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**Risk Management procedures**

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RISK MANAGEMENT PROCEDURES

This procedure must be read in conjunction with the Risk Management Policy

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1. Overview
	1. This procedure should be read in conjunction with the *ACT Education Risk Management Policy* in the application of risk management practices across the ACT Education Directorate (the Directorate).
	2. This procedure applies to schools and the Education Support Office (ESO).
	3. The Education Directorate Risk Management Framework Guideand Fact Sheets, provide further guidance to support the implementation of this procedure.
2. Rationale
	1. To achieve our objectives, the Directorate must achieve consistent application of risk management principles and processes including the development and maintenance of risk registers for recording and monitoring purposes.
	2. The procedure outlines mandatory requirements of *AS/ISO 31000:2018 Risk Management – Guidelines* and the [*Work Health and Safety Act 2011 (WHS Act)*.](https://www.legislation.gov.au/Details/C2018C00293)
	3. The Risk Framework and supporting resources that accompany this procedure outline a coordinated and systematic approach to implementing and managing risks and hazards. Documents and resources are aligned with the *[ACT Insurance Authority (ACTIA) ACT Government Risk Management Policy 2021](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)*[.](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)
3. Risk and risk management
	1. Risk is defined as the ‘effect of uncertainty (whether positive or negative) on objectives’ and is present in our daily lives, particularly in the activities we perform. It is measured in terms of a combination of the likelihood of the risk occurring and the consequences of an event.
	2. Risk management is defined as the processes and activities to direct and control an organisation with regard to risk. This includes the identification, evaluation, and prioritisation of risks, and coordinated approach to minimise, monitor and control the probability or impact of unfortunate events, or to maximise opportunities.
	3. A risk assessment process must be undertaken to identify hazards and the risks and documented on the Risk Register outlined in the Risk Management Key Documents (Section 4).
	4. The Directorate manages two types of risk that occur in any context such as in schools, in ESO or shared internally or externally. These are:
		1. *Strategic risks* - those which could adversely impact the achievement of the Directorate’s strategic objectives and pose significant impact to outcomes. These may include financial risk, legal or compliance risk, project or program risk, Workplace Health and Safety, security and fraud risk.
		2. *Operational risks -* those which could impact on the ability of a branch, team or school to deliver on their day-to-day service delivery objectives. This may include risks related to direct impact to service delivery, emergency management planning, timeframes or retention of staff.
4. Risk Management Key Documents
	1. *Risk Management Policy* – describes the requirements, roles and responsibilities for establishing, monitoring and maintaining and reporting on risk management within the Education Directorate.
	2. *Risk Management Procedures* (this document) – describes detailed procedural steps and guidance to implement effective application of risk management practices. These are supplemented by various fact sheets that guide practical application of the risk management process.
	3. *Risk Management Framework Overview* – summarises the risk management framework.
	4. *Risk Framework* *Guide*- for Education Support Office and Schools – reference document to describe the Directorate approach to risk management to ensure hazards and risks are managed effectively and efficiently and understood by staff.
5. Risk Management Process
	1. The Directorate’s Risk Management Process complies with[*AS/ISO 31000:2018*](https://www.iso.org/standard/65694.html) *and* [*WHS Act 2011*](https://www.legislation.gov.au/Details/C2018C00293)and consists of six elements. The process is often viewed as sequential, but in practice can be undertaken in any order, may run parallel during planning and may also overlap depending on the hazards and risks.
	2. A Risk Assessment or Risk Analysis may be the first step undertaken by staff. This may be a dynamic risk assessment (for immediate decision-making) or, site-specific, qualitative, or generic risk assessments which may require a deeper analysis.
	3. The dynamic risk assessment process (Appendix A) is known as ‘Take 5’ process and is often used when there is a requirement for rapid decision-making, due to an immediate or urgent safety concern. In these circumstances controls are often implemented prior to recording on a risk register. The steps include:
6. Stop, step back and think
7. Identify the hazards
8. Assess the level of risk
9. Control the hazards
10. Review and Monitor (proceed)
	1. The six elements of the Risk Management Process (Appendix B) include:
11. **Communicate and Consult** – with internal and external stakeholders at all stages of the risk assessment process, promoting awareness and understanding, as well as seeking feedback and information to support decision made throughout the process.
12. **Scope, Context, Criteria** – to gain an understanding of purpose of the risk assessment and factors that may require consideration throughout the process. Establishes what operating environment is being assessed, outcomes to be achieved and clear understanding of the assessment criteria to be used including the recording of information.
13. **Risk Assessment** – to identify, analyse and evaluate risks that may have an impact on what is trying to be achieved. Identifying risk involves consideration of what, how, why and when events occur and the impacts. Analysis is undertaken to determine the level of risk and evaluation is to determine if the decisions made support active management of the risk.
14. **Treat Risks** – implement and assess control effectiveness to address risk. It also ensures that additional treatments are considered to manage risks.
15. **Monitor and Review** – ensure controls continue to be adequate to reduce the risk, to determine if the risk profile has changed and to capture new or emerging risks.
16. **Record and Report** – ensure the appropriate levels of management are informed, and where necessary escalated.

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***Six Elements of Risk Management***

1. Application of the Risk Management Process
	1. Successful application of risk management across all areas of the Directorate relies on staff following these procedures and using support materials, embedding the risk management process in existing business processes, as well as finding opportunities to enhance current practice.
	2. The Risk Management Flowchart (Appendix C) outlines the Risk Management Process which is supplemented by the following procedures and actions to support practical application:
		1. Undertaking a Dynamic Risk Assessment (Fact Sheet 1)
			1. Areas within the Directorate who have an embedded risk assessment process such as Occupational Violence Risk Assessment, Work Health and Safety, and risk assessment requirements as per National Regulations requirements must continue using their current risk assessment process.
		2. Undertaking a risk analysis including the 6-step risk management process, and documenting the outcomes on the Risk Register (Fact Sheet 2)
		3. Escalating and reporting of risks through the most appropriate lines (Fact Sheet 3)
2. Roles and Responsibilities
	1. Below is a summary of roles and responsibilities in ensuring this procedure is implemented.
	2. Detailed roles and responsibilities for risk management are outlined in the *Risk Framework Guide – for Education Support Office and Schools*
	3. **Executive Governance Committee (EGC)**
* Authorise and champion the Directorate Risk Management Framework, Policy and Procedures
	1. **Senior Executives**
* Undertake the role of strategic lead for nominated strategic risks on the Directorate Strategic Risk Register.
	1. **Principals and, Executive Branch Managers**
* Ensure staff follow this procedure and, where required. Refer to the Risk Management Framework.
	1. **Directors of School Improvement**
* Provide guidance and support to principals in applying risk management.
	1. **Risk, Security and Emergency Management**
* Develop, review and maintain all supporting documents and material to enable the staff to use this procedure in the management of risks.
	1. **Audit and Assurance**
* Provide advice and support to the Directorate in the implementation of this procedure.
	1. **All Staff**
* Implement this procedure when managing a risk and maintain documentation and record-keeping.
1. Contact
	1. The Senior Director, Risk, Security and Emergency Management, Governance Branch is responsible for this Procedure.
	2. For support contact Risk, Security and Emergency Management on edurma@act.gov.au or 02 620 59701.
2. Feedback
	1. Any feedback about this procedure, should be raised with the policy owner. Refer to Contact information above.
3. References
	1. Definitions
* **Control:** measure that maintains or modifies risk in business as usual to reduce the likelihood and/or consequences e.g. process, policy, practice or action
* **Current Risk:** the risks that exist under the current levels of controls and treatments have been applied
* **Education Support Office (ESO):** refers to the education support services of the Directorate that do not reside in ACT public schools (e.g. system level/corporate support).
* **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 Business or Undertaking (PCBU):** the Director-General is the person conducting a business undertaking who under legislation is responsible for all work health and safety matters**.**
* **Risk:** the effect (whether positive or negative) of the 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 systematic process of risk identification, risk analysis and risk evaluation
* **Risk Matrix:** standard tool for rating risk by defining ranges for likelihood and consequence
* **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 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 through a risk assessment process; 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 strategi and operational objectives
* **Risk Treatment:** an action required to modify risk to reduce the likelihood and/or consequence
* **Target Risk:** the desired optimal level of risk
	1. **Related Policies and Documents** - Link to related policies or other documents.
* [*Education Act 2004*](http://www.legislation.act.gov.au/a/2004-17/default.asp)
* [*Financial Management Act 1996 (ACT)*](https://www.legislation.act.gov.au/a/1996-22)
* [*Insurance Authority Act 2005 (ACT)*](https://www.legislation.act.gov.au/a/2005-24)
* [*Public Sector Management Act 1994 (ACT)*](https://www.legislation.act.gov.au/a/1994-37/)
* [*Work Health and Safety Act 2011*](https://www.legislation.gov.au/Details/C2018C00293)
* Risk Framework Guide for Education Support Office and Schools
* Risk Management Framework Overview
* Risk Management Procedures
* Risk Appetite and Tolerance Statement
* Risk Analysis Tools
* Root Cause Analysis
* Risk Management Fact Sheet 1 – Risk Assessment
* Risk Management Fact Sheet 2 – Risk Management Process
* Risk Management Fact Sheet 3 – Risk Escalation and Notification
* [*ACT Government Risk Matrix*](https://actss.service-now.com/sharedservices/?id=knwl_article&sys_id=5c3b20d1dbed80544ee430ee7c9619ff)
* [*ACT Insurance Authority (ACTIA) ACT Government Risk Management Policy 2021*.](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)
* [*ACT Government Risk Management Policy Implementation Guide*](https://actss.service-now.com/sharedservices/?id=sc_cat_item&sys_id=08c1e783db328854a49e773c34961902)
* EDU Risk Register Template
* EDU Multiple Hazard Risk Assessment Template

APPENDIX A – Risk Assessment Process – Dynamic Risk Assessment – Take 5

**Dynamic Risk Assessment – Take 5**

The Take 5 checklist is used to identify hazards before, and during an activity and aims to prevent accidents making the environment safer. Although it can be used for all types of risk assessments, it is typically used when undertaking a ***dynamic, or site-specific risk assessment when there is an immediate requirement for the safety of self and others***.

It allows for risk assessments to be undertaken by the busy teacher or staff member in both informal and formal environments and is the initial activity when a hazard has been identified.

Staff involved in a risk assessment process must record decisions and actions on a risk assessment template or risk register as soon as it is safe to do so. Further information with regard to Risk Assessments can be found on Fact Sheet 1.

|  |
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| Physical inspection can be done before, or during a task to determine:What is happening and is it safe to continue?What are we trying to achieve?Do we have the right resources, equipment?Is there a policy, procedure or safe work method I should apply?What is the potential impact if we continue? |
| Hazards may change throughout the task due to influences such as the weather, student:teacher ratio, change of environment. In any change of circumstance, hazard identification should consider safety first, and other negative influences on the activity. |
| Determine the likelihood and consequence of the event occurring in its most normal form. Assess the level of risk using the Risk Matrix below (table 1) and prompt questions to determine the risk level.  |
| Action oriented task that begins with asking “What can I or someone else do to reduce the risk of this hazard?” “What needs to be done now!”Safety must consider immediate hazard controls, acting on the best solution available at the time to reduce the risk. Diagram 1 shows example of how to implement the WHS Hierarchy of Controls |
| If the controls in place are effective in minimising the risk, the activity can proceed. However, monitoring the hazards and the controls will allow for immediate adjustments and a measure of effectiveness. It also enables any new hazards and risks to be identified |

APPENDIX B – Risk Management Process

**Risk Management Process**

The table below is a summary of the Risk Management Process. For further information refer to Fact Sheet 2 – Risk Management Process

|  |
| --- |
| 1. **Communicate and Consult**
 |
| Communication and consultation with internal and external stakeholders should take place throughout the risk assessment process. Consultation can be achieved through a variety of ways including at formal meetings with an agenda, parent and school community interactions, surveys, workshops and professional learning sessions, interviews, scenario-based discussions.**Key actions include:*** + identify stakeholders (internal and external)
	+ identify lead for activity
	+ outline roles, responsibilities, accountabilities
	+ identify immediate risk/s
	+ establish communications plan such as regular meetings, establish committee and plan for consultation
 |
| 1. **Scope, Context and Criteria**
 |
| The purpose is to understand the internal and external environments in which the Directorate operates and the influence or impacts these may have on our decisions and your risk. **Key actions include:*** + clarify the scope and purpose, goals and objectives of the activity
	+ define the internal and external influences on the environment (use risk analysis tools – PESTLE/SWOT)
	+ identify concerns/issues/expectations of key stakeholders
	+ determine level of risk appetite and risk tolerance specific to the desired outcomes of the activity
 |
| 1. **Risk Assessment – Identifying the risk**
 |
| Risk identification involves considering what, why, when, where and how things happen and to clarify the risk.**Key actions include:*** describe the risk event in qualitative terms, if it were to occur e.g “failure to..”, “breach of..”, “inability to..”
* identify causes/drivers – what causes the risk or potential triggers that may result in the risk event occurring?
* Identify consequences – what are the impacts if it does go wrong? (described in its most likely/normal form)
* Identify opportunities – what can go right?

***Example risk:*** *The inability to provide adequate office space caused by the need to provide a break-out room for students who need quiet time.* |

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| **Risk Assessment – Risk analysis** |
| Risk analysis is the process to comprehend the nature of risk and to determine the level of risk**Key actions include:*** determine and record controls currently in place for each risk
* determine if the controls are effective e.g can they be measured and how?
* assign a risk rating using the risk matrix chart on the risk register – determine the likelihood of the risk occurring and the consequence of the impact if it were to occur in the most ‘normal’ form
* determine influences that may change the risk rating e.g change in weather, duration and frequency, exposure to hazards, resources available
* identify the risk rating e.g low, medium, high, extreme on the risk register
 |
| **Risk Assessment – Risk evaluation** |
| Risk Evaluation is to determine whether the risk rating is acceptable or unacceptable.**Key actions include:*** use the Directorate Risk Appetite and Tolerance statement to determine if the risk is acceptable
* determine if the risk rating is:

 *adequate* – controls are well designed and operating at an acceptable level *room for improvement* – some deficiencies have been identified  *inadequate* – significant control deficiencies identified – new controls or further treatments will be required**Guidance note:*** Extreme Risks, and sometimes High Risks *-* ***Risk Appetite is usually Not Acceptable***

Further risk controls must be formulated to reduce the risk to acceptable levels. Extreme risks will be vetted by subject matter experts for further evaluation and further treatments to be considered.* Medium and Low Risks - **Risk Appetite is usually Acceptable**

No further action is required, and regular planning should continue.Regular monitoring must continueConsideration may be given to reducing the level of controls currently in place. |
| 1. **Treat Risk**
 |
| Risk needs to be managed through risk controls that allow for modification of an activity with the aim of managing or reducing the risk. **Key actions include:*** determine the best option for controlling the risk
* use the hierarchy of controls to guide the best control for the activity
* once applied, assess the risk against the new controls to determine if further treatments are required, or if the risk rating has been reduced
 |

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| 1. **Monitor and Review**
 |
| The purpose of reviewing the risk register is to determine if the risk profile has changed and to capture new or emerging risks. Branch and School risk registers should be reviewed bi-annually as a benchmark. Project/Program Risk and activity-based risk registers should be reviewed frequently and proportionate to the effect on the risk or as each stage progresses. **Key actions include:*** determine the schedule for monitoring and reviewing each risk

**Note:** *there may be circumstances where the risk no longer poses an issue to the objectives. To remove a risk from the risk register, the risk owner must be able to provide sufficient evidence. This must be recorded on the risk register and filed.* |
| 1. **Record and Report**
 |
| The purpose of recording and reporting is to ensure that the Directorate has a consistent and structured way to document and record and report the outcomes of the risk management process to relevant stakeholders.**Key actions include:*** use the risk assessment template for initial risk assessment to record decisions and actions
* use the school or branch operational risk register for documenting decisions and actions in the risk management process. This must include all medium, high and extreme risks
* schedule risk reporting to your immediate manager/supervisor
* inform staff of progress of management of controls
* report High Risks and Extreme risks immediately to the DSI or Executive Branch Manager
* follow Directorate process for escalation (Fact Sheet 3 – Risk Escalation & Notification)
 |

APPENDIX C – Risk Management Process Flowchart – Risk Assessment, Escalation and Reporting Flowchart

**Risk Management Process Flowchart**

Are there actual or potential risks that may alter the desired outcomes or objectives?

No further risk posed – controls are effective

NO

YES

Is the risk acceptable?

YES

NO

Formal report to EGC and appropriate sub-committee

STOP

do NOT Proceed

Proceed, Monitor & Review

Seek approval for further controls & risk treatments

Re-evaluate the need to conduct the activity with senior executive

Undertake a risk assessment (Fact Sheet 1)

Low Risk

Medium Risk

High or Extreme Risk

Undertake further analysis with risk owner to determine escalation triggers

Escalate immediately for review & analysis with risk owner & key stakeholders (Fact Sheet 2 & 3)

Record on risk register

Record on risk register

File risk assessment notes