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**Risk management FRAMEWORK GUIDE**

**- for education support office and schools**

**Document No. [000XX] Published 12/05/2023**

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**Document information**

The key will indicate additional supporting information available

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| Icon  Description automatically generated | **Information**  Further information is provided in the form of information sheets |
| Tech Resume Library: 24 downloadable templates for IT pros | Tech Exec | **Template**  Templates are available |
| Teache Vector Art PNG, Teaching Icon, White Board, Teacher, Teaching PNG  Image For Free Download | **Support**  Support is available including, online, in-person, training, coaching |
| MyLearning: Workplace Health & Safety | **Work Health and Safety**  Information specific to process and practice under WHS legislation |

Risk Management Framework

1.0 Introduction

In delivering educational services for children and young people, effective risk management is integral to achieving our vision, mission and strategic objectives. It promotes standardisation, consistency and accountability for risk management in schools and the Education Support Office (ESO).

The Directorate’s Risk Management Framework (the Framework) provides the foundation and organisational arrangements for how risk is managed across the Directorate. Integral to our success is leadership at all levels, supporting and promoting effective risk management performance through the application of the Principles of Risk Management, the Framework Elements and the Risk Management Process.

Through effective implementation of the Framework the Directorate aims to:

* achieve a balance between realising opportunities for improved service delivery and addressing uncertainty of not achieving our goals
* integrate risk management into the culture of the organisation, enabling us to do our day-to-day activities to the best of our ability
* embed risk management into key planning activities and business decision making processes to reduce the likelihood and consequence of unintended harm to others
* ensure systems are in place to track and report on existing and emerging risks
* strengthen risk management practices.

1.1 Purpose

The Framework describes the Directorate’s approach to risk management to ensure that hazards and risks are understood by all staff and managed effectively and efficiently. It defines principles, governance and reporting structures, roles and responsibilities and accountabilities how a risk management culture is achieved through practical application of risk management activities.

The Framework is supported by the following documents:

* **Risk Management Framework –** a two-page summary of the Risk Management Framework for quick reference.
* **Risk Management Policy –** describes the requirements, roles and responsibilities for establishing, monitoring and maintaining, and reporting on risk management within the Education Directorate.
* **Risk Management Procedures** – describes detailed procedural steps and guidance to implement effective application of risk management practices.

Risk management is an integral part of good management practice. The Framework is aligned with the *[ACT Government Risk Management Policy (2021)](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)* and the [*Australian Standard AS ISO 31000:2018 Risk Management – Principles and Guidelines*](https://www.iso.org/standard/65694.html)and applies across all aspects of the Directorate’s business and operations. It defines risk as the effect of uncertainty (either positive or negative) on business objectives. Risk is often specified in terms of an event or circumstance and the consequences that may flow from it and is measured in terms of a combination of the likelihood of an event occurring and the consequences.

In the Education Directorate, risks concerning the health and safety of all staff, students and visitors is our priority. The deliberate actions and decisions we make to ensure we achieve our objectives or goals is described as risk management. It enables the person in control of a business or undertaking (PCBU) to ensure the Directorate provides and maintains a safe workplace and safe systems of work. This assurance is based on the Work Health and Safety ‘reasonably practicable’ basis to ensure adequate and sensible health safety measures are in place.

1.2 Implementation of the Framework

Effective implementation of the Risk Management Framework will be achieved by:

1. integration of the risk management process into strategic and business planning processes and associated plans and activities in schools and the ESO
2. defining a structured, consistent risk management process in accordance with [*AS ISO 31000:2018 Risk Management Guidelines*](https://www.iso.org/standard/65694.html)
3. providing easily accessible procedures, tools and guidance for staff to adequately identify, document, understand and manage risks
4. provide a range of options for risk management education, training of staff and ongoing development of risk management resources to support practical application
5. reviewing of the Risk Management Framework via the Executive Governance Committee and various sub-committees and business areas who have the responsibility for high risks
6. defining risk management roles and responsibilities to ensure all staff manage risks relevant to their area of service delivery and accept accountability for their decisions
7. building a positive and proactive risk culture through tangible actions and building the confidence of staff
8. monitoring, reporting and reviewing risks on an ongoing basis
9. ensure that the Framework informs internal audit functions
10. seeking ongoing feedback from across the Directorate and with external stakeholders for continuous improvement

1.3 Principles of risk management

The [Australian Standard *AS ISO 31000:2018 Risk Management Guidelines*](https://www.iso.org/standard/65694.html) outline Best Practice Principles of Risk Management (Figure 1). These principles are embedded in the Directorate’s Risk Management Framework to foster and maintain an organisational risk culture that is relevant to everyone.

**Continual Improvement:** Risk management contributes to the continual improvement of the Directorate by developing and implementing strategies to improve risk management maturity. Practices are continually improved through the application of learning and experience.

***Figure 1: Principles of Risk Management***

**Integrated:** Risk management is an integral part of all Directorate processesand is not an activity performed in isolation. Rather, it is an integral part of our governance and accountability arrangements, performance management, planning and reporting processes, and change management processes.

**Structured and Comprehensive:** Risk management is systematic, structured and timely and contributes to efficiency and to consistent, comparable and reliable results.

**Customised and Tailored**: Risk management is customised to our operating environment and aligns with the internal and external environments within which we operate and manage in the context Directorate’s objectives.

**Inclusive and Transparent:** Risk management requires appropriate and timely involvement of all stakeholders to ensure its relevance and currency. Involving stakeholders enables the diversity of their knowledge, views and perceptions to be considered.

**Dynamic and Iterative:** Risk management is responsive to change. It anticipates, detects, acknowledges and responds swiftly to both internal and external events. It changes in the environmental context and knowledge, results of monitoring and reviewing activities, and identifies new risks that emerge and others that change or disappear.

**Best Available Information:** Risk management draws on diverse sources, as well as considering future expectations. Historical data, expert judgment and stakeholder feedback all contribute to evidence-based decision-making.

**Human and Cultural:** Risk management recognises that human behaviour and culture influence are aspects of risk management. The capabilities, perceptions and aims of people (internal and external) can aid or hinder the achievement of objectives.

1.4 Relationship to Work Health and Safety

Management of Work Health and Safety (WHS) hazards and associated risks is an important element of the Directorate’s risk management framework. Management of WHS risks is guided by the Code of Practice, Safe Work Australia and the [*Work Health and Safety Act and Regulations (2011)*.](https://www.legislation.gov.au/Details/C2018C00293) The risk management framework sets the platform for maintaining a safe work and learning environment and safe systems of work.

Although the overall risk management practices apply to work health and safety risks, there are some process differences when identifying and controlling the risk. The management of WHS hazards must be achieved through the hierarchy of controls. The risk assessment process outlined in the Risk Management Procedures, takes the hierarchy of controls into consideration when undertaking a risk assessment.

1.5 Risk management in Early Education and Care settings

Approved providers and service personnel are responsible for ensuring the safety, health and wellbeing of children under their care. This means always ensuring the safety and protection of children from harm and hazards. Providers must ensure they are compliant with the National Quality Framework and the legislation that guides practices.

The Directorate, Children’s Education and Care Assurance (CECA) team administer the legislation covering all approved education and care services in the ACT. This includes:

* public and non-government preschools
* Koori preschools
* long day care
* family day care
* outside school hours care

In addition to the National Regulations and legislative requirements, the Directorate’s risk management approach will apply to all approved education and care services in the ACT where it applies to an ACT Government premises or is managed by the CECA team. This will ensure that, as a sector, continual improvement stems from an ongoing risk management approach.

2.0 ACT Education Risk Management Framework

***Reference documents:***

* *Icon

  Description automatically generatedRisk Management Framework Overview*

2.1 Document hierarchy

Figure 2 outlines the hierarchy of documents as they relate to the Directorate’s Risk Management Framework. This package of documents supports consistent application of the Framework across all areas of the Directorate including projects, functions, processes and activities in schools and the Education Support Office. This includes, but is not limited to, the management of WHS and emergency management procedures, preparation for excursions and physical activities, care of animals in schools, planning a community event, change to building infrastructure and managing the school budget.

**INFORMED BY**

Specific procedures, processes, guidance material to enable risk management to be applied

Provides mandatory responsibilities and processes to implement risk management

Sets the tone and parameters that applies to risk management

Process of enacting laws

***Figure 2: Document Hierarchy***

2.2 Elements of the Risk Management Framework

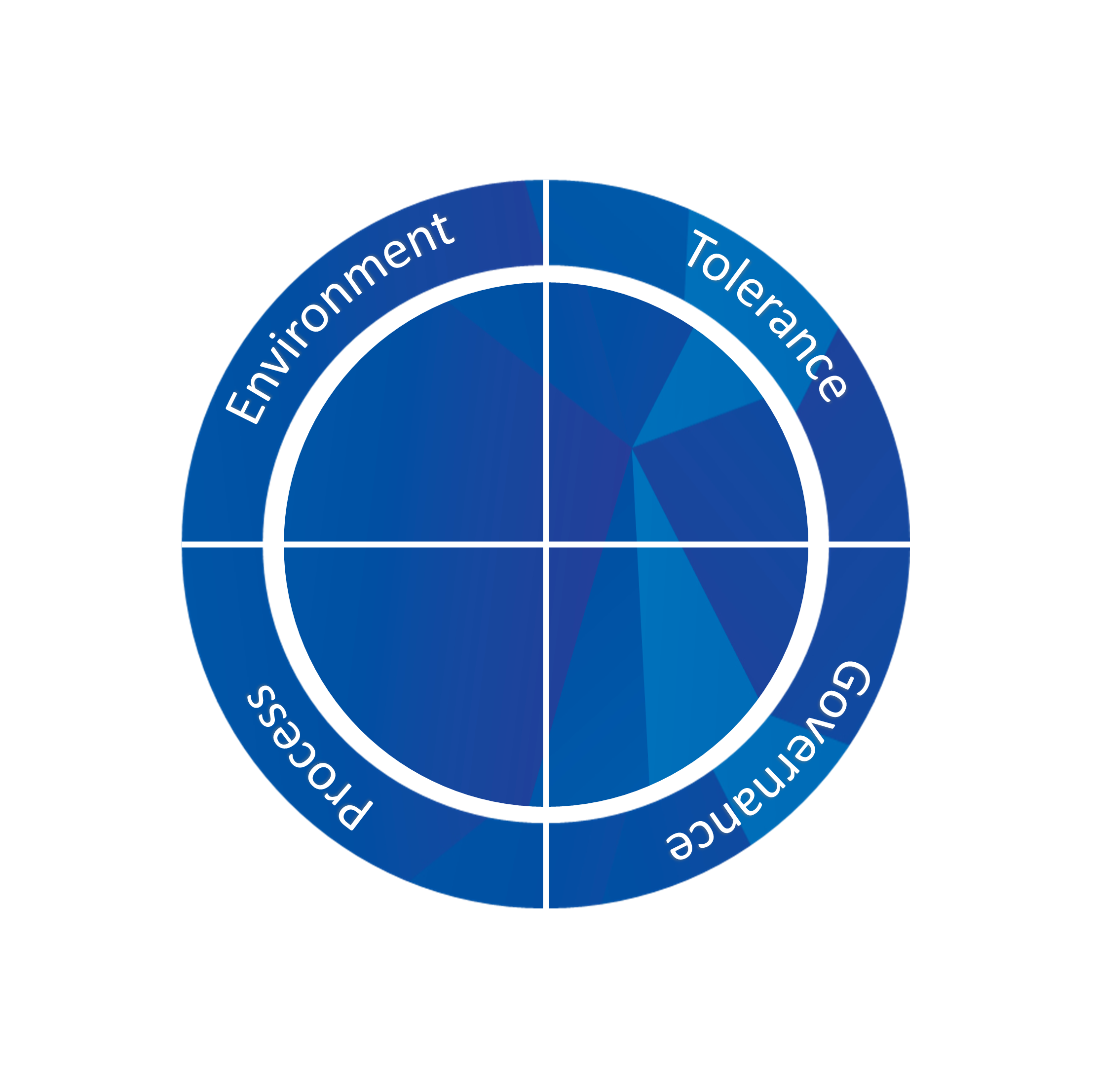
***Figure 2: Document Hierarchy***

Figure 3 illustrates the four cornerstone elements of risk that are established under a risk management culture: **Governance, Environment, Tolerance** and **Process**. Each element is supported by tools, systems and processes for decision-making when applying risk management principles.

Application of the Framework process to identify, assess and review risk should, at a minimum, be used in the following circumstances:

* activities where a mandatory risk assessment is required under legislation – emergency management, child safety, work health and safety, excursions, overseas travel, school safety, etc
* developing branch or school level strategic and or operational plans
* developing school or Education Support Office project or program plans

Consideration should also be given for:

* school led community events or activities that require approval by the school leadership
* events on school premises organised by a third party or community partners including Parents and Citizen Associations or other providers.

The level of risk that can be taken in delivering objectives

Risks that emerge from our operating environment

The architecture within which risk management operates and builds the risk culture

Structured steps combined to deliver an effective risk management approach

**CULTURE**

***Figure 3: Risk Management Framework - Elements***

2.3 CULTURE

***Figure 3: Risk Management Elements***

Risk management culture refers to the values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose. An effective risk management culture is one that enables and rewards individuals and groups for taking the right risks in an informed manner and considered approach. It builds staff skills and confidence to be proactive and make good decisions, thereby reducing and mitigating the exposure to risk to ensure we can achieve our objectives and goals.

In placing a high importance on risk management and safety, leaders across the Directorate promote a positive workplace culture through active participation, communication, and application of risk management.

In establishing the Directorate’s risk management culture in a meaningful way, the Framework will:

* provide a standardised approach, common language and support;
* provide leaders with clear structures and processes and staff with clear expectations in the application of risk management;
* build staff knowledge and confidence in understanding and using risk management in a practical manner;
* support quality risk thinking and actions to guide decision-making;
* enhance service delivery outcomes through recognition of opportunities and innovation;
* integrate risk management with school operating models and across the Directorate;
* meet legal and statutory requirements, compliance and obligation;
* assist to prioritise resources in the context of the operating environment; and
* offer commitment to the induction of staff, training and support resources aligned to continual improvement.

2.4 GOVERNANCE

2.4.1 Overview

The role of good risk governance is to provide direction and oversight of risk management activities within the Directorate and to ensure risk management is being applied consistently and with transparency.

Risk governance includes:

* establishment of structures and processes consisting of committees, roles and responsibilities, the coordination of reporting and recording;
* review of policy and procedures defining roles, responsibility and accountability;
* identification of key dependencies and interdependencies internally and externally across ACT Government;
* evaluation of Directorate strategic risks and ongoing assessment and monitoring;
* embedding resources and systems such as risk assessments, risk analysis tools and effective safety management systems;
* support to monitor and maintain risk registers across the Directorate for the purpose of reporting and identifying emerging risks; and
* ensuring effective review and evaluation and continuous improvement of the risk management framework to meet the ever-changing education environment.

2.4.2 Three-line model

The Directorate’s risk governance is based on the three-line model as illustrated in Figure 4. This model provides structure, direction, alignment and oversight of risk management to ensure consistent application in a collaborative and transparent manner.

The three lines can be summarised as:

* **First line** – direct service delivery
* **Second line** – risk management and control functions
* **Third line** – internal audit and assurance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **GOVERNING BODY – Executive Governance Committee (EGC)**  ***Provides integrity, leadership and transparency, support*** | | | **Audit Committee** | Independent External Assurance |
| **What?** | **Direct Service Delivery** | **Risk Management and Control Functions** | **Internal Audit and Assurance** |
| **1st Line** | **2nd Line** | **3rd Line** |
| ***Management of risk within areas of responsibility and decisions made***  *i.e. functions that own and manage risk at a school and ESO level such as the delivery of programs, curriculum and other service delivery activities* | ***Establish risk management and support functions to support teacher and staff***  *i.e. functions that oversee and support the management of risk at a school leadership level and through ESO Business areas* | ***Provides a level of assurance that the risk management and internal control framework is effective***  *i.e Audit Committee* |
| **Actions** | Responsibility to achieve directorate objectives   * Undertakes risk assessments * Identifies controls * Seeks support and reports to line manager * Manages risk through controls and treatments * Escalates extreme and high risks | * Manages risk register * Monitors control effectiveness * Identifies further risk assessment advice * Identifies emerging risks * Analyses and reports on control effectiveness | * Provides independent, objective advice * Implements compliance programs * Provides proactive advice to management * Identifies early intervention * Employs the use of subject matter experts |
| **Who?** | All Staff – Education Support Officer and Schools   * Teachers * Senior staff * School leaders - Deputy Principal, School Leader C * Business Managers * Health and Safety Representative * Stakeholders (internal/external) and Subject Matter Experts | Risk owner and Risk Manager, specialist area   * Senior Executive Risk lead * Principals * Executive Branch Managers * Committees, sub-committees (internal/external) * Workplace Health and Safety, Occupational Violence Risk Assessment and Risk team * Project and Program Managers | * Internal Audit and Assurance * Director-General - also in role as Person Conducting Business Undertaking (PCBU) |

alignment, communication, coordination, collaboration

delegation, direction,

resources, oversight

accountability,

reporting

**Three Line Model**

***Figure 4: Governance three-line model***

alignment, communication, coordination, collaboration

Accountability, reporting

Delegation, direction, resources, oversight

accountability,

reporting

delegation, direction, resources, oversight

2.4.3 Roles and responsibilities

The “three-line model” formalises the responsibilities and accountability between the three-lines and how these work effectively with each other.

**Governing body**

The Executive Governance Committee (EGC) provides leadership, direction and guidance to the Directorate and provides oversight of the Directorate’s policy and strategy, governance, risk and compliance frameworks.

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| **Area of Responsibility** | | **Duties/Activities/Compliance** |
| Governing Body | Executive Governance Committee | * Endorse the Risk Management Framework, policy and procedures * Monitor’s Directorate’s performance, compliance and assurance against organisational commitments and regulatory responsibilities. * Monitor and oversee the Directorate’s risk profile, including fraud and integrity risks * Review and define the risk appetite and establish parameters for tolerance levels through identification of key risk indicators (KRI) * Reviews quarterly risk updates incorporating risk management, business continuity and fraud prevention activity * Provides strategic leadership and governance for risk management. |

**First line – direct service delivery**

All staff have a responsibility for managing risks within their scope of delegated authority and area of responsibility. This includes teachers, branch managers, principals, staff, executive officers and business managers working in either the operational and/or strategic environment.

First line level of responsibility also refers to sound decision making in the pursuit of compliant financial or business decisions. Staff must be able to recognise when risk levels may fall outside their level of responsibility and ensure this is reported directly to the most appropriate line manager.

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| **Area of Responsibility** | | **Duties/Activities/Compliance** |
| First Line | Staff – School Teachers, Senior Leaders in Schools and ESO, Business Managers | * Undertake a risk assessment to identify risks that may impact on their outcomes or objectives * Apply corrective actions to address deficiencies for the health, safety and well-being of others * Identify risks and escalate them to relevant body or person * Implement controls and treatments * Incorporate risk management principles and processes into all aspects of business activities * Encourage a risk culture through open and transparent communication * Seek support and guidance. |
| Program/Project Manager | * Incorporate risk management principles into business activities as outlined in the Directorate’s Project Management Framework * Develop a risk management plan for the program/project that describes how risk will be managed throughout the lifecycle of the program/project and reporting requirements * Undertake a risk assessment to treat risks that might impact on the objectives of the program/project * Look for opportunities which will improve operational efficiencies and optimise program/project delivery outcomes * Regularly review and assess risks to ascertain if controls are effective. |
| Health and Safety Representative | * Represent workers in their work group in relation to work health and safety matters. * A HSR may investigate complaints from work group members about WHS issues, or inquire into anything that appears to be a risk to the health or safety of work group members arising from the work undertaken. |

**Second line – risk management control functions**

Managers responsible for providing day-to-day support to staff are required to oversee the first line process, provide quality assurance to monitor the risk and identify early intervention required. This ensures objectives will be met through appropriate support where there has been an identified risk.

The second line also includes various internal and external committees which provide advice and support to members through prioritising tasks based on the risk profile.

Support functions of the Directorate also play a key role in the second line in providing service offerings and service delivery in the form of guidance to staff.

The primary tasks of the second line include:

* ensuring appropriate controls have been put in place and, where required, further treatments;
* identifying potential triggers or indicators of change (key risk indicators), including those that become more or less likely and the consequences can become more or less severe;
* ensuring compliance, including documentation of the process (risk assessment, risk register); and
* providing analysis and reporting on the control effectiveness and identifying emerging risks for consideration.

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| **Area of Responsibility** | **Duties/Activities/Compliance** |

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| Second Line | EGC Sub-Committees | * Recommend, identify and/or escalate emerging risks to EGC * Support business areas in managing controls including evidence and data to support escalation or risks |
| Strategic Risk Executive Leads | * Consult with staff responsible for the risk controls and treatments * Identify new and emerging risks, guide staff and business areas on risk management process * Review and monitor Directorate strategic risks and report findings to EGC |
| Executive Branch Managers | * Manage the operational and strategic risks associated within their branch ensuring that the appropriate controls and or treatment plans are implemented and reviewed |
| Directors of School Improvement | * Provide guidance to the principals in managing risks that are more complex in nature and may require further intervention or treatments |
| Principals | * Manage the operational and strategic risks related directly to the school ensuring that appropriate controls and or treatment plans are implemented and reviewed * Encourage ongoing risk assessments for activities that indicate hazard or risks to the school staff, students, parents, carers and visitors * Ensure the School Risk Register is regularly updated and reviewed with relevant staff through active consultation and notification of risks * Where applicable and necessary, notify the school community of risks |
| Governance Branch | * Establish risk management strategic direction, guidance and assurance, improvement and verification * Assess adequacy of risk management maturity and practice * Provide support to schools and other business areas to review risks |
| Work Health and Safety | * Inspect the workplace where their work group works * Accompany an inspector during an inspection of any part of the workplace where their work group works * Attend interview between work group members and an inspector or a PCBU with the consent of the worker * Request the establishment of a Health and Safety Committee * Receive information concerning the health and safety of workers in the work group * Whenever necessary, request the assistance of any person * In some circumstances, direct a work group member to cease unsafe work or issue a Provisional Improvement Notice * In some circumstances, request a review of a control measure where the duty holder has not adequately reviewed the control measure as required under the *WHS Regulation 2011* |
| Specialist areas/Support Functions | * Provide support and advice on matters related to specific area of need * Assist with identifying risks and collaborate with end users on appropriate controls and treatments. |

**Third line – internal audit functions**

Internal Audit is an independent process from the management structure that provides objective advice and assurance on overall risk management to facilitate and promote continuous improvement. In providing objective advice, internal audit can identify and recommend additional measures to be implemented in the pursuit of supporting the Directorate to continuously meet its strategic objectives.

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| **Area of Responsibility** | **Duties/Activities/Compliance** |

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| Third Line | Internal Audit and Assurance | * Provide independent and objective assurance to the Director-General on financial and operational controls, designed to manage organisational risks * Provide assurance that the Directorate is operating in an efficient and effective manner * Provide the Directorate’s Audit Committee and senior management with assurance based on the highest level of independence and objectivity. |
| Director-General | * Provide governance leadership * Determine the strategic direction and risk appetite * Promote a risk management culture to ensure the best outcomes for the Directorate. |
| Strategic Risk Executive Leads | * Review and define risk appetite and risk tolerance across all Directorate strategic risks * Review and report on all operating matters and issues to the Director-General. |

**Independent assurance functions**

Under section 31 of the [Australian *Capital Territory Financial Management Act 1996* (FMA](https://www.legislation.act.gov.au/a/1996-22)), the Director-General has established an Audit Committee to assist in fulfilling the Directorate’s responsibilities of maintaining adequate internal controls, including:

* safeguarding assets of the Directorate;
* compliance with applicable legislation; and
* proper reporting of the financial and performance results of the Directorate.

The Audit Committee’s roles and responsibilities are outlined in the Audit Committee Charter and include organisational risk oversight and management.

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| **Area of Responsibility** | **Duties/Activities/Compliance** |

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| Independent Assurance | Audit Committee | * Assess and review implementation of the risk management framework * Review the strategic risk register, in line with the EGC review, to assist with audit work program development and review * Review the annual audit program focusing on operational, compliance, and fraud and integrity risks. |

**External assurance functions**

There are many organisations that support the ACT Government in the independent review of how Directorates operate including financial and management performance and professional standards. These entities offer formal reviews to ensure compliance with laws and regulations have been met and a report offering practical recommendations for continuous improvement. This may include periodic review and reporting on the level of compliance of directorate governance frameworks including risk management.

Independent external entities in the ACT include: the ACT Auditor-General, Integrity Commission, Ombudsman, ACT Public Service Commission, ACT Teacher Quality Institute, ACT Board of Senior Secondary Studies.

**Support functions**

***Reference documents:***

* *Risk Analysis Tools*
* [*Directorate Organisational Structure*](https://actedu.sharepoint.com/sites/Intranet-Education/SitePages/Organisation-chart.aspx)
* *Risk Management Procedures*

***Internal***

The Education Support Office (ESO) provides support for schools in areas such as finance, human resources, legal, learning and teaching, information technology, communications, business planning and procurement. These areas develop policies and procedures which outline control measures to manage risks specific to their area. These areas have a range of responsibilities and functions to:

(a) provide support, guidance and advice to those managing risk, and

(b) ensure their program of works consider risks within their own portfolio though ongoing policy development and contemporary information for staff.

The Directorate also has several teams within the ESO and in schools that have the expertise to assist in the early stages of risk identification. Those with the responsibility to identify risk within their program of works, should use the risk analysis tools to help identify key stakeholders in the early stage of the risk assessment process.

The Directorate has teams who specialise in risk and safety that offer further guidance and support to staff to manage risks. Further information can be found on the ConnectED (Risk, Security and Emergency Management) pages. The Service Portal is also linked to these ConnectED pages.

***External***

[The ACT Insurance Authority (ACTIA),](https://www.treasury.act.gov.au/insurance-and-risk-management) on behalf of the ACT Government, offers support to the Directorate relating to risk and insurance. They work side-by-side with the Education Support Office to ensure that matters relating to risk and insurance are considered in the Directorate’s Risk Management Framework. ACTIA also provide training, tools, and resources to use during the risk management process.

2.5 ENVIRONMENT

2.5.1 Overview

The types of risks will vary across the Directorate, and it is prudent that we understand what risks impact the area we operate in to help minimise the impact of risks that emerge daily or those that need further attention.

One of the most effective ways of identifying risks in the operating environment is through the Business Impact Analysis as part of the Directorate Business Continuity Plan. Other existing plans within the Directorate such as Branch Plans and School Plans are also a great resource to document risks in the wider operating environment.

2.5.2 Risk Types and Responsibilities

Directorate risks are summarised within two Risk Types, Strategic and Operational Risks and can be adversely affected by several key risk categories (Figure 5). These risks can occur in any context such as in schools, Education Support Office or shared internally or externally.

**Strategic risks – Directorate level**

Strategic risks can significantly impact on the achievement of the Directorate’s strategic objectives. They can be long term and beyond our direct control such as the changing financial environment, demographic shifts. They may impact on outcomes in relation to financial management, legislative compliance, security and fraud and can be described as:

* risks that often affect the whole Directorate which are long term and emergent in nature
* risks that may impact multiple groups or areas in the Directorate or community
* risks that require significant coordination to manage across multiple areas, or complex resource allocation
* risks that could impact on school or Education Support Office achievements that have significant impact on budget or other resource requirements
* risks that have significant consequences for a school, where the principal does not always have primary control over control mitigation or risk treatments

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| ***Risk Owner:***  Executive Governance Committee (EGC) | ***Managed By:***  Executive Leads – Senior Executives |
| ***Summary of responsibilities***  Strategic risks are identified and owned by the EGC, based on data and intelligence provided through analysis of risks reported by schools and business areas.  Strategic risk treatment plans are actively monitored by executive leads and reported to the EGC and Audit Committee quarterly.  Controls to be maintained or monitored are allocated to the most appropriate business area to be included in the yearly planning cycle.  The review of strategic risks informs strategic planning and resource prioritisation.  Activities to treat strategic risks are delegated to the branch and/or schools to deliver.  ***Note:*** Where a strategic risk relates to school improvement, Directors of School Improvement will be consulted. | |

**Operational risks**

Operational risks can significantly impact the achievement of the objectives at the school or branch levels and are related to the direct operating environment. Impacts of operational risks may include:

* risks that have a significant effect on achieving the Directorate’s annual strategic priorities, School Plans and risks that may impact on school activities and projects and programs;
* risks to the day-to-day service delivery model; and
* risks that have serious implications to others, short and long term, if not effectively managed.

Operational risks may also relate to emergency management planning, project/program, timeframes not being met or inadequate resources. Those managing the risks must ensure that the appropriate controls and/or treatment plans are implemented and reviewed.

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| ***Risk Owner:***  Education Support Officer - Executive Branch Manager (EBM)  Schools - Principal | ***Managed By:***  Senior leaders  School leadership team (Deputy Principal, School Leader C), HSR with guidance provided by DSI  Committees |
| ***Summary of responsibilities - Branch***  EBMs are responsible for identifying, evaluating and managing risks that directly affect their area of operation and apply effective risk controls to or treat risks.  Strategic controls are embedded in risk treatment plans and implemented as part of branch or project planning; reviewed and monitored.  Make recommendations to EGC to remove or maintain the controls in place for the management of a strategic risk. | |
| ***Summary of responsibilities - Schools***  Principals and school leaders are accountable for identifying, evaluating and managing operational risks and must ensure appropriate controls and/or treatment plans are implemented and reviewed.  Principal to identify and escalate risks that require further evaluation or treatment to RSEM to ascertain the most appropriate course of action.  Regularly review school risks and consult with the Director of School Improvement of new and emerging risks that have consequences for school improvement.  Discuss with school leaders the status of the risk to determine if embedded practice has been achieved or if the risk still poses a threat. | |

2.5.3 Alignment of planning and risk management

The Directorate Strategic Plan 2022-25 guides staff in how best to serve our students and community. Practical application of the risk framework will ensure that our staff in schools and in the Education Support Office are equipped to make the best decisions through a risk lens where opportunities and innovation will see students thrive and risk reduction will see success across the Directorate.

An effective method of clarifying risk ownership and embedding risk is the alignment of planning and risk management. This includes:

***Branch Plans*** – Aligning the Directorate strategic risks with branch planning will see effective use of resources for the management of identified controls deployed to deliver the Directorate’s annual priorities.

Each branch is required to develop an annual plan that details their programs, actions and tasks which must take into consideration the strategic risks and controls and how these are being managed.

***Schools Plans* –** when developing their School Improvement Plan (SIP) and Action Plan (AP) consideration should be given to the operational and strategic risks facing the school in the achievement of their goals and objectives. The strategies are detailed in the action plans to moderate and track actions aligned to controlling the risks.

2.5.4 Insurance and risk management

Effective risk management is crucial to ensuring the Directorate has the best form of insurance coverage. It can reduce the risk or impact of lost time and productivity and can therefore affect overall insurance premiums.

Implementation of the Risk Management Framework provides ACTIA with evidence and confidence that the Directorate achieves risk mitigation through Directorate planning, operational activities, business systems and processes and risks are appropriately addressed.

2.6 TOLERANCE

***Reference documents:***

* *Icon

  Description automatically generatedRisk Appetite and Tolerance Statement*

2.6.1 Overview

The ***Risk Appetite*** is the amount and type of risk the Directorate is willing to accept or avoid or the level of risk exposure in pursuit of achieving strategic objectives. To achieve objectives, there needs to be consideration to innovation, the changing environment and other unforeseen factors that many challenge the risk appetite.

There also needs to be consideration of the amount of exposure the Directorate is prepared to accept or can justify if the risk was realised.

The ***Risk Tolerance*** is understanding the acceptable levels of risk taken at a micro level to achieve the objective or goals. As such the higher the impact the less likely the risk will be tolerated. The risk tolerance is usually identified after all controls have been considered through consequences.

The Directorate may have a ***higher tolerance*** to policy innovation however has the ***lowest tolerance*** and ***no appetite*** of risks associated with:

* safety of young people, students, and staff
* workplace health and safety of staff, students, and the school community
* site security and security of confidential and personal information
* fraud and corruption
* compliance with legislation.

A copy of the Directorate Risk Appetite and Tolerance Statement can be found in the ConnectEd Risk Management page

***Key Risk Indicators*** (KRI), also known as triggers, are measures and metrics that relate to a specific risk. By identifying what factors will change the likelihood or consequence of the risk occurring is an important step in ongoing monitoring and decision-making and may also determine additional controls that need to be considered. It is particularly important if the risk changes to a higher rating. Early identification of KRIs enables actions to be implemented or considered to reduce the impact of the risk.

2.6.2 Risk appetite and tolerance decision-making

Understanding the risk appetite, level of tolerance and KRI will assist in making considered decisions when assessing the risk during the likelihood and consequence stage of the risk management process. This will ensure that decisions based on acceptance of appetite and tolerance for risk will be in context for the specific identified risk and managed appropriately through responsibility and accountability.

2.7 PROCESS

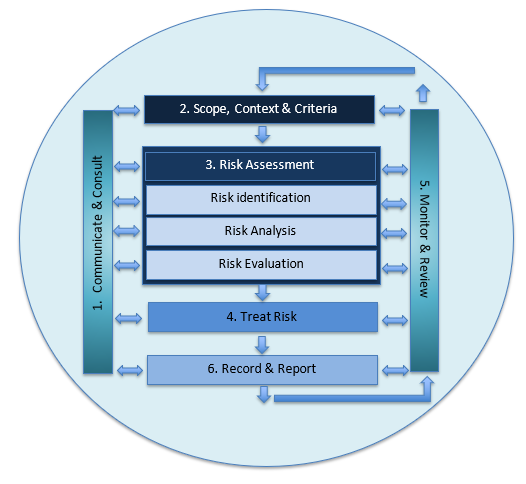
***Reference documents:***

* + *Icon

    Description automatically generatedRisk Management Procedures*
  + *EDU Risk Register Template*
  + *EDU Multi Hazard Risk Assessment Template*
  + *[ACT Government Risk Matrix](https://actss.service-now.com/sharedservices/?id=knwl_article&sys_id=5c3b20d1dbed80544ee430ee7c9619ff)*
  + *Branch or School Plan*
  + *Safety Procedures on ConnectED*

2.7.1 Risk management process

The risk management process is a subjective activity, where using your experience and that of others, supported by tools, will help you to identify risk, analyse risk, evaluate risk, monitor, and review and record and report to the most appropriate people.

Considering risk enables you to determine the outcome i.e. whether you accept the risk, treat the risk, transfer the risk, avoid the risk. The Six (6) Step process illustrated in Figure 5 is ensures that as a Directorate we are consistent with our risk management process. Further information on how to apply the risk management process is outlined in the Risk Management Procedures and Fact Sheets located on the Risk Management Page.

***Figure 5: 6 Step Risk Process***

What happens when we don’t manage risk?

* Unrealised benefits/failure to thrive/missed opportunities
* Profit/financial loss
* Product/project failures/delays to enhancements and overspent budgets
* Unhappy end users, parents and care-givers, external and internal stakeholders
* Reputational damage
* Lack of transparency
* Reactive operatives versus proactive
* Compliance breaches and fines.

When undertaking the risk management process there are two templates and actions that serve different purposes yet interrelate across the Directorate (figure 6):

1. The Risk Assessment and template – used to document the risk assessment process (Fact Sheet 1)
2. The Risk Register – used for a more thorough analysis and to document risks and controls (Fact Sheet 2)

Using these templates will support staff to report to the right person to ensure risks are managed appropriately.

Escalation of high or extreme risk for further analysis

Branch Operational Risk Register

***Figure 6: Risk Assessment and Risk Register Correlation***

Executive Oversight

Directorate Strategic Risk Register

Principal Oversight

Influence control effectiveness

School Operational Risk Register

2.7.2 Risk reporting

Risk reporting provides a regular schedule to direct updates to key stakeholders, ensuring the right information is given to the right people at the right reporting level at the right time.

Early notification and identification of risks critical to the Directorate serve an appropriate and timely response:

* High and extreme risks must be reported as soon as reasonably practical to your direct manager
* Medium and low risks should be documented on a risk assessment and/or Risk Register, discussed and filed.

Collation of risk registers from across the Directorate provides assurance that risks are being managed correctly and enables the Senior Executive to further assess how well risk is being managed against the Directorate’s strategic objectives.

Risk reporting should, where possible, be embedded in the current Directorate reporting and management structures. This allows for the early identification of risks that have the potential to increase the impact on something if not monitored and treated early.

Risk reporting also aligns with the three-line model structure as summarised in the tables below.

|  |  |  |
| --- | --- | --- |
| **First-line risk reporting** | | |
| **Who:**   * All staff – Education Support Office and schools * Teachers * Senior staff * School leaders/Business Managers * HSR * Stakeholders (internal/external) and Subject Matter Experts | **To:** most appropriate manager, supervisor in your specific line of management   * Risk lead; risk owner * Principals * Branch/Divisions * EBM and EGM * Committees, sub-committees (internal/external) * WHS, OVRA and Risk Teams | |
| **What to report?** | | **Frequency** |
| ***Operational risks – branch***  Risks to the achievements to the branch plan objectives. These could be risks of a strategic nature that require further controls or ‘tangible actions’ to address the risk. These should be reviewed regularly by senior leaders led by EBM. These risks include all key risks identified including project/program risks. | | As per branch plan reporting requirements  Reviewed regularly, by EBM |
| ***Operational risks – schools***  Risks specific to the school operating environment that impact on achievement of students’ outcomes. These could be risks of a strategic nature that require further controls or ‘tangible actions’ to address the risk. These risks include all key risks identified including WHS risks | | Reported regularly in various platforms e.g staff meetings, to DSI  Risk Registers reviewed bi-annually, and risks reviewed regularly |

|  |  |  |
| --- | --- | --- |
| **Second-line risk reporting** | | |
| **Who:**   * Risk owner and Risk Manager, specialist area * Risk lead * Principals * Branch/Divisions * EBM and EGM * Committees, sub-committees (internal/external) * WHS, OVRA, Excursion and Risk team * Subject Matter Experts | **To:** Most appropriate manager, supervisor in your specific line of management   * Internal Audit and Assurance * Director-General * Senior Executives | |
| **What to report?** | | **Frequency** |
| ***Emerging risks***  Risks that are emerging from first line reporting or from alignment with third-line reporting that has the potential to affect the key strategic objectives of the Directorate.  Emerging risks may be a consideration as a new strategic risk or to further analyse current controls to support the emergence of the new risk. | | Highlighted in reports to sub-committees  Raised at staff meetings including WHS |
| ***Strategic risk management -******(system risk oversight and management)***  Risk profiles from across the Directorate – these drive the control effectiveness of the Directorate strategic risks. The analysis is undertaken to assess risk information, summarise key risk themes, define significant risk exposures to be considered at the strategic level, evaluation of key controls and risk treatments, capture risk exposure overtime and identify potential improvements. | | Monitored by Governance Branch regularly – information from EGC and Audit  Report bi-annually |
| ***Key operational risks – risks that have been prioritised***  Typically reported through the branch and sub-committees, key operational risks are prioritised and identified as emerging risks or risks that require further analysis. These risks usually have a high impact or influence on one or more critical area of the Directorate. Reported through to EGC. | | Reviewed regularly by sub-committees to determine further treatments  Escalated to EGC for prioritisation |

|  |  |  |
| --- | --- | --- |
| **Third-line risk reporting** | | |
| **Who:**   * Internal Audit and Assurance * Director-General * Senior Executives | **To:**   * Audit Committee * Other independent Assurance entities | |
| **What to report?** | | **Frequency** |
| ***System of risk oversight and management***  To ensure that the risk management framework policies, practices and processes for risk management are implemented effectively in compliance with the relevant Australian standards. | | Five times per year, at each Audit Committee meeting  This includes an annual special purpose meeting to review financial statements. |
| ***Financial/Performance reporting***  To ensure:   * annual financial statements and statements of performance are compliant with ACT legislation, ACT treasury guidance and relevant accounting standards and policies; and * to provide recommendations to the governing body on the annual financial statements. | |
| ***System of internal control***  To ensure:   * the Directorate has in place effective and efficient internal audit program; * the policies and practices and the operation of the internal control system are effective; and * the policies and practices are compliant with laws, regulations. | |

2.7.3 Escalation of risk reporting

Risks that have been analysed during the risk management process and identified as extreme or high after must be escalated as summarised below. Further information for low and medium risks can be found in the Risk Management Procedures and Fact Sheet 3 – Risk Escalation & Notification .

**Note: Escalation does not include notifiable incidents which need to be reported immediately to School Operations or OVRA incidents which are managed via a specialist team/s in collaboration with the school.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Perceived or actual risk Level | Notification  Step 1 | Escalation to  Step 2 | Action  Step 3 | Managed and monitored  Step 4 |
| EXTREME | As soon as safe to do so or within 24hrs  Schools – School Operations/DSI  ESO – EGM | WHS or RSEM  for investigation, analysis and support | Treatment plan to be in place within 5 working days  Plan assessed by WHS or Risk, Security and Emergency Management Team | Notification to DSI or EGM for Approval  Monitored by EGC – through monthly reports |
| HIGH | As soon as safe to do so or within 5 working days  Schools – Principals  ESO - EBM | WHS or RSEM  for analysis and support | Treatment plan to be in place within 1 month to ensure risk remains within risk appetite.  Plan assessed by WHS or Risk, Security and Emergency Management Team | Notification to DSI or EGM  Monitored by EGC – through monthly reports |

2.8 Induction, training and resource support

It is a requirement under the [*Work Health and Safety Act 2011*](https://www.legislation.gov.au/Details/C2018C00293)to provide information, education, and training to staff in the workplace on the identified hazards and risks. The Directorate will facilitate risk management training for staff in a manner that is commensurate with roles and responsibilities.

Training in risk management and the elements are offered through the following methods:

* Mandatory training on HRIMS;
* ACTIA online training;
* Fact sheets on ConnectEd in the various business areas;
* One-on-one with Principals, Business Managers, Executive Staff; and
* Professional learning sessions for staff developed by business areas.

2.9 Monitoring and review of the framework

**The Framework requires regular monitoring and review to assess the effectiveness of its design and implementation. This activity will be managed by the Governance Branch in the ESO guided by EGC.**

**Effective monitoring and review will require all parts of the Directorate to provide inputs through formal reporting mechanisms of sub-committees.**

**Service delivery and staff feedback will be gathered via various methods including surveys.**

**To validate feedback and input the Governance Branch will:**

* **participate in risk maturity assessments with ACTIA;**
* **undertake risk culture surveys;**
* **participate in peer reviews and discussion on the latest developments in risk management;**
* **collaborate across ACT Government on new initiatives regarding risk management;**
* **regularly review and identify opportunities for improvements through recommendations from EGC, internal Audit and Audit Committee;**
* **update the framework to reflect legislative changes; and**
* **complete a full review after the first year of publication then every two years.**

**The findings and validation of the monitoring and review of the Risk Management Framework will contribute to the continual improvement of the building of risk culture across the Education Directorate.**

3.0 Risk definitions

The following definitions are taken or amended from AS ISO 31000:2018: Risk Management Guidelines (referred to in this document as the RM Standard) and modified for the Directorate for implementation:

|  |  |
| --- | --- |
| Term | Definition |
| Assurance | a measure that provides evidence about the effectiveness of controls |
| Consequence | outcome of an event affecting objectives (positive or negative) |
| Control | measure that maintains or modified risk in business as usual to reduce the likelihood and/or consequence e.g. process, policy, practice or action |
| Current risk | the risks that exist under the current levels of controls and treatments have been applied |
| Hazard | the source or driver of potential harm or a situation with a potential to cause a loss |
| Health and Safety Representative | Also known as HSR are workers who are elected to represent the health and safety interests of the work group and to raise any issues with their employer |
| Likelihood | chance of something happening |
| Person Conducting a Business or Undertaking (PCBU) | the Director-General is the PCBU who has primary duty of care to ensure, so far as is reasonably practicable, the health and safety of workers while they are at work in the business or undertaking and other who may be affected by the carrying out of work, such as visitors |
| Risk | the effect of uncertainty on objectives |
| Risk appetite | defines the amount and type of risk that the Directorate is willing to accept to achieve its strategic objectives |
| Risk assessment | the overall process of risk identification, risk analysis and risk evaluation |
| Risk culture | the behaviours that support successful implementation of the risk management framework including risk management principles and their role and responsibilities in managing risk |
| Risk identification | the process of finding, recognising, and describing risks |
| Risk lead | the Senior Executive delegated to lead the risk management process for a Directorate’s strategic risk |
| Risk manager | the person responsible to oversee and lead the risk management process and implementation of treatments. Reports to the risk owner or risk lead the progress of the risk controls |
| Risk management | the ‘coordinated activities to direct and control an organisation’s risk’. Its purpose is the ‘creation and protection of value’ (AS ISO Standard 31000:2018 Risk management – Guidelines) |
| Risk matrix | standard tool for rating risk by defining ranges for consequence and likelihood |
| Risk owner | person with the accountability and authority to manage a risk, maybe delegated by the PCBU |
| Risk register | a location for documenting risks after they have been analysed; outlines the context, controls and actions required to reduce the risk to an acceptable level |
| Risk tolerance | the maximum level of acceptable risk that the Directorate will bear after risk treatment without affecting the achievement of strategic and operational objectives |
| Risk treatment | an action required to modify risk i.e. reduce the likelihood and/or consequence |
| Target risk | the desired optimal level of level |

4.0 References

1. [*AS ISO Standard 31000:2018 Risk Management Guidelines*](https://www.iso.org/standard/65694.html)
2. [*ACT Government Risk Management Policy (2021)*](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)
3. [*ACT Government Risk Management Implementation Guide*](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=3eee1a0cdb6b4050a49e773c349619d9)
4. [*Institute of Internal Auditors*](https://www.iia.org.au/)

1. *[Work Health and Safety Act 2011](https://www.legislation.gov.au/Details/C2018C00293)*
2. [*How to Manage Work Health and Safety Risks, Code of Practice, 2011*](https://www.safeworkaustralia.gov.au/doc/model-code-practice-how-manage-work-health-and-safety-risks)
3. *Safe Work Australia (*[*https://www.safeworkaustralia.gov.au*](https://www.safeworkaustralia.gov.au))

5.0 Supporting documents

1. EDU Risk Management Policy
2. Risk Management Framework Overview
3. Risk Appetite and Tolerance Statement
4. Risk Analysis Tools
5. Root Cause Analysis
6. ACTIA Risk Matrix 2021
7. EDU Risk Register Template
8. EDU Multiple Hazard Risk Assessment Template
9. Fact Sheet 1 – Risk Assessment
10. Fact Sheet 2 – Risk Management Process
11. Fact Sheet 3 – Risk Escalation and Notification

**Note:** all supporting documents will be found on the Risk Management ConnectED page.



**EDUCATION DIRECTORATE**

2022