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approval and throughout the total life of the arrangement.

- 3.5. UNSW has effective governance to manage actual, potential or perceived conflicts of interest with third-party arrangements.
- 3.6. Third-party arrangements a

# Procedures – Risk management

## Section 1: Risk management framework

### 1. Overview

1.1. UNSW has adopted the following risk management framework:

1.2. The risk management framework brings together UNSW's [risk management principles](#) and [processes for assessing a41.9n60 Td158d](#)



- monitor, review & reporting.

#### **4. Risk universe and assurance map**

4.1. The UNSW Risk Universe:

- sets out the risks that UNSW faces or could face across its operations
- is a formal part of UNSW's risk identification process
- is not static and is regularly reviewed and updated by the Risk Management team.

4.2. The UNSW Risk Assurance Map:

- is a visual representation of the main sources and types of assurance activities at UNSW
- demonstrates the scope, breadth and depth of assurance coverage and their coordination across the UNSW Risk Universe.

4.3. The Risk Management team will use risk, management and assurance reviews, risk assessments and Internal Audit activity to develop and maintain the UNSW Risk Universe.

4.4. The Risk Management team will update the UNSW Risk Universe annually at minimum by considering the risk assessments that have been done and UNSW's risk management framework, including the "three lines model" (refer to section 4 in the [Risk Management Manual](#)). These outputs will be considered in UNSW's Risk Assurance Map.

#### **5. Monitoring, reviewing and improving the risk management framework**

5.1. The Risk Management team, in consultation with the ULT, will annually review the risk management framework to identify:

- required operational changes
- regulatory or standard changes
- other improvements.







# Procedures – Compliance management

RISK CONSEQUENCE – SEVERE OR MAJOR			
Tier	Description	Central management	Certification
1	University-wide compliance obligations where a breach could result in personal liability of individuals or have a <b>severe or major</b> consequence on the operation of the entire University or school(s) / department(s)/division(s).	Yes, compliance must be centrally managed. e.g. (Cth) – meet the Higher Education Standards Framework (Threshold Standards)	Annually
2	Compliance obligations relevant to a single school/department, or a limited number of schools/departments, where a breach could result in personal liability of individuals or have a <b>severe or major</b> consequence on the operation of the school(s) or department(s).	Yes, compliance must be centrally managed. e.g. (NSW) - maintain effective radiation management procedures and obtain all necessary licences	Annually

- – the University officers responsible for ensuring internal compliance controls are applied in their business unit for managing the obligation.
- 1.2. The Vice-Chancellor, in consultation with the ULT as required, will determine the management framework for a compliance obligation where it cannot be determined based on portfolio responsibilities.
  - 1.3. The Compliance & Privacy Law team, in consultation with UCOs, will update the management framework for compliance obligations as soon as possible when there is a change to portfolio responsibilities.
  - 1.4. The management framework of the compliance obligation must be documented in the Register by the UCO, in collaboration with the Compliance & Privacy Law team.

## 2. Internal compliance controls

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practice to be held in the name of an individual.

2.2. Where a licence or permit is held in the name of an individual:

- the individual must have primary responsibility for the activity relating to the licence or permit
- the UCO responsible for the licence or permit must approve the individual
- UNSW must employ the individual
- there must be internal controls for the cancellation, re-issue or transfer of the licence or permit if the individual no longer has primary responsibility for the activity or if they are no longer employed by UNSW.

### **3. Applying for a licence or permit**

3.1. The UCO must establish an approval process to apply for a licence or permit from an issuing authority.

3.2. The approval process must include an assessment for requiring the licence or permit and UNSW's ability to comply with all terms and conditions. Records of the approval, assessment and application must be kept for all licences and permits in a [UNSW System of Record](#).

### **4. Documenting licences and permits**

4.1. All UNSW licences and permits must be documented in the Register with details such as:

- name of the licence or p

<b>Reliability</b>	It needs to be determined if the compliance control is automated or a manual process. It also needs to be determined if the compliance control works under all scenarios and conditions.
<b>Reactivity</b>	The compliance control must operate at an appropriate speed when it addresses an event or circumstance.
<b>Availability</b>	Some compliance controls are complex and to perform correctly require expertise. Some compliance controls to be effective require specific types of staff.

make an assessment based on the results from certifying each sub obligation.

2.4. The certification of a sub obligation will:

- confirm that the management framework is up to date
- confirm that any changes to the obligation (e.g. through legislative amendments) have been identified and addressed
- assess the latest Control Effectiveness Rating for each compliance control
- confirm that all actual or potential compliance breaches have been reported in line with the [Reporting and managing a compliance issue](#) procedure and that agreed actions have been, or are in the process of being, implemented.

2.5. The results of each completed certification must be documented in the Register by the Compliance & Privacy Law team.

## **Section 5: Reporting and managing a compliance issue**

### **1. Reporting a compliance issue**

1.1. A compliance issue is an incident, event or situation where there is an actual, suspected or potential breach of a compliance obligation. A compliance issue is reported so actions can be implemented to prevent reoccurrence.

1.2. Unless the compliance issue relates to \_\_\_\_\_ (see sub-section 1.3 below):

- the staff member must report the compliance issue to their supervisor as soon as possible after becoming aware of the issue
- the supervisor must then report the compliance issue to their Head of School or department
- if there is no one appropriate within the school or department to report the compliance issue, then it should be reported to the compliance obligation's UCO or to [Legal & Compliance](#)
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- 2.4. The UCO must notify [Legal & Compliance](#) where there is a duty to report the compliance issue to an external regulatory body or the compliance issue is likely to create other legal risks (e.g. claims against UNSW). Details of the compliance issue, advice given and actions implemented must be documented in the Register.
- 2.5. A compliance issue will be closed in the Register once the UCO is satisfied that all necessary actions and additional compliance controls have been implemented. If a broader risk to UNSW is identified, then the compliance breach is reported to the Director of Risk for inclusion in the University Risk Register.
- 2.6. Documenting compliance issues in the Register provides the basis for reporting to UCOs, senior leaders, ULT and the committees of the University Council.
- 2.7. Compliance issues in the Register are confidential and may include legal advice with legal professional privilege attached. Staff should not disclose the information to anyone outside of UNSW without prior approval of [Legal & Compliance](#).

## **Section 6: Reporting to University Leadership Team and Council**

### **1. Annual reporting**

- 1.1. Legal & Compliance provides an annual report on compliance management to the ULT and the Safety and Risk Committee of Council.
- 1.2. The annual report includes:
  - compliance assurance and certification results
  - compliance issues
  - emerging compliance obligations.

### **2. Additional reporting**

- 2.1. Additional reports on compliance issues may be provided to the ULT or Safety and Risk Committee of Council as required.

## **Section 7: Roles and responsibilities**

### **1. University Leadership Team (ULT)**

- 1.1. The ULT:
  - assist the Vice-Chancellor to determine compliance responsibilities as required (e.g. where no UCO has been determined for a compliance obligation)
  - provide resources to manage compliance obligations
  - review and make recommendations for the annual report
  - endorse the annual report to be tabled at the Safety and Risk Committee of Council.
- 1.2. Individual ULT members:
  - provide resources to manage compliance obligations
  - oversee the management of compliance obligations
  - oversee UCO responsibilities of their compliance obligations (refer to sub-section 1.1 of the [Managing compliance obligations](#) procedure).

### **2. University Compliance Owners (UCOs)**

- 2.1. UCOs:



- document and classify their compliance obligations in the Register (in collaboration





- Australian industry partners (e.g. in connection with funding schemes and agencies such as ITRP, CRCP and Arena).

2.5. Examples of business-as-usual research arrangements include:

- research collaboration agreements between UNSW (as the lead or as a collaborator) and other Australian universities or research institutes
- funding that has been provided by one of the funding agencies or industry partners in sub-section 2.4
- clinical trial research agreements with Australian health services
- UNSW entering a research contract with an Australian-based third-party in its own name, on behalf of an affiliated medical research institute.

## **Section 2: Critical and high-risk third-party arrangements**

### **1. Determining critical and high-risk third-party arrangements**

1.1. A third-party arrangement is critical or high-risk when any of sub-sections 1.3 – 1.22 apply.

1.2. A critical or high-risk arrangement must have additional controls in line with sub-section 3 [Controls for critical & high-risk third-party arrangements](#) in this procedure.

**A third-party arrangement is critical or high-risk if the arrangement has activities or requirements that:**

1.3. Fall outside of [UNSW's risk appetite](#) (refer to sub-section 2 of the [Risk management framework](#) procedure).

1.4. Involve critical technology, infrastructure or materials on the [Defence & Strategic Goods List \(DSGL\)](#).

1.5. Involve a party in a country that is currently subject to

- a foreign government

that involves:

- naming rights to a university building or institute; or
- establishing named chairs or other positions at UNSW.

1.17. Involve entering into an agreement with a third-party (not including Australian Government or Universities) where it assumes UNSW:

- has uncapped liability
- would incur liquidated damages
- has no exclusion of consequential loss, or
- gives indemnities for the negligence of other parties

if the agreement is not delivered within set milestones.

1.18. Involve entering into an agreement with a third-party where UNSW's aggregate liability is above 4 times the total fees received by UNSW.

1.19. Involve entering into an agreement with a third-party where

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- 3.2. The four stages must be completed sequentially. The [Third-party Arrangements Manual](#) contains an explanation of each stage and the steps required for completion.

#### **4. Reporting of critical and high-risk third-party arrangements**

- 4.1. The Risk Management team will annually report the central register of critical and high-risk rated commercial activities with third parties to the ULT and the Safety and Risk Committee of Council.
- 4.2. Local areas must report annually, or on request, all critical and high-risk rated commercial activities with third parties to ~~it~~

1.4. Local areas must record the following for a third-party arrangement:

- a brief description of the subject matter
- details of the parties involved
- date

### 3. Senior leaders

- 3.1. Senior leaders (e.g. Provost, Deputy Vice-Chancellors, Vice-Presidents, Deans, Chief Officers, Directors, Heads of School/department/unit):
- report annually, or as requested, all critical and high-risk third-party arrangements in their areas to the Risk Management team
  - ensure processes are in place to assess third-party arrangements and for implementing the additional controls in arrangements that are critical and high-risk
  - oversee the operation of this policy and third-party arrangements procedures within their areas of responsibility
  - provide feedback on this policy to the Director of Risk.

### 4. Risk Management team

- 4.1. The Risk Management team:
- implements the third-party arrangements procedures in this policy
  - communicates this policy and the third-party arrangements procedures to UNSW staff and controlled entities
  - supports local areas with the risk level assessment of a third-party arrangement
  - engages with local areas to be aware of and keeps a record of all third-party arrangements, especially those that are critical and high-risk
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## Appendix 1: Roles, responsibilities and legislative compliance

### Authority for procedures and instructions

The following UNSW officers are authorised to maintain and change the procedure sections of this policy in line with the [Policy Framework Policy](#):

1. The Deputy Vice-Chancellor Transformation Planning and Assurance (DVC TPA) has authority to approve a standard or procedure section of this policy.
2. The Director of Risk has authority to change
  - [Risk Management procedures](#)
  - [Risk Management Manual](#)
  - [Third-party arrangements procedures](#)
  - [Third-party Arrangements Manual](#).
3. The General Counsel has authority to change:
  - [Compliance Management procedures](#)
  - [Compliance Management Instructions](#).
4. The Head of Compliance & Privacy Law