arc RETAIL INSTITUTE

Department		
Retail Institute – RTO (ID - 4049)		
Title		**Effective**
Risk Management – Policy and Procedure		February 2026
ASQA Standards 2025 – Quality Area 4.3		
Version ID	**Superseding Version**	**Effective**
No.3	V2	May 2025
Approved by	**Next Review**	Once printed, this document is
Head of Retail Institute	July 2028	not controlled.
Reason for change	General review and RTO name change.	

Risk Management Policy

1. Purpose

The purpose of this policy is to ensure that ARC Retail Institute (ARC RI) identifies, assesses, manages, and monitors risks that may affect its operations, compliance, reputation, and the quality of its training and assessment services.

This policy supports ARC RI's commitment to continuous improvement, regulatory compliance, and the delivery of high-quality outcomes for learners, employers, and stakeholders.

2. Scope

This policy applies to all RI staff, contractors, trainers/assessors, and managers involved in the planning, delivery, administration, and support of training and assessment services.

3. Procedure

ARC RI recognises that risk management is an essential part of maintaining compliance, quality, and organisational resilience. Risks will be managed systematically and proactively to minimise potential impacts and to ensure the Institute continues to meet:

- National Vocational Education and Training (VET) regulatory standards
- State and Federal funding contract requirements
- Organisational objectives and stakeholder expectations

ARC RI will evaluate each identified risk based on the following risk rating matrix:

LIKELIHOOD					
5 Almost certain: > 90%	High (5A)	High (10A)	Critical (15A)	Critical (20A)	Crictical (25)
4 Likely: 51 - 70%	Medium (4A)	High (8A)	High (12A)	Critical (16)	Critical (20B)
3 Possible: 31 - 50%	Medium (3A)	Medium (6A)	High (9)	Critical (12B)	Critical (15)
2 Unlikely: 11 - 30%	Low (2A)	Medium (4B)	Medium (6B)	High (8B)	High (10B)
1 Rare:<10%	Low (1)	Low (2B)	Medium (3B)	Medium (4C)	High (5B)
IMPACT	**1** Insignificant	**2** Minor	**3** Moderate	**4** Major	**5** Catastrophic/Significant

4. Responsibilities

- **Director Finance and Risk** – Provide oversight, approve risk management strategies, and lead the risk management process.
- **Head of the Retail Institute and Quality & Compliance Manager** –
  - Identify risk
  - Monitor risk
  - Assess risks
  - Implement controls
  - Escalate significant risks
- **All Staff** – Report risks, incidents, or potential issues that may impact compliance, quality, or safety.

5. Risk Management Process

ARC RI follows a structured approach to risk management:

1. **Identify risks** – Recognising events or conditions that may affect compliance, quality, or delivery.
2. **Assess risks** – Evaluating likelihood and potential impact using a risk rating matrix.
3. **Control/Mitigate risks** – Implementing mitigation strategies (e.g., policies, procedures, staff training, monitoring).
4. **Monitor & review** – Regularly reviewing risks to residue risk ratings.
5. **Document & report** – Maintaining a centralised risk register and reporting significant risks to management.

Risks may include, but are not limited to:

- **Regulatory/Compliance Risks** – Non-compliance with ASQA Standards or government funding contracts.
- **Operational Risks** – Ineffective processes, system failures, or resource limitations.
- **Financial Risks** – Loss of funding, unplanned costs, or financial mismanagement.
- **Reputation Risks** – Negative stakeholder perceptions, complaints, or breaches of trust.
- **Workforce Risks** – Trainer/assessor capability, resourcing, and professional development.
- **Learner Risks** – Student wellbeing, engagement, and support needs.

6. Monitoring and Review

- The risk register will be maintained and updated by the Quality & Compliance Manager and Finance and Risk Director.
- Risks will be reviewed at management meetings and audit preparation sessions.
- A full review of risks and controls will be conducted every six months, or earlier if significant changes occur.