

7.15 RISK MANAGEMENT POLICY

POLICY STATEMENT

Lindfield Montessori School is committed to:

- Protecting valuable assets, inclusive of people, processes, property, products and reputation;
- Improving our planning processes by enabling the key focus to remain on core business and to help ensure continuity of service delivery;
- Reducing the likelihood of potentially damaging occurrences and assist with preparing the school to effectively manage challenging events;
- Contributing to the development of a positive organisational culture, in which people not only feel safe but also understand their purpose, roles and direction in a risk-aware culture;
- Improving accountability, responsibility, transparency and governance in relation to both decision-making and outcomes;
- Fulfilling our fiduciary obligations;
- Ensuring to the best of our ability that the school environment is a safe place for all students.

INTRODUCTION

This policy sets out Lindfield Montessori's School's overall approach to risk management.

Understanding risk management

Risks have been described in terms of combination of the impact or consequences of an event occurring and its likelihood of occurring.

Risk is the chance of something happening that will have an impact on objectives, and risk management can be described as the culture, processes and structures that are directed towards realising potential opportunities while managing an adverse effect.

Lindfield Montessori School's Risk Management Framework is designed to identify the risks the school faces and put measures in place to keep those risks to an acceptable minimum. The existence of risk presents both threats and opportunities to the school.

Risk Owners have been assigned responsibility for the identified risks in the school Risk Register. Lindfield Montessori School's risk assessment matrix is used as the benchmark in planning and implementing the risk management measures.

The risk management process consists of the following main elements:

- **Identify:** identify a risk (threats or opportunities) and document the risks captured by the Risk Register owner.
- **Assess:** the primary goal is to document the net effect of all identified threats and opportunities, by assessing:
 - Likelihood of threats and opportunities (risks);
 - Impact of each risk;
 - Proximity of threats; and
 - Prioritisation based on scales.
- **Plan:** preparation of management responses to mitigate threats and maximise opportunities.
- **Implement:** risk responses are actioned.
- **Monitor and review:** monitor and review the performance of the risk management system and changes to business initiatives.
- **Communicate and consult:** communicate with internal and external stakeholders throughout the risk management process.
- **Record and report:** the risk management process and its outcomes should be documented and reported through appropriate mechanisms. This includes providing regular reports to the Principal, Audit and Committee.

Risks are effectively managed at Lindfield Montessori School through the effective implementation of various controls, which include:

- Committee approved Risk Management Framework;
- Documented policies and procedures;
- Maintenance of registers;
- Implementation of risk-based systems and processes;
- Ongoing monitoring of regulatory obligations;
- Checklists to guide activities and project plans to record actions; and
- Internal and external reporting.

RESPONSIBILITIES

Committee

The Committee are ultimately responsible for approving and committing to the risk management policy and setting and articulating Lindfield Montessori School's appetite for risk.

The Committee's responsibilities include:

- Receiving and challenging the school's risk appetite on a regular basis;
- Approving the Risk Management Framework on an annual basis;
- Reviewing and approving risk information (including independent audits of the Risk Management Framework and external disclosures) ;
- Ongoing review and approval of the Risk Register in accordance with risk reporting protocols;
- Monitoring adherence to the Risk Management Framework; and
- Promoting awareness of the Risk Management Framework throughout the School;

Principal

The Principal is responsible for:

- Ensuring all risk owners, staff, students and volunteers adhere to the Risk Management Framework.

Senior Management Team (SMT)

The Senior Management Team has responsibility for communicating and consulting with staff to ensure risks are identified, appropriate controls are in place and any necessary treatments are addressed in relation to the operational activities of the school.

The SMT comprises those persons incumbent in the positions of:

- Principal
- Business Manager

Risk Owners

Risk Owners are individuals who have been allocated ownership of strategic or operational risks and are responsible for managing, monitoring and reporting on the status of the risk to the Board and ARC. Risk Owners should follow the Risk Management Framework in fulfilling their obligations which include:

- Monitoring and updating risks and their associated ratings on at least a quarterly basis;
- Reporting any new or re-rated risks in accordance with the Risk Management Methodology;

- Reviewing all risks in their area at least once per year.

Staff, Contractors and Volunteers

Risk management is the responsibility of all Lindfield Montessori School staff, contractors and volunteers. This group should be aware of and are responsible for applying risk management principles and practices relevant to all areas of their work.

Families`

Parents/guardians 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

REVIEW

Lindfield Montessori School's Risk Management Framework is evolving. It is an ongoing process and it is recognised that the level and extent of the Risk Management Framework will evolve commensurate with the growth of the school. This will include an annual review of this policy by the ARC.

DEFINITIONS

Consequence	The expected outcome or impact of a risk event.
Current risk	The risk that remains after mitigating actions or controls have been considered. Current risk is assigned a rating based on current consequence and current likelihood (commonly considered the residual risk rating).
Inherent risk	Rating of a risk assuming no controls are in place.
Likelihood	The probability or chance of a risk event occurring.
Operational risk	Key risks arising from Lindfield Montessori School's operational activities. Operational risks are component risks within each strategic risk.
Residual risk	The level of risk that remains after assessing the effectiveness of the controls, management strategies and other mechanisms in place to mitigate a particular risk (treated risk).
Risk	<p>Risk is often characterised by reference to any event that will have an impact on the school or any of its activities. Risk is measured in terms of the consequences that could arise from an event (including changes in circumstances), and the likelihood of that particular consequence occurring.</p> <p>Risks to Lindfield Montessori School are generally assessed in terms of their people, reputation, business operations, governance, financial and educational/ academic outcomes respectively.</p>
Risk appetite	The risk appetite of Lindfield Montessori School is the amount and type of risk that the school is willing to take in order to meet its strategic objectives.
Risk assessment	The overall process of risk identification, risk analysis and evaluation.
Risk identification	The process of determining the what, where, when, why and how something could happen.

Risk Management Framework	Framework enabling the consistent management and reporting of risk throughout Lindfield Montessori School. The framework includes a risk policy, risk assessment protocol, risk reporting protocol and risk register.
Risk rating	A categorisation or prioritisation of risk combining likelihood, consequence and mitigating actions. See current risk and target risk.
Risk register	Register that defines and assesses key components of each risk.
Risk treatment	The process of implementing measures to modify risk.
Strategic risk	Risk categories that represent the key risk areas for Lindfield Montessori School. Strategic risks impact on the achievement of the organisation's strategic objectives

MONITORING, EVALUATION AND REVIEW

Relevant Legislation	Education Act 1990 (NSW) NESA Registered and Accredited Individual Non-Government Schools (NSW) Manual Australia Risk Management Standard AS/ISO 31000:2018 Work, Health and Safety Act 2011 (NSW)
Related Policies	Child Protection Policy School Governance Policy

POLICY REVIEWED	MODIFICATIONS	NEXT REVIEW DATE
December 2022	Reviewed	2024