



**EDMUND RICE EDUCATION  
AUSTRALIA**

# **Risk Policy**

**Approved by the EREA Board 26 June 2012**

**POLICY STATEMENT:**

Edmund Rice Education Australia (EREA) adopts a structured approach to managing and minimizing risks associated with undertaking its functions and activities.

**RATIONALE:**

Risk is defined as *anything that hinders the sustainable achievement of objectives and results, including the failure to exploit opportunities* (CSA, 2006). A proactive risk framework, inclusive of a Risk Policy and a Risk Management Plan, will assist EREA to better understand risk, identifying the risks associated with its operations, and subsequently, how to minimize and manage these risks.

In accord with the principles of good governance, the EREA Board is responsible for the oversight of risks associated with all operations undertaken by EREA and is committed to ensuring all processes and procedures in managing risk are based on best practice as evidenced in the education sector. The EREA Board is also committed to transparency in decision-making.

The EREA Board seeks excellence and consistency of practice which include:

1. reflecting the values of care and respect for all people;
2. responding to the needs of the most disadvantaged;
3. meeting the legal obligations under common law and legislation;
4. meeting the standards of industry and professional practice;
5. responding to the local contexts where services are operated; and
6. embracing training and development in risk.

**PRINCIPLES:**

EREA adopts the risk framework, principles, risk appetite and process defined in the Annexure.

**RESPONSIBILITIES:****EREA Board**

- The EREA Board is responsible for ensuring that all EREA risks are managed. The EREA Board shall decide whether or not to retain level 8 risk and The EREA Board shall advise the EREA Council of any level 9 or 10 risk.

**Executive Director**

- The Executive Director is responsible to develop procedures to implement this policy and will provide quarterly reports on the implementation of the Risk policy.
- The Executive Director should inform the EREA Board of any proposed activity that is outside of normal operations.
- The Executive Director shall decide whether to accept or reject any level 7 or below risk.
- The Executive Director may delegate responsibility for accepting or rejecting risk at level 6 or below.

**School Principals**

- Principals are responsible to manage risk to the level of their delegation.
- Principals may delegate their responsibility to others to manage any risk within their delegations.
- Principals shall advise the Executive Director of any risks that are outside of their delegations and shall advise the School Board of their school's risk profile.

**School Board**

The School Board is responsible to ensure that regular risk reports are received through the Principal.

**REVIEW:**

This Policy will be reviewed in 2015

## ANNEXURE: KEY IDEAS

EREA adopts the following principles to manage its risk

1. **STANDARDS:** EREA manages risk in accordance with the principles, framework and key processes defined in *AS/NZS ISO 31000:2009 Risk management— Principles and guidelines*. It will develop its risk management processes cognizant of *HB 266:2010 Handbook Guide for managing risk in not-for-profit organizations*

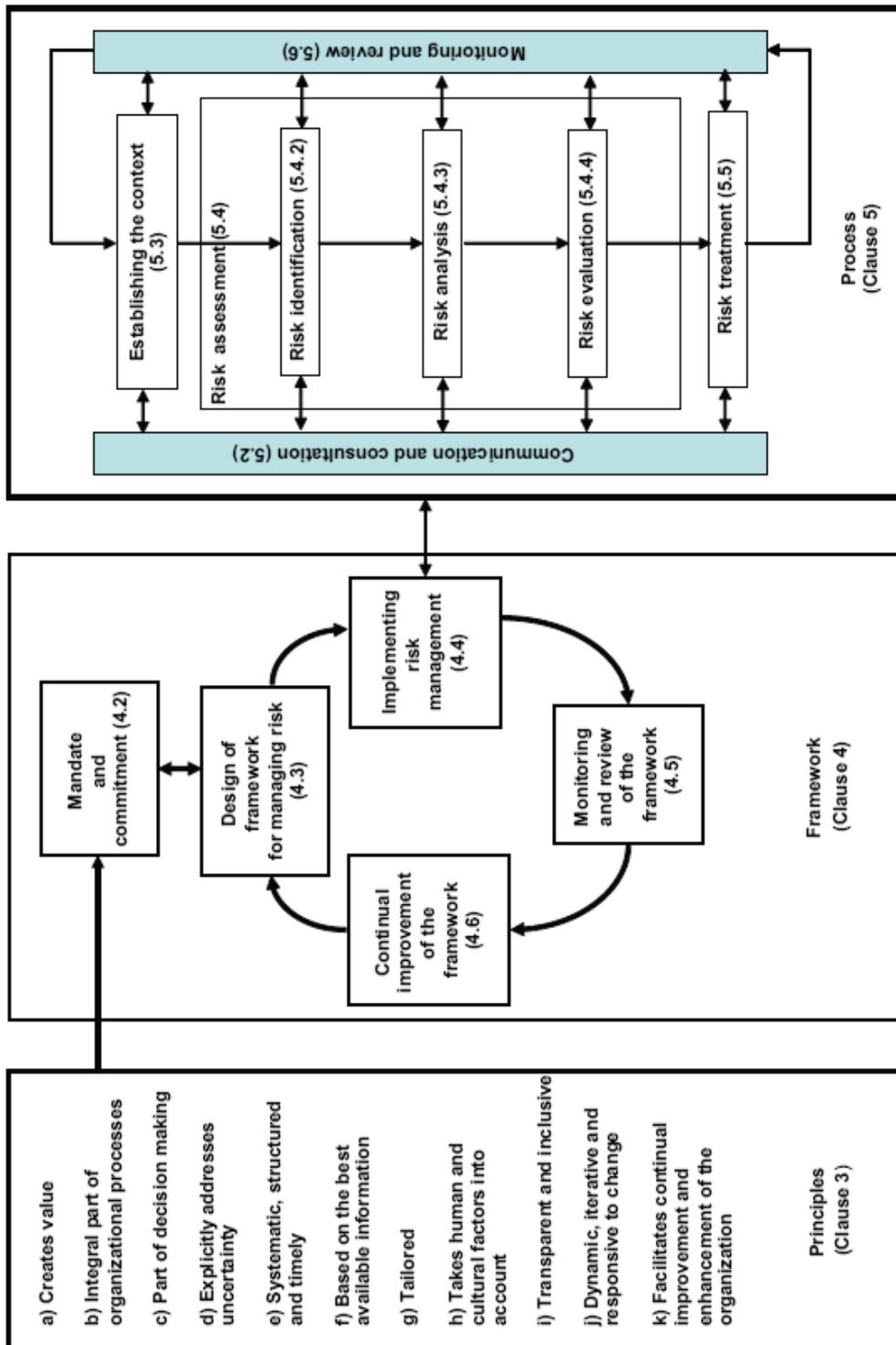


Figure 1 — Relationships between the risk management principles, framework and process

## 2. TOLERABILITY LEVELS

EREA recognises that there are two broad categories of risk that it is managing, viz.

- a. **Risks other than in Occupational Health and Safety and Wellbeing and Child Protection**, the EREA Board recognises that it is tolerable for EREA to accept risk so long as the likely opportunity exceeds the likely loss or damage
- b. **For Occupational Health and Safety and Wellbeing and Child Protection risks**, *the EREA Board find that harm to people is antithetical to its mission and consequently EREA does not accept that any level of risk is tolerable*. It is committed to ensuring that all practicable reasonable precautions are taken to prevent harm to people. All reasonable practicable precautions are to be taken based on what is known at the time in terms of the balance between the significance of the risk (likelihood and consequence) versus the effort required to reduce it. Effort includes expense, difficulty of implementation, and a consideration of other risks that would be introduced by treating the risk. Available resources are applied to the highest risks on a journey to eliminate these forms or harm.
  - i. For Occupational Health and Safety and Wellbeing, controls from lower in the following list shall not be considered unless those higher in the list cannot be justified on balance
    1. Eliminate the hazard or prevent the risk
    2. Substitute the hazard giving rise to the risk with a hazard giving rise to a lesser risk;
    3. Isolate the hazard from people;
    4. Engineering controls;
    5. Administrative measures;
    6. Personal protective equipment
  - ii. For Child Protection a child protection controls from lower in the following list shall not be considered unless those higher in the list cannot be justified on balance
    1. Eliminate the hazard or prevent the risk
    2. Substitute the hazard giving rise to the risk with a hazard giving rise to a lesser risk;
    3. Isolate the child from the hazard;
    4. Administrative measures.

**CONSISTENCY OF ASSESSMENT:** In order to be able to understand the entire universe of risks that it faces, EREA uses a common language for assessing risk. It uses a five step rating scale for consequence (Table 1) and likelihood, with each step approximately an order of magnitude greater than the next lowest step. Risks are evaluated on the basis of their likelihood and consequence, to ascertain the overall risk level to EREA (Table 3).

3. **DELEGATIONS:** The authority to expose EREA to a level of risk is delegated on the basis of the risk level expected after controls are introduced. The delegated officer that takes the decision to accept the risk must introduce sufficient controls to manage the risk to the level for which they have a delegation, and in the case of Occupational Health and Safety and Wellbeing and Child Protection must take on the responsibility for assessing the balance between the significance of the risk and the effort required to reduce it.

#### **4. RESPONSIBILITY FOR ASSESSMENT:**

With a view to subsidiarity,

- a. EREA schools and entities shall identify the hazards associated with their operations, assess the extant likelihood and consequences of the risk from these hazards on the basis of current controls, and then reduce the risk level as required by this policy. Each school or entity shall have a risk register that documents compliance with these requirements.
- b. The EREA National body shall, for hazards not covered in 5a, identify the hazards, assess the extant likelihood and consequences on the basis of current controls, and then reduce the risk level as low as is reasonably practicable consistent with this policy. EREA National body shall have a risk register that documents compliance with these requirements.

#### **5. REPORTING:** As part of its stewardship responsibilities the Executive Director shall ensure that

- a. EREA as a whole has a risk register that consolidates all entity and school risks and incorporates other risks that are evident at the entity level
- b. Conducts audits and checks to ensure that the whole of EREA risk register represents the totality of risks being run by EREA and accurately assesses the magnitude of those risks

The EREA Board shall review and assess the acceptability of the current risk profile.

#### **6. RESPONSIBILITY FOR COMPLIANCE WITH LAWS OF THE JURISDICTION:** Where legislation, regulation or a code of practice specifies a particular approach within a jurisdiction then the Principal or equivalent of an entity or school must ensure the mandated approach is followed in their school or entity

# TOLERABILITY

EREA adopts the classification of likelihood and consequence defined in Tables 1 and 2, and their combination into risk level defined in Table 3.

**Table 1: EREA "CONSEQUENCE" CLASSIFICATION.**

RATING		DESCRIPTION
<b>1</b> Insignificant	<b>SAFETY AND WELLBEING</b>	Injury but no treatment required.
	<b>CHILD PROTECTION</b>	Isolated instance of professional misconduct
	<b>EDUCATION</b>	Students achieving learning outcomes not in the top quartile of similar student populations and contexts
	<b>FINANCIAL</b>	Direct than \$50k within 1 financial year.
	<b>ENVIRONMENTAL</b>	On-site release immediately contained and no apparent damage
	<b>REPUTATIONAL</b>	Disruption to school for a period of < 6 hours
	<b>IDENTITY</b>	School has some issues regarding authenticity as a Catholic School in the Edmund Rice tradition to address
	<b>HUMAN RESOURCES</b>	Localised staff dissatisfaction.
<b>2</b> Minor	<b>LEGAL</b>	On the spot fine or improvement notice issued.
	<b>SAFETY AND WELLBEING</b>	First aid Treatment.
	<b>CHILD PROTECTION</b>	Isolated instance of reportable conduct
	<b>EDUCATION</b>	Students achieving below average learning outcomes compared to similar student populations and contexts
	<b>FINANCIAL</b>	Direct loss of \$50k-\$0.5M within 1 financial year.
	<b>ENVIRONMENTAL</b>	Minor scale damage or loss in a low sensitive environment
	<b>REPUTATIONAL</b>	Limited parental dissatisfaction. Local media coverage; Public (telephone) complaints. Disruptions to school for a period of > 6 hours < 24 hours
	<b>IDENTITY</b>	School has some more significant issues regarding authenticity as a Catholic School in the Edmund Rice tradition to address
<b>3</b> Moderate	<b>HUMAN RESOURCES</b>	Localised staff dissatisfaction with localised adverse effects on employee moral. Inability to attract or retain qualified personnel in non-critical roles.
	<b>LEGAL</b>	Fine \$10k-\$100k
	<b>SAFETY AND WELLBEING</b>	Medical Treatment (requires treatment by a doctor or Medical facility)
	<b>CHILD PROTECTION</b>	Repeated instances of reportable conduct
	<b>EDUCATION</b>	Students achieving learning outcomes in the bottom quartile of similar student populations and contexts
	<b>FINANCIAL</b>	Direct loss or opportunity cost of \$0.5M-\$5M within 1 financial year.
	<b>ENVIRONMENTAL</b>	Significant short term environmental harm.
	<b>REPUTATIONAL</b>	Wide spread dissatisfaction amongst parents. Ongoing adverse national media coverage. Major public reaction. Disruptions to school for a period of >2 days < 1 week
<b>4</b> Major	<b>IDENTITY</b>	School only granted interim accreditation as a Catholic School in the Edmund Rice tradition
	<b>HUMAN RESOURCES</b>	Medium scale, short-term strikes by personnel in critical roles. (<1 week)
	<b>LEGAL</b>	Fine \$100K-1M
	<b>SAFETY AND WELLBEING</b>	Serious injury (that requires hospitalisation)
	<b>CHILD PROTECTION</b>	Systematic criminal abuse
	<b>EDUCATION</b>	Loss of mandatory accreditation of single school
	<b>FINANCIAL</b>	Direct loss of \$5M-\$50M within 1 financial year.
	<b>ENVIRONMENTAL</b>	Significant long term environmental harm
<b>5</b> Catastrophic	<b>REPUTATIONAL</b>	Extended national adverse media campaign. Public inquiry. Significant public reaction. Significant disruptions to school for a period of >1 week < 1 month
	<b>IDENTITY</b>	School not granted accreditation as a Catholic School in the Edmund Rice tradition
	<b>HUMAN RESOURCES</b>	Large scale, medium-term strike by personnel in critical roles (1 week-1 month) Loss of a significant number of staff working in non-critical roles.
	<b>LEGAL</b>	Corporate fine \$1-10M; Personal fine
	<b>SAFETY AND WELLBEING</b>	Single death or multiple serious injuries.
	<b>CHILD PROTECTION</b>	Fatal abuse
	<b>EDUCATION</b>	Loss of accreditation of for multiple schools
	<b>FINANCIAL</b>	Direct loss of more than \$50M within 1 financial year.
<b>5</b> Catastrophic	<b>ENVIRONMENTAL</b>	Catastrophic irreversible harm
	<b>REPUTATIONAL</b>	Forced shut down. Intense public reaction. Severe disruptions to school for a period of >1 month
	<b>IDENTITY</b>	EREA loses episcopal approval to operate a particular or any schools in the diocese; Breakdown in relationship with the Christian Brothers
	<b>HUMAN RESOURCES</b>	Large scale, long-term strike by personnel in critical roles (> 1 month); Loss of a significant number of staff working in critical roles.
	<b>LEGAL</b>	Officer jailed; Fine >\$10M; Loss of PJP status Civil deregistration

**Table 2: EREA “LIKELIHOOD” CLASSIFICATION.**

RATING	DESCRIPTION
<b>1</b> Rare	The event could occur in >100 years
<b>2</b> Unlikely	The event could occur in >10 years to 100 years
<b>3</b> Possible	The event could occur in 1 to 10 years
<b>4</b> Likely	The event will probably occur once per year
<b>5</b> Almost Certain	The event is expected to occur more than once per year

**Table 3: OVERALL RISK LEVEL RATINGS.**

LIKELIHOOD	CONSEQUENCE				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
<b>1 5</b> Almost Certain	6	7	8	9	10
<b>2 4</b> Likely	5	6	7	8	9
<b>3 3</b> Possible	4	5	6	7	8
<b>4 2</b> Unlikely	3	4	5	6	7
<b>5 1</b> Rare	2	3	4	5	6

## DELEGATIONS

EREA has determined the appropriate delegations (Table 4) that authorise officers to

1. Expose EREA to a defined level of risk, and/or
2. Require that officer to ensure that the risks are managed, and/or
3. Balance between the significance of the risk and the effort required to reduce it

**Table 4: TABLE OF DELEGATIONS**

MANAGED RISK SCORE	RISK APPROVAL DELEGATION	
	OTHER THAN SAFETY AND WELLBEING AND CHILD PROTECTION	SAFETY AND WELLBEING AND CHILD PROTECTION
<b>10</b>	EREA Council	No delegation.
<b>9</b>		Operation will be stopped until risk level is reduced.
<b>8</b>	EREA Board	EREA Board
<b>7</b>	Executive Director	Executive Director
<b>6</b>	School Principal	School Principal
<b>5</b>	School Principal	School Principal
<b>4</b>	School Principal	School Principal
<b>3</b>	School Principal	School Principal
<b>2</b>	School Principal	School Principal