chair) Mr James Sutherland Dr Lynne Williams	Low	Low
The Ian Potter Museum of Art (Regulation 8.1.R4)	To promote and display art works including the University's collection	Mr Adrian Collette, AM Professor Anne Dunlop Ms Kelly Gellatly Ms Katerina Kapobassis Professor Jon Cattapan	Ms Julie-Ann Cox (Chair) Mr Nick Edwards Mr Mark Fraser Mr Fred Grimwade Mrs Barbara Hammon Mr Peter Jopling, QC Ms Aneta Trajkoski Mr John Wardle	Low	Low
The Medley Hall of Residence (Regulation 8.1.R3)	To be a place of residence, education and corporate life for students and to encourage understanding and friendship among students	Ms Philippa Connelly Ms Jennifer Fraser (Chair) Mr Daniel Persaud Ms Julie Wells	Mr Gary MacKenzie Ms Lin Martin	Low	Low
The University of Melbourne Veterinary Hospital (Regulation 8.1.R8)	To enable students in the courses for the degrees and diplomas of the Faculty to receive clinical instruction and training and to conduct research under the supervision of the school  To promote and encourage research in a hospital environment into diseases and disabilities affecting animals and to provide the facilities for such research  To provide veterinary services of a medical, surgical and pathological consultative nature to the community on a commercial basis	Professor Eleanor Mackie Associate Professor Caroline Mansfield Ted Whittam Mr John Demagistris Professor James Gilkerson Professor Brian Leung Ms Elizabeth Capp	Mr Bryan Woodford	High	Low

## SECTION B2 – OTHER SIGNIFICANT BUSINESS OPERATIONS CONDUCTED BY THE UNIVERSITY

Entity	Principal objectives	Members of University staff or Council serving as directors or officers	Other University appointees serving as directors or officers	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Nil					

## SECTION C. SIGNIFICANT INVOLVEMENTS WITH EXTERNAL CORPORATIONS

Appointments made by the University to the boards of other corporations are covered by its Directors and Officers Liability Policy. As this section only lists 'significant involvements', the University (and its controlled entities) is a member of other external corporations, details of which are maintained by the University Secretary.

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as directors or officers	Status – ongoing or anticipated termination date	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
Australian Synchrotron Holding Company Pty Ltd	The Australian Synchrotron is a world-class national research facility that uses accelerator technology to produce a powerful source of light – x-rays and infrared radiation – a million times brighter than the sun.  The Australian Synchrotron's mission is to enable science for the benefit of the community, by providing world-class synchrotron expertise and facilities.	N/A	N/A	Ongoing	Low	Low
Bio21	To develop and enhance the reputation of Victoria as a leading academic centre for the advancement of knowledge in fundamental areas of biology, medicine, science and technology  In cooperation with other universities, educational and scientific institutions and other persons, to conduct world-class training, financially viable biotechnology research, and to facilitate the development and commercialisation of the results of that research	Professor Ian Gust (Chair) Professor Douglas Hilton Mrs Sally Campbell Professor David Copolov Professor Jack Findlay Professor Peter Rathjen Dr Graeme Woodrow Professor Katherine McGrath Professor Malcolm McConville Professor Jeffrey Zajac	N/A	Ongoing	Low	Low
UIIT Pty Ltd	To provide seed funding to further develop promising research outcomes  To assist with the commercialisation of such research outcomes	Mr Allan Tait	N/A	Ongoing	Low	Low

Entity	Principal objectives	Members of University staff or Council serving as board members	Other University appointees serving as directors or officers	Status – ongoing or anticipated termination date	Level of financial risk (high, medium or low)	Level of reputational risk (high, medium or low)
UniSeed Management Pty Ltd	To provide management services to UIIT Pty Ltd	Mr Allan Tait	Mr David Miles, AO (Chair) Professor Les Field Professor Duncan Ivison Dr Jack Steele My Grey Pringle	Ongoing	Low	Low
Universitas 21 Equity Ltd	To hold part of the issued share capital of Universitas 21 Global	Mr Ian Marshman	N/A	Ongoing	Low	Low
Universitas 21 Global Pte Ltd (Joint venture between Universitas Equity and MULI (Mampal))	To be an on-line graduate school that provides leading-edge access to educational programs designed to meet the needs of the individuals and corporations in the information economy of the 21st century  To build academic programs that incorporate the traditions and strengths of its founders and add the value of the internet as a powerful educational medium	Mr Ian Marshman	N/A	Ongoing	Low	Low
Universitas 21 LBG	To provide a pre-eminent brand for educational services supported by a strong quality assurance framework  To allow member universities to pursue significant global initiatives that would be beyond their individual capabilities	Professor Glyn Davis	N/A	Ongoing	Low	Low

## SECTION D. SIGNIFICANT COMMERCIAL ACTIVITIES OF UNIVERSITY-CONTROLLED ENTITIES

The boards of University-controlled entities monitor compliance with the University Commercial Activities Guidelines to the extent relevant to each such entity, and report to the University for inclusion in this section of the Register details of:

- Subsidiaries (also appearing in Section A)
- Commercial activities (where 'significant' or otherwise considered by the relevant board to be 'sufficiently important or of sufficient interest to list on the Register'), and
- 'Significant' involvements with external corporations.

Appointments made by a University-controlled entity to the boards of other corporations are covered by the University's Directors and Officers Liability Policy.

University controlled entity	Significant commercial activity or external involvement	Principal objectives of such activity / involvement	Members of University staff / Council serving as directors / officers	Other University controlled entity appointees serving as directors / officers	Status - ongoing or anticipated termination date	Level of financial risk	Level of reputational risk
Nil							