

# **Risk Management Policy 2016**

## **Aims**

Risk Management encompasses processes and structures that are directed towards the effective management of situations that have the potential to have adverse effects on the organisational environment.

The aim of this policy is to assist with the systematic and responsible management of risk throughout the Kerry Street Community School.

## **Scope and Application**

This policy applies to all areas of the school's operation at all operating locations, including routine internal activities.

This policy is available on the school website.

This policy applies to:

- A. Employees
- B. Students
- C. Parents
- D. Community members
- E. Visitors to the school

## **Definitions**

The basis of the following definitions are drawn from *AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines* in many cases additional explaining text has been added for use in this policy.

- A. **Risk** – The chance of something happening that will impact objectives. It is measured in terms of consequence and likelihood.
- B. **Risk Management** - The coordinated activities to direct and control an organisation with regard to risk
- C. **Risk Assessment** - The overall process of risk identification, risk analysis and evaluation.
- D. **Consequence Categories** – Determining the consequence of a risk event. Consequence categories include the following factors Governance/ Legal implications, Financial loss, Health & Safety, the Environment, the Schools Reputation, and the student's Educational needs.
- E. **ALARP** - As Low as Reasonably Practicable (the cost involved in reducing the risk further through the addition of more controls would be grossly disproportionate to the benefit gained)

- F. Hazard** - means a source or a situation with a potential for harm in terms of human injury or ill-health, damage to property, damage to the environment, or a combination of these.
- G. Level of Consequence** – The level of impact (1 to 5) in relation to each of the consequence categories defined in the Consequence Table.
- H. Level of Likelihood** – How likely (1 to 5) a risk will eventuate with the defined consequence.
- I. Risk Rating** – The level of risk calculated by multiplying the level of consequence by the level of likelihood.
- J. Raw Risk Rating** - is the initially assessed level of risk prior to preventive controlling strategy has been implemented.
- K. Residual Risk Rating** - is the remaining risk after the preventive controlling strategy has been implemented to reduce the Raw Risk.
- L. The School** - Kerry Street Community School [KSCS]
- M. Workplace** - This is KSCS premises (18 Forrest Road, Hamilton Hill) or any place where employees are likely to be during the course of their work. The definition includes such places as camp facilities or other structures where lessons or any other training activities are held for students.

## Principles

- A.** The School is committed to a risk management system that will reduce assessed risks to an ALARP level thereby reducing the likelihood of hazards turning into incidents.

## Responsibilities

### A. School Council

The School Council has the direct responsibility for:

1. Preparing and updating this risk management policy in consultation with relevant stakeholders and instilling a mature risk-aware culture within the school;
2. Developing procedures consistent with the principles of this policy (as required);
3. Ensuring that adequate resourcing will be available, as far as is possible, to ensure that the workplace meets the appropriate requirements of *AS/NZS ISO 31000:2009 – Risk Management – Principles and Guideline*;
4. While the School Council has ultimate responsibility for risk management, it delegates the day-to-day responsibility to the Coordinator and Staff.

### B. Coordinator, Staff and Teachers

The Coordinator, staff and teachers have the direct responsibility for:

1. Complying with and enforcing the results of risk assessments, as well as communicating the results to students, parents and the wider community.
2. Ensuring that risk management is supported by a program of education, training and development for staff at all key levels in the school.

### C. Adult members of school community

Parents and members of the school community are responsible for maintaining awareness of, and complying with, the school's policies, instilling risk-awareness in their children and bringing risk-related matters to the school's attention.

#### **D. Students**

Students are responsible for complying with the school's policies; following the instructions of staff and adopting appropriate behaviour.

### **Related Legislation**

- A. AS/NZS ISO 31000:2009 – Risk Management – Principles and Guideline
- B. Occupational Safety and Health Act 1984
- C. Occupational Safety and Health Regulations 1996

### **Related Kerry Street Documentation**

- A. Risk Assessment Spreadsheet
- B. Emergency Management Procedure (EMP)
- C. Critical Incident Management Procedure (CIMP)
- D. Policies including:
  - 1. Building and Grounds Policy
  - 2. OHS Policy 2016
  - 3. Supervision policy
  - 4. Duty of Care policy
  - 5. Excursion Policy
  - 6. Camp Policy
  - 7. Critical Incident Policy
  - 8. Emergency Procedures Policy

### **References**

- A. Emergency Management Plan
- B. Annual Risk Matrix
- C. Council Calendar 2017

### **Contact Person**

Enquires relating to this policy should be directed to the School Coordinator or Council President.

### **Breaches of this Policy**

Any breach of this policy may result in disciplinary action up to and including termination.

### **Attachments**

- A. Risk Assessment Procedure
- B. Risk Assessment Matrix

## **Review and Authorisation**

- A. New policy created September 2016.
- B. To be reviewed 2017

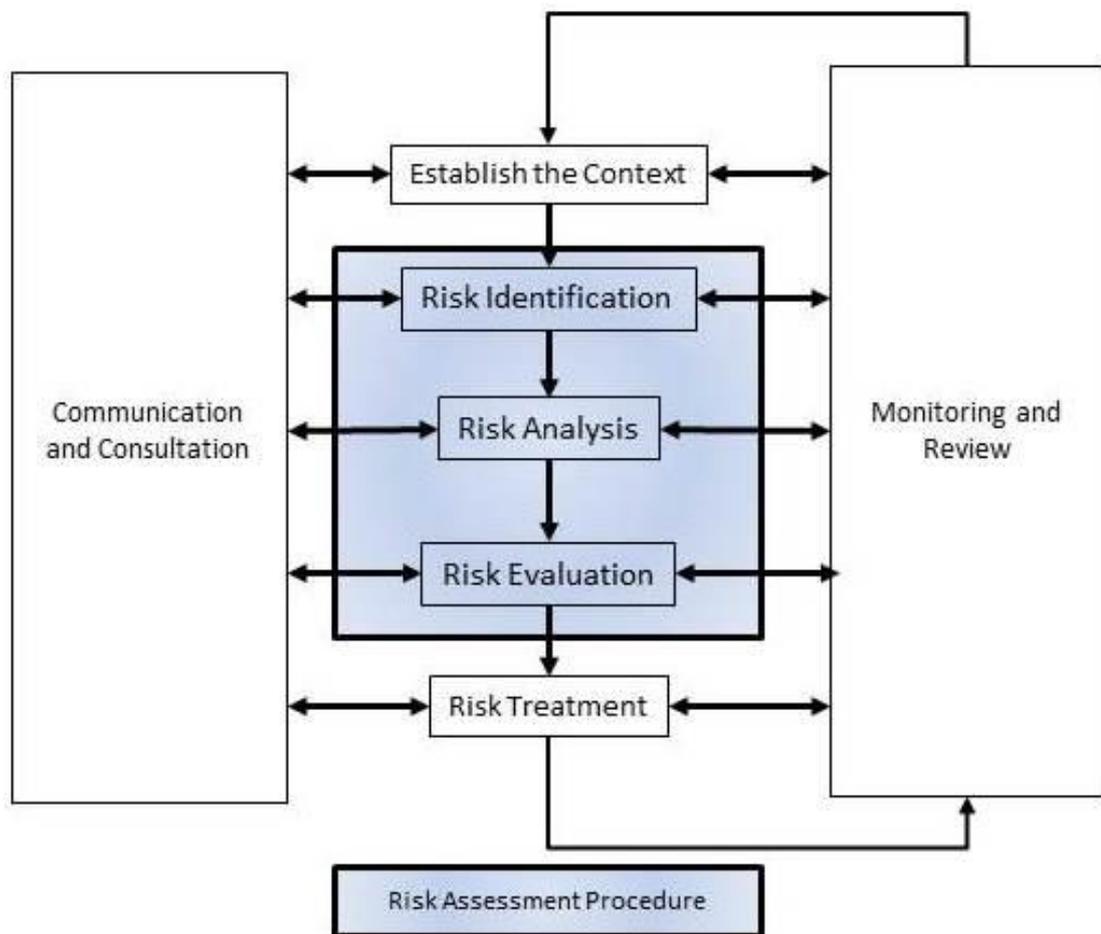
*Helen Sugars Duff*

## Risk Management Policy – Attachment A

### Risk Assessment Procedure

The risks management procedure presented in this attachment is a tool that the school will utilise to control risk when planning activities, expansions and business changes that the school may get involved in. The risk management procedure is a central requirement within the Risk Management Process.

The figure below drawn from *AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines* shows that along with the procedure the entire process required communication and consultation, and monitoring and review. Both these parts of the process are achieved at KSCS through review and approval of this policy.



“Risk Management Process from *AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines*”

The risk assessment procedure tool described in this Attachment has been used to create an overall risk assessment for the operation of the school. It covers eight (8) categories critical to the wellbeing of the school, it’s stakeholders and future.

The eight categories are listed on the following page:-

1. Student Learning
2. Student Welfare/ Duty of Care
3. Medical
4. Administration
5. Financial Management – Non Governance
6. Governance
7. Staff
8. Facilities

This risk assessment tool is available through the school's management system and will be utilised when planning camps, excursions, changes to the business and any other change where the Council, Coordinator or school community believe a formalised assessment of risk would add value to the decision making process.

## **Establish the Context**

The risk assessment procedure is highlighted in blue. Prior to any risk assessment, the school has to establish the context of all risk assessments. A matrix has been developed to analyse risk that is relevant to the school. Kerry Street Community School contracted “*Dynamiq - Trusted Emergency Management*” to assist in the development of a risk assessment matrix for the School's Emergency Management Plan (EMP).

The risk matrix developed for the EMP focused on human risk outputs (injury to students and other stakeholders).

The Council and Coordinator with consultation with other stakeholders then increased the scope of this matrix to encompass additional consequences the school should rank risk on:-

1. Financial
2. Health & Safety
3. Environment
4. Reputation
5. Governance/ Compliance/ Legal

The Likelihood definitions used in the EMP were maintained by the Council and Coordinator for the overall risk matrix:-

1. Rare
2. Unlikely
3. Possible
4. Likely
5. Almost Certain

By combining these five (5) levels of likelihood with the five (5) levels of consequence the school established the five by five (5 x 5) risk matrix attached in Attachment B of this policy.

Within the 5 x 5 matrix risks are further filtered into Low, Medium, High and Extreme in accordance with the methodologies set out in *AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines*.

## Risk Identification

The first step in the formal risk assessment procedure is to identify the risk. The risk assessment tool contains six (6) columns to assist in identifying and categorising the risk. When developing a specific risk assessment, the more detail entered into these sections the better chance there is that it can be used in the future.

A	B	C	D	E	F
Risk ID	Risk Category	Risk Area	Description/Activity	Event Trigger	Potential Impact
			(There is a risk that...)	(We will know when the risk is realised when...)	(If the risk becomes an issue the impact will be...)

**Risk ID** – An identification number can be added to aid tracking risks in the future.

**Risk Category** – As close as possible the risk should be categorised in keeping with the school’s master risk categories (Student Learning, Student Welfare/ Duty of Care, Medical, Administration, Financial Management – Non Governance, Governance, Staff, Facilities)

**Example - Student Learning**

**Description/Activity** – The risk assessor should ask the question “There is a risk that...”, by answering this question and defining a result this will ground the risk where a reviewer or approver can understand it.

**Example - There is a risk that... a student won’t achieve at expected level**

**Event Trigger** – The risk assessor should ask the question “We will know when the risk is realised when...” by answering this question the stakeholders who have to action the results of the risk assessment (teachers) will know what to look for.

**Example - We will know when the risk is realised when.../if the data shows poor results.**

**Potential Impact** – The risk assessor should ask the question “If the risk becomes an issue the impact will be...” the answers should come from or align with the consequences in the risk matrix (Attachment B). For some risks the appropriate consequence may lie in only one (1) business area (for instance education), however more often than not a consequence can be selected from more than one..

**Example - If the risk becomes an issue the impact will be... Minor parent complaints, Minor student anxiety, Significant reduction in enrolments/retention (3), DoE investigation**

## Risk Analysis

Analysis of risk using this procedure tool has 3 steps:-

1. Establishment of the raw risk;
2. Assignment of Controls currently employed to lower the likelihood;
3. Calculation of residual risk when the controls are in place.

### Establishment of Raw Risk

To calculate the raw risk the formula is Consequence multiplied by Likelihood. The Risk Assessment Spreadsheet will calculate the result automatically once the risk assessor has selected the ratings from the matrix in Attachment B. The assignment of ratings should be reviewed by Coordinator and/or Council depending on the risk being assessed, and in line with the Constitutional roles of each.

**Consequence Example** – The consequence rating is the worst rating from the various impacts selected previously in the risk identification. In this case it is “*Moderate (3)*”

**Likelihood Example** – The likelihood rating assessed by the risk assessor based on his or her knowledge of the risk and the school, in this case the risk assessor considers that *a student won’t achieve at expected level once a year*, therefore rates the likelihood as “*Likely (4)*”

G	H	I
<b>Raw Risk Assessment</b>		
Cons	Like	Risk Rating
3	4	12

Once entered into the spreadsheet the raw risk is calculated as  $3 \times 4 = 12$  and assigned an orange “**High**” risk.

### Assigning Controls

Once the raw risk has been established, if the raw risk is **Low** (1 to 3) then no further action is required, the school considers this ALARP.

If the raw risk is not **Low** then the risk assessor should consider what controls are/can be put in place to lower the likelihood of the risk. The controls can’t lower the consequence of the risk because the consequence is determined by outcome: a drowning is a drowning, all controls such as a pool fence and supervision can do is minimise the probability/likelihood of it occurring. If the controls fail, like the student jumps the fence then without alternative controls (like swimming training) the student will drown. All controls must be included to truly minimise the likelihood.

**Controls Example** – For the example where the student is at risk of underperforming, the controls the school already has in place are: *Data analysis, Staff performance linked to student results, Specialist Staff, Specialist resources, Students at educational risk policy.*

### Calculation of residual risk when controls are in place

The risk assessment calculation is repeated to calculate a residual risk remaining after controls are in place.

**Example** - With the selected controls in place, the risk assessor can lower the likelihood rating, in this case from “*Likely (4)*” to “*Rare (1)*”. By entering the new likelihood rating into the spreadsheet and maintaining the consequence rating, the risk rating falls from orange “**High**” to blue “**Low**”

K	L	M
<b>Residual Risk</b>		
Cons	Like	Risk Rating
3	1	3

Now that the raw risk has been established, if the raw risk is **Low** (1 to 3) then no further action is required, the school considers this ALARP. After calculating the residual risk if it remains **“Extreme”** or **“High”**, then the whole risk assessment and assignment of controls must be reviewed.

If the remedial risk is assessed as **“Medium”** then the risk assessor can look again at controls and try to make it ALARP, if it is impossible then the residual risk can be accepted by Council and/or Coordinator provided periodic reviews are made or temporary/immediate controls are put in place.

## Risk Management Policy – Attachment B

### Risk Assessment Matrix

		Consequence							Likelihood Definitions	
		Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5			Almost Certain 5	Likelihood Definitions
Likelihood	Almost certain 5	M 5	H 10	E 15	E 20	E 25	L Low	5	The event is expected to occur in most circumstances	
	Likely 4	M 4	M 8	H 12	E 16	E 20	M Medium	4	The event will probably occur in most circumstances, say once a year	
	Possible 3	L 3	M 6	M 9	H 12	E 15	H High	3	The event may occur at some time, say once in 3 years	
	Unlikely 2	L 2	M 4	M 6	M 8	H 10	E Extreme	2	The event may occur at some time, say once in 10 years	
	Rare 1	L 1	L 2	L 3	M 4	M 5		1	the event may only happen in exceptional circumstances	
Consequence Definitions										
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)				
<b>Financial</b>		<\$500	> \$500 < \$1,000	> \$1,000 < \$20,000	> \$20,000 < \$100,000	> \$100,000				
<b>H&amp;S</b>		No injury Negligible student anxiety No disruption to supervision	Injury/first aid Minor student anxiety Minor disruption to supervision	Injury/medical treatment Major student anxiety Major disruption to supervision	Injury/hospital Significant student anxiety Activity suspended due to change in supervision	Fatality Irreparable student anxiety levels (counselling) School closed due to change in supervision				
<b>Environment</b>		Local event no impact	Local event temporary impact	Local event moderate impact	external event temporary impact	external event moderate impact				
<b>Reputation</b>		Parent Comments Some local coverage	Minor parent complaints Local news coverage, report to DoE	Significant parent complaints External news coverage, report to DoE	Parent outrage/followup DoE Investigation	Direct parent action/ref. legal action Termination of Registration				
<b>Education</b>		Classroom disruption Minor reduction in enrollments/retention (1 student) Negligible impact to achieving teaching targets	Classroom disruption Moderate reduction in enrollments/retention (2 students) Temporary impact to achieving teaching targets	Temporary loss of a key academic teacher (temp for a term) Significant reduction in enrollments/retention (3 students) Moderate impact to achieving teaching targets Moderate impact on relationship with partners	Loss of a key academic teacher Significant reduction in enrollments/retention (5 students) Major impact to achieving teaching targets Serious impact on relationship with partners	Loss of a Coordinator Significant reduction in enrollments/retention (8 students) Serious impact to achieving teaching targets Irreparable impact on relationship with partners				
<b>Governance/ Compliance/ Legal</b>		Breach of internal standards Unlikely to result in adverse regulatory response or action	Breach of DoE standards May result in infringement notice	Minor legal issues, report to DoE Police Significant breach of contract, Act, regulation or consent conditions Potential for regulatory action	Fines, investigation by DoE/Police Major breach of contract, Act, regulations or consent conditions Expected to attract regulatory attention Investigation, prosecution and / or major fine possible	Criminal prosecution of board and/or coordinator Serious breach of contract or legislation Significant prosecution & fines likely Potential for litigation including class actions Future funding / approvals / registration / licensing in jeopardy				

*Note: the original Risk Assessment Matrix is contained in Risk Assessment Spreadsheet, copy is above for reference.*