RISK MANAGEMENT POLICY FOR DIOCESAN SYSTEMIC SCHOOLS

February 2014
1. PURPOSE

This policy is a formal acknowledgement of the commitment of the Diocesan Schools System to risk management. Risk management is the culture, processes and structures that are directed towards the effective management of situations that have the capacity to have adverse effects within the organisational environment. The DSS will conduct risk management in keeping with the Australian/New Zealand Standard: Risk Management Principles and Guidelines AS/NZS ISO 31000:2009 and other applicable standards and codes of practice.

The Diocesan Schools System operates within a comprehensive, integrated God-centred view of reality, the Catholic worldview. The DSS actively promotes the Catholic worldview and its understanding of creation. In doing so, it affirms every individual person as made in the image of God Gen 1:27 and encourages all to exercise stewardship of that creation.

It is not the aim of the policy to completely eliminate risk from the organisation’s activities, but rather to ensure that every effort is made by the organisation to diligently manage risks in order to maximise opportunities and minimise their potential adverse effects.

“The plans of the diligent lead surely to plenty, but those of everyone who is hasty, surely to poverty.”

Proverbs 21:5

It is recognised that there may be existing formal and documented processes and systems to manage specific types of risks both at a local and system-wide level and it is not intended that these processes be duplicated. The purpose of this policy is to provide a formal, consistent, systematic and responsible approach to managing and reporting risk throughout the Catholic Systemic School System of the Diocese of Broken Bay.

2. POLICY FRAMEWORK

This policy ensures that risk management is a core management capability and assigns accountability to all staff for the management of risks within their areas of control.

The framework ensures that:

- Risk management forms an integral part of DSS decision making and operational management, and is incorporated within strategic and operational planning processes at all levels within the organisation.
- Decision making is transparent and that decisions are made on the best evidence and information to hand and are in keeping with strategic/operational objectives and the allocation of funds and resources.
- All significant risks to the DSS are identified, assessed and where necessary, treated and reported to the CSO/School Leadership in a timely manner through the Risk Manager. The DSS maintains risk registers which include, amongst other things:
  - details of the likelihood and potential impacts of individual risks
  - details of the controls and treatments as necessary and assignment of the personnel responsible for monitoring each risk and ensuring that the controls and treatment are being adhered to and remain effective

The DSS is committed to ensuring that all staff, particularly those in managerial positions or with decision-making authority, are provided with guidance and training on the principles of risk management and their responsibilities under this policy to implement risk management effectively.
The DSS regularly monitors and reviews the implementation and effectiveness of the risk management program, including the development of an appropriate risk management culture within its communities, as a basis for continuous improvement. For the purposes of this policy, significant areas of risk are defined as those that may reasonably be expected to:

- have serious impacts on the welfare of staff, students, parents or the public
- have serious impacts on the academic achievement of students
- jeopardise the reputation of the DSS or present a significant legal exposure
- threaten the commercial or business viability of the DSS
- prevent or inhibit the DSS from achieving its strategic and operational objectives.

3. POLICY CONTENT

3.1 Principles
Effective risk management is acknowledged as an integral component of sound governance in that it provides an essential contribution towards the achievement of the DSS’ strategic and operational objectives and goals. It also provides a system for the setting of priorities when there are competing demands and resources. Effective risk management requires:

- a collaborative approach
- a strategic focus
- defined accountability
- forward thinking and proactive approaches to management
- balance between the cost of managing risk and the anticipated benefits and
- contingency planning in the event that critical threats to the mission of the DSS are realised
- an agreed timeline for assessment and monitoring of risk and the reporting of responses within the DSS

3.2 Responsibility and Accountability

3.2.1 The Director of Schools
The Director of Schools is ultimately responsible for the oversight of the management of risk within the DSS. Part of this responsibility involves determining the level of risk that is tolerable for the DSS and for ensuring that the necessary treatment plans are implemented for those risks which are considered to be unacceptable.

The Director will report to the Diocesan Schools Board no less than annually, on the risk profile including, significant strategic, operational, financial, infrastructure and external environment risks together with a summary of the treatment plans in place for each of these risks as an assurance of compliance with this policy.

3.2.2 The Assistant Directors
The Assistant Directors are responsible and accountable to the Director of Schools for ensuring that, within their service areas, a risk management programme is established, implemented and maintained in accordance with this policy and its related guidelines so that risks are managed to a tolerable (target) level.

It is the responsibility of the Assistant Directors to advise the Director of Schools of significant risks or other risk management issues within their delegated areas of responsibility.

3.2.3 The Risk Manager
The Risk Manager reports to the Director of Schools and is delegated specific activities including the maintenance of an effective risk management capability. Reporting to the
Director of Schools and in consultation with the Assistant Directors, the Risk Manager is responsible for overseeing the DSS risk management programme and for ensuring that significant risks to the DSS are reported to the appropriate level of leadership in a timely manner.

Specifically, the Risk Manager is responsible for:

- reviewing compliance with the DSS policies, processes/procedures and adherence to and the effectiveness of risk treatment plans.
- developing a comprehensive incident reporting system and maintaining information on losses or adverse effects when risks eventuate. The Risk Manager maintains the DSS risk register.
- monitoring the adherence to this policy and the effectiveness of the risk management programme and reporting to the Director of Schools and the Assistant Directors on a monthly and/or quarterly basis.
- coordinating the risk management programme and providing advice and guidance, including the development of standard templates and tools to assist staff in managing their risks.
- developing and conducting training programmes on the principles of risk management, risk assessment and how to implement risk management effectively.
- assisting staff in conducting risk assessments on all new ventures and significant activities.

3.2.4  The Heads of Service/School Principals and Consultants

The Heads of Service and School Principals (in consultation with the Schools Consultant) hold the primary responsibility risk management within their service area or school. They may however delegate this responsibility to a suitably experienced and capable member(s) of staff who will report regularly on the status of risks.

The Head of Service/School Principal is responsible for ensuring that there are systems in place to ensure that risk is being managed continuously and systematically for all areas and activities within their control. They are accountable for implementing the necessary controls and treatment plans for risks within their areas of responsibility that are deemed to be unacceptable to bring them to a tolerable level.

Should responsibility be delegated, the following characteristics are necessary to successfully perform this role:

- Strong interpersonal and communication skills with a strong appreciation of the importance of dealing with sensitive information discretely.
- Experienced, with a good understanding of the broader service team complexities and operations.
- Possesses a strong appreciation of the value and importance of risk management to the DSS and a willingness to champion risk concepts and be proactive in taking ownership of risk actions.
- Displays a consultative approach, willing to be a team player and demonstrates ability to work collaboratively with others, across the DSS, towards the effective resolution of risks.

The Head of Service or their delegate is responsible for maintaining all risks identified within their respective service area in the DSS risk register including details of the controls and treatments as necessary and an assignment of who is responsible for monitoring that risk and ensuring that the controls and treatments are being adhered to and remain effective.
The Principals in systemic schools, supported by the Schools Consultant are responsible for the implementation of sound risk management processes in their school. This will include creating an environment in which all staff members are expected to manage risks and are supported in doing so. Principals will report to the Schools Consultant on any significant risk or risk areas.

3.2.5 Staff
Effective risk management depends on the commitment and cooperation of all staff. All staff have a significant role in the management of risk, particularly within their own areas of control. As such, all staff are responsible for and have accountability for the principles outlined in this policy. Accountability for the management of risks will be reflected in all individual position descriptions.

3.3 Risk Management Framework
The implementation of this policy is supported by the DSS Risk Management Framework which is based on the Australian and New Zealand ISO 31000:2009 standard.

4. POLICY REVIEW
This policy will be reviewed within one year of its date of adoption.

5. POLICY DATES
Date of completion of formulation and adoption: November 2007
Date of most recent edition: February 2014
Date of next review: February 2019

authorised by
Dr Tim O’Hearn
Chairperson, Diocesan Schools Board