

Attention

Graem Kelly

Director – Sector Risk and Compliance

TEQSA

Thank you for the opportunity of providing further information on the matter of risk management.

Response to RFI – Follow up to the 2023 Risk Assessment for the Australian Guild of Education (AGE) – REQ07795

AGE has a firm commitment to risk management and a clear understanding of that commitment in terms of the HESF Standards – and specifically 6.2.1e (as flagged) –

‘Risks to higher education operations have been identified and material risks are being managed and mitigated effectively’.

AGE commissioned an independent review (September 2024) of the Threshold Standards and was found to be compliant across the board, including this all-important area *of risk management*. An extract from the review in relation to 6.2.1e is useful for this discussion –

‘Risk management is a key activity of the AGE Board of Directors.

The Board has in place two specific risk related standing committees –

- Finance Committee (FC)
- Quality and Risk Committee (QARC)

Both standing committees are chaired by a sitting independent member of the Board.

Both standing committees meet formally X4 times each year in advance of Board meetings. Schedules are developed and published mid previous year.

The risk related standing committees utilise the standardised agenda, minutes, business arising formats to ensure high levels of transparency and monitoring opportunities.

At each AGE Board of Directors meeting (x4) the two committees provide comprehensive standing item reports.

AGE has in place a comprehensive and benchmarked *Risk Register*.’ (extract from p61)

The review will be presented to both the Corporate Board (Board of Directors) and Academic Board in February/March (2025) and once endorsed will be published on the AGE public website.

An audit of the National Code of Practice was also commissioned and the outcomes are available on the AGE public website - [87330e_28870154e4e34117857ebf6367d197af.pdf](#)

For the purposes of this RFI – the three key issues highlighted will be addressed in turn –

1.

Australian Guild of Education Pty Ltd. identified its risk exposure which contributed to TEQSA findings, prior to receiving TEQSA's 2023 Risk Assessment.

AGE has an ongoing commitment to risk management – and this has been the case for a significant period (AGE was previously AGME). The approach is consistent with the associated Threshold Standards –

Standard	Key Considerations
5.3.7	The results of regular interim monitoring, comprehensive reviews, external referencing and student feedback are used to <i>mitigate future risks</i> to the quality of the education provided and to guide and evaluate improvements, including the use of data on student progress and success to inform admission criteria and approaches to course design, teaching, supervision, learning and academic support.
6.2.1	The provider can demonstrate, and the corporate governing body assures itself, that the provider is operating <i>effectively and sustainably</i>
6.2.1c	The provider is <i>financially viable</i> and applies, and has the capacity to continue to apply, sufficient financial and other resources to maintain the viability of the entity and its business model, to meet and continue to meet the requirements of the Higher Education Standards Framework, to achieve the provider's higher education objectives and performance targets and to sustain the quality of higher education that is offered
6.2.1d	The financial position, financial performance and cash flows of the entity are <i>monitored regularly and understood</i> , financial reporting is materially accurate, financial management meets Australian accounting standards, effective financial safeguards and controls are operating and financial statements are audited independently by a qualified auditor against Australian accounting and auditing standards
6.2.1e	Risks to higher education operations have been identified and <i>material risks are being managed and mitigated effectively</i>
6.2.1k	<i>Lapses in compliance</i> with the Higher Education Standards Framework are identified and monitored, and prompt corrective action is taken.

AGE commissioned an independent review (September 2024) of Risk Management at AGE and the findings were affirmative. The review, once endorsed by the Corporate Board (Board of Directors) in March 2025, *will be published on the public website.*

In the absence of a TEQSA guidance note - the review aligned itself specifically with the HESF Standards. A summary of compliance is provided (extract from pp4-5) –

Focus	Identifier	Evidence	Rating
1	The results of regular interim monitoring, comprehensive reviews, external referencing and student feedback are used to mitigate future risks to the quality of the education provided and to guide and evaluate improvements, including the use of data on student progress and success to inform admission criteria and approaches to course design, teaching, supervision, learning and academic support.	AGE utilises a range of monitoring and reviewing processes including internal/external/independent <i>formal reviews</i> , <i>benchmarking</i> (nationally and internationally), <i>student feedback</i> (qualitative and quantitative). Evaluation requires an ALL of AGE approach using the board and committee structure in place and utilising a comprehensive and overarching risk register tool. The intelligence collected informs course design, teaching, supervision, learning and academic (learning) support.	✓
2	The provider can demonstrate, and the corporate governing body assures itself, that the provider is operating effectively and sustainably	Effective and sustainable operation is evidenced through a comprehensive <i>risk management register</i> combined with ongoing <i>reports</i> to both the Academic Board and the Corporate Board (Board of Directors).	✓
3	The provider is financially viable and applies, and has the capacity to continue to apply, sufficient financial and other resources to maintain the viability of the entity and its business model, to meet and continue to meet the requirements of the Higher Education Standards Framework, to achieve the provider's higher education objectives and performance targets and to sustain the quality of higher education that is offered	AGE has in place a <i>Finance Committee</i> that oversees matters financial. Meeting the requirements of the HESF is an ALL of AGE commitment evidenced in standing reports to both the Academic Board and the Corporate Board (Board of Directors), the careful monitoring of the <i>Strategic Plan (2025-2027)</i> and the regular review and reporting against the <i>Risk Register</i> .	✓
4	The financial position, financial performance and cash flows of the entity are monitored regularly and understood, financial reporting is materially accurate, financial management meets Australian accounting standards, effective financial safeguards and controls are operating and financial statements are audited independently by a qualified auditor against Australian accounting and auditing standards	AGE has in place a <i>Finance Committee</i> that oversees matters financial. AGE utilises an independent auditor to ensure Australian accounting and auditing standards are maintained.	✓
5	Risks to higher education operations have been identified and material risks are being managed and mitigated effectively	AGE has in place a comprehensive <i>risk register</i> that identifies risks, demonstrates evidence of <i>mitigation</i> , is <i>reviewed regularly</i> and is a <i>standing item</i> at all Corporate Board (Board of Directors) meetings.	✓
6	Lapses in compliance with the Higher Education Standards Framework are identified and monitored, and prompt corrective action is taken.	Responsibility for HESF compliance is an ALL of AGE commitment. This monitoring (and where necessary corrective action) is <i>overseen</i> by the CEO and Executive Dean, <i>audited regularly</i> by way of a Threshold Standards Audit, illuminated by means of a comprehensive <i>risk register</i> and ongoing <i>standing reports</i> to boards and committees. The process is vigilant.	✓

AGE is committed to **ongoing self-assurance** see –

Good compliance is good business - [6113ad_6c3cfa0b3a084f53a8373408af0e74d0.pdf](#)

Rolling audits – a mechanism for self-assurance -
[6113ad_beb80a2de7ae43dc9fb8c7bedfa4e78b.pdf](#)

What are the Threshold Standards and why are they important -
[6113ad_8584b9e8e229438d830f63af90c030dd.pdf](#)

AGE has an established, comprehensive and benchmarked **Risk Register** - [Proposed AGE Risk Register](#) that is currently under review (this is an ongoing process).

Effective and sustainable operation is demonstrated and evidenced by way of a comprehensive risk management register combined with ongoing reports to both the Academic Board and the Corporate Board (Board of Directors).

The significant **domains** (14 in all) include –

- Strategic Risks (HESF 6.2, 6.1, 1.5 and 1.1)
- Operational Risks (HESF 2.1, 3.2, 3.3 and 5.3)
- Financial Risks (HESF 6.2.1c and 6.2.1d)
- Compliance and Legal Risks
- Reputational Risks
- Human Resources Risks
- Health and Safety Risks
- Technology and Cybersecurity Risks (HESF 3.2)
- Environmental Risks
- Market and Economic Risks
- Project Management Risks
- Supply Chain Risks
- Cultural and Social Risks
- Insurance and Risk Transfer

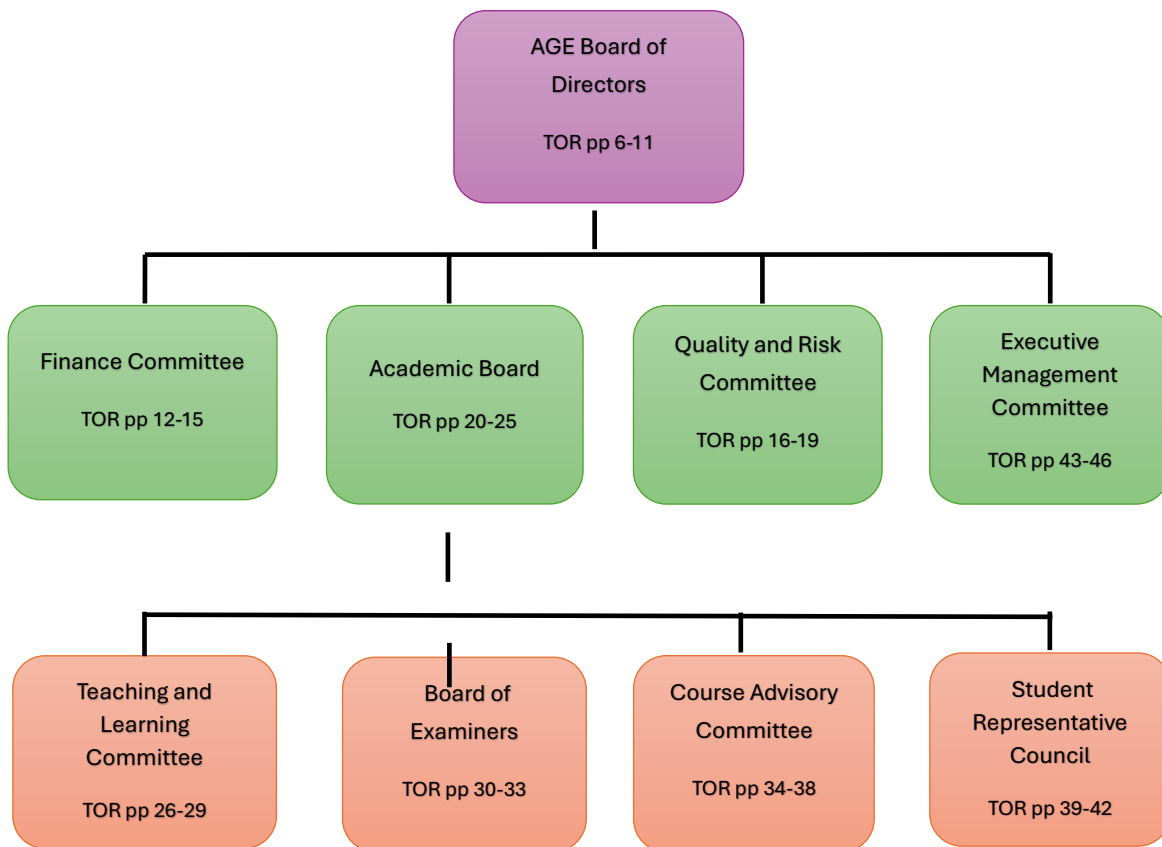
Each domain is considered by virtue of 15 **interrogations** –

- Risk Number
- Risk Item
- Category
- Operational Owner (including committee)
- Committee Owner (consistent with Governance Charter)
- TEQSA domain
- ESOS domain
- ASIC domain
- Likelihood
- Impact
- Inherent Risk
- Residual Risk
- Current Conditions (Risk outlined)
- Required Conditions (Mitigation)
- Policies and Requirements
- Applicable Legislation and Standards

A sample extract provides a visual overview –

Strategic Risks															
Risk No.	Risk Item	Category	Operational Control	Committee Control	TEQSA	ESOS	ASIC	Likelihood	Impact	Inherent Risk Rating	Residual Risk	Current Conditions	Required Conditions	Policies and Requirements	Applicable Legislation and Standards
S1	Alignment of academic governance with institutional goals	Strategic	Academic Director	Academic Board	Yes	Yes	No	Possible	Major	4	Medium High	Academic governance is aligned but needs better integration with corporate governance	Integrate academic governance more closely with corporate governance and strategic goals	Academic Governance Policy, Governance Framework	HEISF 4.2, TEQSA Act
S2	Institutional strategic planning and goal setting	Strategic	CEO	BuO	Yes	Yes	Yes	Possible	Major	4	Medium High	Strategic planning processes exist but need regular updates	Regularly review and update strategic planning processes to ensure alignment with institutional goals	Strategic Planning Policy, Governance Framework	HEISF 4.1, Corporations Act 2001, ASIC Standards
S3	Market competition affecting student enrolment	Strategic	Marketing/Admissions Officer	BuO	Yes	Yes	No	Possible	Major	4	Medium High	Market competition is increasing, affecting student enrolment numbers	Enhance marketing strategies and competitive positioning to attract more students	Marketing Strategy, Student Recruitment Plan	National Code 1, Australian Consumer Law, TEQSA Act
S4	Strategic partnerships and collaborations	Strategic	CEO	BuO	Yes	Yes	No	Possible	Major	4	Medium High	Partnerships exist but need to be strengthened and expanded	Develop and strengthen strategic partnerships and collaborations to enhance institutional offerings	Partnership Agreements, Strategic Alliances Policy	HEISF 1.5, TEQSA Act
S5	Risk of failure to achieve institutional mission and objectives	Strategic	CEO	BuO	Yes	Yes	Yes	Possible	Major	4	Medium High	Institutional mission and objectives are clear but need better alignment with operations	Ensure all operations and activities are closely aligned with the institutional mission and objectives	Mission and Objectives Policy, Operational Alignment Guidelines	HEISF 1.1, TEQSA Act, Corporations Act 2001, ASIC Standards

Utilising the **committee/board structure** in place provides ongoing updating and scrutiny –



The *Governance Charter* (containing the TOR) can be viewed at - [87330e_6e698575ff2c4877b4e177737123fbb6.pdf](https://www.ageducation.edu.au/87330e_6e698575ff2c4877b4e177737123fbb6.pdf)

Combined with an informed *Strategic Plan* – AGE is well placed in terms of self-assurance in terms of effectiveness and sustainability with risk management as a key issue.

2.

Plans have been developed and implemented to manage and mitigate risks. Evidence may include action plans, risk controls, risk registers, and reports showing progress against action plans.

AGE is active in both risk identification and mitigation.

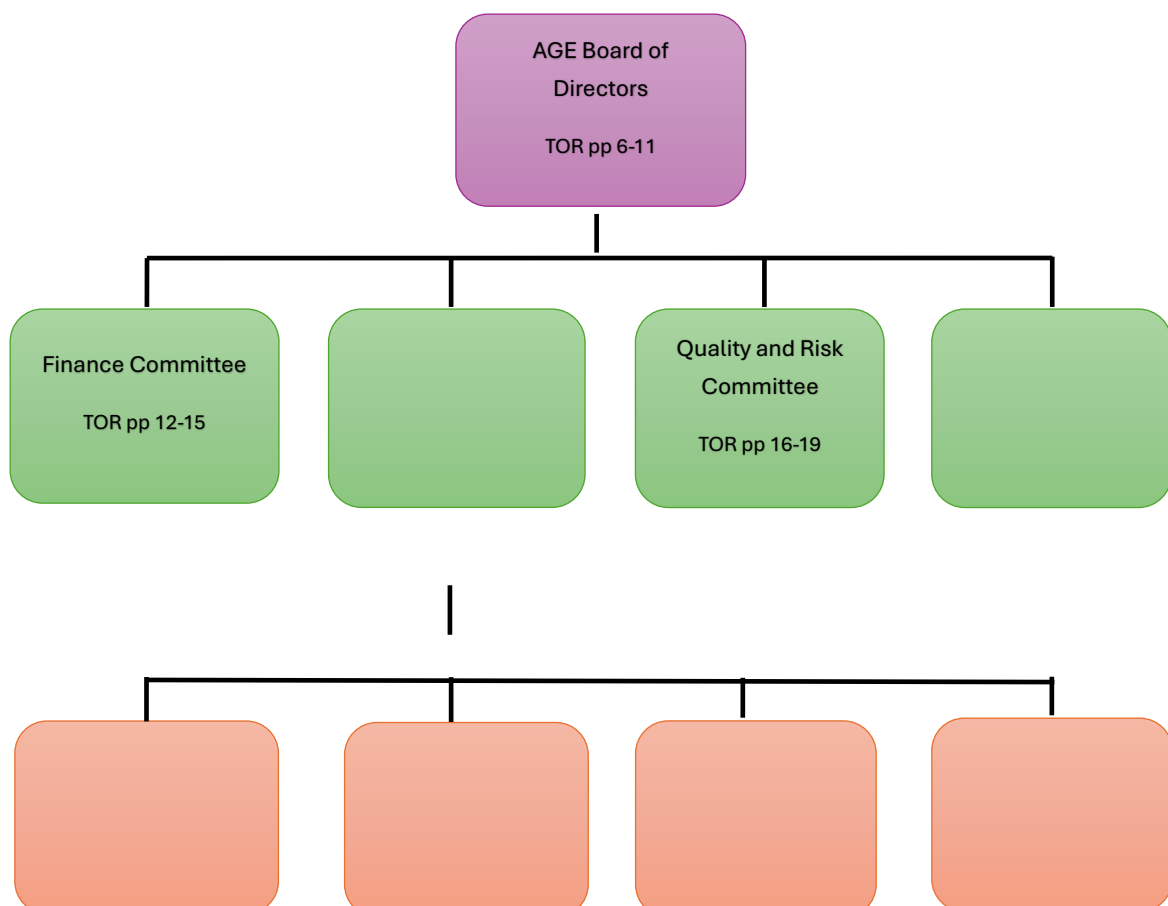
Plans/strategies are in place to support this effort and focus –

A.

AGE has in place a comprehensive and benchmarked **Risk Register** - [Proposed AGE Risk Register](#). This register is maintained, benchmarked, updated regularly and remains a standing item on all Board of Directors and Academic Board agenda.

B.

AGE has in place a comprehensive **Standing Committee structure** that ensures focus on risk management on an ongoing basis – and specifically supported by both a *Finance Committee (FC)* and a *Quality and Risk Committee (QARC)* – both standing committees of the AGE Board of Directors.



Finance Committee

AGE has in place a *Finance Committee* that oversees matters financial. Meeting the requirements of the HESF is an ALL of AGE commitment evidenced in standing reports to both the Academic Board and the Corporate Board (Board of Directors); the careful monitoring of the Strategic Plan (2025-2027); and the regular review and reporting against the Risk Register.

Financial overview is well served by a dedicated *Finance Committee* – a standing committee of the AGE Board of Directors (Corporate Board).

The Terms of Reference for the Finance Committee are provided in the Governance Charter - [87330e_6e698575ff2c4877b4e177737123fbb6.pdf](#) - see pp12-15. These include –

- Role and Delegated Authority of the Finance Committee (3.1)
- Functions of the Finance Committee (3.2)
- Risk Management (3.3)
- Membership of the Finance Committee (3.4)
- Term of Appointment (3.5)
- Duty of Members (3.6)
- Finance Committee Chair (3.7)
- Finance Committee Secretary (3.8)
- Meetings (3.9)
- Review of Finance Committee (3.10)
- Review of Terms of Reference (3.11)

Of critical importance are the delegation, functions and risk management issues –

Delegation –

'The role of the Finance Committee is to evaluate the financial performance of AGE, to ensure financial resources are used appropriately and in accordance with the objectives of the Institution and providing appropriate advice and recommendations to the Board to ensure the financial viability of the Institution' (3.1 p12)

Functions –

'Monitor the financial performance of AGE

Ensure that financial reports are prepared that accurately reflect the financial performance of the organisation and are compared against the budget and key performance indicators

Provide a report for the Board Meeting following a Finance Committee meeting

Review the financial impact of business cases, including drafting the financial impact of any variations to the plan

Oversee the preparation of the annual budget and ensure it is aligned to the Strategic Plan

Recommend the appropriate financial auditors to the Board

Ensure that the annual audit occurs, and the financial reports are prepared in accordance with any accounting, audit and statutory requirements

Have oversight of the financial impact of any new initiatives' (3.2 p12)

Risk Management –

'Monitor and report any existing or emerging financial risks for AGE

Advise the Board on any mitigation strategies to minimise financial risks for AGE' (3.3 p12)

The *Finance Committee* meets quarterly (more often if required) and reports directly to the AGE Board of Directors (Corporate Board). The *Finance Committee* is chaired by a sitting member of the Board of Directors – in the case the Chair of the Board of Directors – enhancing transparency and accountability.

The AGE Risk Register has a specific focus on Financial Risk.

The key foci include –

Financial Reports comply with Corporations Act and Financial Management Standards (F1)

Cash flow management and financial stability (F2)

Investment and funding risks affecting institutional operations (F3)

Financial impact of external economic factors (F4)

Non-compliance with tax laws and regulations (F5)

A sample extract -

Risk No.	Risk Item	Category	Operational Owner	Committee Owner	TQSA	ES&S	ASIC	Likelihood	Impact	Material Risk Rating	Residual Risk	Current Conditions	Required Conditions	Policy and Requirements	Applicable Legislation and Standards
F1	Financial reports comply with Corporations Act and Financial Management standards	Financial	Finance Officer	Finance Committee	No	No	Yes	Possible	Major	4 - Medium High	Financial reports are compliant but need regular audits	Financial reports are compliant but need regular audits	Conduct regular financial audits to ensure compliance with the Corporations Act and Financial Management standards	Financial Reporting Policy, Audit Procedures	Corporations Act 2001, ASIC Standards, Financial Acts
F2	Cash flow management and financial stability	Financial	Finance Officer	Finance Committee	No	No	Yes	Possible	Major	4 - Medium High	Cash flow is managed but requires more stringent controls	Implement more stringent cash flow management and financial stability measures	Regularly review and adjust investment strategies to mitigate risk and ensure financial sustainability	Cash Flow Management Policy, Financial Stability Guidelines	Corporations Act 2001, ASIC Standards, Financial Acts
F3	Investment and funding risks affecting institutional operations	Financial	Finance Officer	Finance Committee	No	No	Yes	Possible	Major	4 - Medium High	Investment strategies are in place but require regular review for risk management	Investment strategies are in place but require regular review for risk management	Regularly review and adjust investment strategies to mitigate risk and ensure financial sustainability	Investment Policy, Risk Management Framework	Corporations Act 2001, ASIC Standards, Financial Acts
F4	Financial impact of external economic factors	Financial	Finance Officer	Finance Committee	No	No	Yes	Possible	Major	4 - Medium High	Economic factors are monitored but require more proactive financial planning	Economic factors are monitored but require more proactive financial planning	Enhance financial planning and forecasting to account for potential external economic impacts	Financial Planning Policy, Economic Risk Management Guidelines	Corporations Act 2001, ASIC Standards, Financial Acts
F5	Non-compliance with tax laws and regulations	Financial	Finance Officer	Finance Committee	No	No	Yes	Possible	Major	4 - Medium High	Tax compliance is generally good but needs regular checks	Tax compliance is generally good but needs regular checks	Conduct regular tax compliance audits to ensure adherence to tax laws and regulations	Tax Compliance Policy, Financial Reporting Guidelines	Corporations Act 2001, ASIC Standards, Taxation Laws

Quality and Risk Committee

The *Quality and Risk Committee (QARC)* has a direct responsibility in this domain and reports directly to the Board of Directors. The *QARC* is chaired by an independent director to ensure the highest level of transparency and accountability.

TOR for the QARC can be viewed at – [87330e 6e698575ff2c4877b4e177737123fbb6.pdf](#) – see pp16-19

The overarching *focus* of the QARC is best captured in the following extract -

‘The Quality and Risk Committee (QARC) is a sub-committee of the Board of Directors created with the Board’s authority under the Constitution of Australian Guild of Education Pty Ltd. The role of the QARC is to provide advice and assistance to the Board in relation to the governance framework of AGE, including risk management, internal systems controls, regulatory compliance, policy and procedure compliance, and internal audit functions.’ (p16)

The *functions* are evident –

‘Oversee the response to the annual TEQSA risk assessment of AGE’

Oversee the risk management framework and ensure that it effectively facilitates the identification, monitoring assessment and mitigation of key higher-level risks across AGE

Ensure that AGE is supported with a contemporary quality and compliance audit program that provides appropriate depth and breadth of coverage

Review internal and external audit reports to ensure that recommendations and agreed actions are promptly enacted

Facilitate the conduct of special investigations initiated by the QARC or requested by the Board as required

Oversee the effectiveness of AGE’s compliance framework.’ (p16)

The *responsibilities* are captured –

‘Monitor and report any existing or emerging risks for AGE

Advise the Board on any mitigation strategies to minimise risks for AGE

The application and administration of the risk management framework

Reviewing and endorsing amendments to the Risk Management Framework

Overseeing the review and updating of the Risk Register.’ (p16)

The two standing committees – *Finance and Quality and Risk* – are standing committees of the AGE Board of Directors and both are chaired by independent Directors. Also note the AGE Board of Directors have overarching responsibilities for the organisation and are actual directors of the company registered with ASIC.

the AGE Board of Directors has overarching responsibilities for the organisation and are actual directors of the company registered with ASIC. This is contrast to other HEPS who have ‘governing council members’ see for example, Top Education and SIHE.

This is best practice.

C.

AGE is committed to **ongoing self-assurance** both in principle and practice see –

Good compliance is good business - [6113ad_6c3cfa0b3a084f53a8373408af0e74d0.pdf](#)

Rolling audits – a mechanism for self-assurance -
[6113ad_beb80a2de7ae43dc9fb8c7bedfa4e78b.pdf](#)

What are the Threshold Standards and why are they important -
[6113ad_8584b9e8e229438d830f63af90c030dd.pdf](#)

D.

Benchmarking

Benchmarking is a key component of the ongoing commitment. To date AGE has benchmarked many of its processes, policies and frameworks (and specifically risk management issues) against a range of national and international organisations –

National

The Australian Academy of Music and Performing Arts (Sydney)
Le Cordon Bleu Australia (Brisbane, Sydney, Melbourne and Adelaide)
Institute of Creative Arts and Technology (Sydney and Melbourne)
Universal Business School Sydney (Sydney, Melbourne and Adelaide)
Central Queensland University (Australia wide)
Western Sydney University (Australia wide)

International (*by virtue of Musicum20 membership*)

Trinity Laban Conservatoire of Music and Dance (London)
Nagoya University of the Arts (Japan)
Ecole Normale de Musique de Paris (France)
Korea University of Education (South Korea)
Pop Academy Baden-Wuerttemberg (Germany)
Hong Kong Film Academy (Hong Kong)
Hitmaker Global Academy (Singapore)

E.

Strategic Planning (and associated monitoring of that planning) is a key element of the overall approach to review and evaluation – and of course risk management and mitigation.

AGE has in place an informed Strategic Plan.

Student **participation and attainment** are at the heart of the plan – with a focus on five domains that ensure this quest is achieved (and monitored) and of course risk management remains a key aspect.



Reporting against the Strategic Plan forms a key element of various standing reports across the organisation – including the finance and quality/risk standing committees.

The AGE Strategic Plan (2025-2027) embraces ‘matters financial’ and ‘risk’ in terms of Growth -

Measures

	2024	2025	2026	2027
Programs	1	3	5	5
Locations	1	1	1	2
Students	22	50	100	150
Finances	Deficit	Deficit	Break even	Surplus

Extract from p8

F.

Appointment of a CEO and ED with risk management experience

AGE has recently appointed *Emeritus Professor Greg Whateley* to the positions of Chief Executive Officer and Executive Dean to oversee the growth and subsequent risk management of the organisation.

See Emeritus Professor Greg Whateley bio - [Emeritus Professor Greg Whateley | musicum20](#)

Dr Whateley has significant experience working with universities and private providers over some 50 years – and has a keen eye for risk identification and mitigation. He has published numerous articles, papers and chapters in this domain. He has also taught postgraduate management – including risk management at various institutions.

3.

Australian Guild of Education Pty Ltd.'s governing body has oversight of the risks and the plans to manage and mitigate the risk, and the governing body has been provided with regular updates on progress.

As evidenced in items 1 and 2 (above) it is clear that the mechanism in place – in terms of reporting against risk management – is robust.

In summary –

Risk management (identification and mitigation) is an *ongoing commitment* at AGE

AGE has in place a dynamic *risk register*

Risk is a *standing item* on both Board of Directors and Academic Board meetings/agenda

The AGE Board of Directors has in place *two standing committees* that monitor and report on risk (including financial).

The Finance Standing Committee is *chaired* by the independent Chair of the Board of Directors.

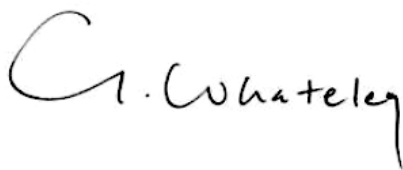
The Quality and Risk Standing Committee is *chaired* by an independent director (and member of the Board of Directors)

The CEO and ED with *risk management expertise* is an ex-officio member of the Board of Directors

An *independent review* of Risk Management at AGE affirms that appropriate systems are in place to satisfy the associated Threshold Standards specifically 5.3.7. 6.2.1, 6.2.1c, 6.2.1d, 6.2.1k and of course 6.2.1e –

'Risks to higher education operations have been identified and material risks are being managed and mitigated effectively'.

Please do not hesitate me directly for any further information required.



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Chief Executive Officer and Executive Dean

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January 15, 2025