POLICY NAME

Risk Management Policy & Procedure

Risk Management Policy

PURPOSE

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 organizational environment.

The purpose of this policy is to assist with the systematic and responsible management of risk throughout **Nadi Sangam Primary School.** The Risk Management Policy applies to all areas of the school's operation including routine internal activities.

POLICY FRAMEWORK

The risk management process to be used by **Nadi Sangam Primary School** allows for more accountable and transparent decisions ensuring that decisions are made on the best evidence and information to hand. Effective risk management is used to support and enhance all areas of the work undertaken by **Nadi Sangam Primary School.**

Sound risk management principles and practices are to be a part of the normal management strategy for **Nadi Sangam Primary School.**

Ultimately risk management is the responsibility of all management levels. Accountability for the management of risk will be reflected in all individual position descriptions. The systematic management of risks will be used to assist with effective decision making in keeping with strategic and operational objectives and the allocation of funds and resources.

In all areas of **Nadi Sangam Primary School** operation an integrated approach to managing risks is to be implemented in accordance with this policy and in accordance with other policies and risk management processes relevant to the specific area of activity. Risk management is to form an integral part of all decision making processes.

For the purposes of this policy significant areas of risk are defined as those that may reasonably be expected to:

☐ Constitute a significant risk to the welfare of staff, students or the public including parents and guardians and other stakeholders.

☐ jeopardize the reputation of **Nadi Sangam Primary School** or present a significant legal exposure

☐ Pose a significant commercial or business risk that may threaten the reputation or well-being of **Nadi Sangam Primary School.**

POLICY CONTENT

Principles

Effective risk management is acknowledged as an integral component of sound corporate governance and will be applied to all activities undertaken by Nadi Sangam Primary School. Sound risk management also provides a system for the setting of priorities when there are competing demands and resources.

This policy is based on the principles identified MEHA DRR Policy and it acknowledges that effective risk management requires:

☐ A strategic focus

☐ Forward thinking and active 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 organization are realized.

Roles and Responsibilities

☐ The HOS will be responsible for the implementation of risk management within **Nadi Sangam Primary School.**

The OHS, DMP, EEP, COVID -19 TASK FORCE committee will be responsible for implanting risk management within their portfolio areas, areas of accountability and responsibility and will report to the HOS on any significant risks or risk areas.

The HOS is accountable for the implementation of sound risk management processes in the school in their care including creating an environment in which all workers are encouraged and supported to manage risks. HOS will report MEHA, school management board and AMU concerning any significant risk or risk areas.

All staff members will be responsible for avoiding unnecessary risks to themselves and others and reporting on any activities which may result in unacceptable risks. Effective management of risk depends on good quality information.

Identifying, Assessing and Managing Risks

Risk management process is to be systematically applied in three main areas:
1. Integrated into all business strategies, activities and management systems

2. Compliance and control

3. Incident management.

Context established

The context will be established to define the basic external and internal parameters within which risks must be managed and to provide guidance for decisions within more detailed risk management considerations.

Risks Identified

The risks to be managed will be identified.

Risks Analyzed

Risk analysis conducted to comprehend the nature of the risk and to determine level of the risk. This process will provide input to the decision on whether risks need to be treated and the most appropriate and cost effective risks treatment strategies. Risk analysis will involve consideration for the sources of the risk, positive and negative consequences and the likelihood that those consequences may occur.

Risks evaluated

Risk evaluation conducted to compare the results of risk analysis with risk criteria to determine whether the risk and its magnitude are acceptable or tolerable. The outcome will be used to make decisions including establishing which risks need to be addressed and the priority in which those risks will be addressed.

Risks Treated

Risk treatment will identify the range of options for treating risk, assessing these options and the preparation and implementation of treatment plans.
Note: Risk treatments that deal with negative consequences are sometimes referred to as 'risk mitigation', 'risk elimination', 'risk prevention', and 'risk reduction'.

Monitor and Review

Ongoing monitoring and review will be undertaken.

Record of the process

Each stage of the risk management process should be recorded appropriately and these records form an important aspect of good corporate governance.

Risk Management: The coordinated activities to direct and control an organization with regard to risk

Risk Management framework: Set of components that provide the foundations (1) and organizational arrangements (2) for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization (3).

(1) The foundations include the policy, objectives, mandate and commitment to manage risk.

(2) The organizational arrangements include plans, relationships, accountabilities, resources, processes and activities.

(3) The risk management framework is embedded within the organization's overall strategic and operational policies and practices.

Risk Management Policy: Statement of the overall intentions and direction of an organization related to risk management.

Risk Management Plan: Scheme within the risk management framework specifying the approach, the management components and resources to be applied to the management of risk.

Risk analysis: Process to comprehend the nature of the risk and to determine the level of risk.

Risk assessment: The overall process of risk identification, risk analysis and evaluation.

RISK MANAGEMENT POLICY AND PROCEDURE

Nadi Sangam Primary School accepts that there are areas of operation where risk management is required. These areas are broadly divided into *Assets and the Physical Environment* and *People and Actions*. Within each of these areas there are legal impacts and implications for education and business continuity, management and financial security and the school's reputation.
 The school's policies cover procedures and philosophies for the specifics within most of these areas, e.g. Evacuation Policy, DMP, OHS, COVID-19 SOP, SOP CYCLON, and SOP FLOOD.

The school has a Risk Management Plan which it uses to assess areas of risk on a periodic basis. Appropriate risk management strategies are devised as required and with advice from specialists in particular areas.

OBJECTIVES

Nadi Sangam Primary School recognizes that the school is exposed to risks due to the nature of our activities and the environment in which we operate. Risks arise due to the school's operational undertakings and from external sources. Risks occur in numerous ways and have the potential to impact the financial performance, reputation, health and safety, community and the overall ability to the school to deliver sound educational outcomes.

Sound understanding and proactive management of risk is vital to delivering on our strategic objectives and to ensure our success and ongoing sustainability.

The objective of our risk management system is to provide a consistent process for the recognition and management of risk across the school at both strategic and operational levels. The success of our risk management system lies in the responsibility placed on everyone at all levels to proactively identify, manage, review and report on risks relating to their specific areas of responsibility/control.

POLICY STATEMENT

In order to fully understand our risk exposure, the school has established a Risk Management Policy which provides the framework for how risk will be managed at the school. The Policy is based on the MEHA Risk Management Policy*: 2015: Risk Management – Principles and guidelines*, and forms part of the governance framework of the school. Risk management will be embedded into our strategic planning, decision-making and operational processes across the school.

Risks will be identified, analyzed and ranked in a common and consistent manner and a Risk Register will be maintained containing material risks to the school.

Risk treatment actions and plans will be developed for risks which are deemed unacceptable to the school. Risks, and the effectiveness of the risk management system will be monitored on a regular basis and we will communicate and consult with relevant stakeholders on our approach to managing risk.

Definitions of Terms

☐ Risk – The effect of uncertainty on objectives. It is characterized by potential and actual consequences.

☐ Risk Management – The coordinated activities used to control potential variations to plans to maximize opportunities and minimize loss.

☐ Risk Owner – The person who has the authority to manage and who is accountable for a risk.

☐ Stakeholder – Any organization or person who may be affected or thinks they may be affected by an activity.

☐ Control – A measure that modifies a risk.

RISK TOLERANCE

The school operates within a low overall risk range, with the lowest risk appetite relating to safety, finance and compliance objectives, including the health and safety of our students, staff and broader school community. Our tolerance for adverse risks will be used to determine which risks are required to be treated through the development of risk treatment actions to reduce risks to an acceptable level.

Risk understanding and our tolerance for risk will be key considerations in our strategic planning, decision making, operational control processes.

PRINCIPLES AND GUIDELINES

When to Risk Manage

Although risk management should be applied at some level for all activities it should be routine when

☐ changing a policy

☐ developing a strategic plan

☐ Starting new projects

☐ expending significant amounts of money

☐ looking at sensitive issues, Disaster such as flood, cyclone, Fire, Tsunami

Principles
Effective risk management begins with the following principles. Risk management
☐ is part of all activities.
☐ is part of all decision making.
☐ always considers uncertainty and how it can be addressed.
☐ is systematic and proactive.
☐ is based on accurate information and considers limitations of information.
☐ is built on the individual school.
☐ considers human nature and cultural factors.
☐ is transparent and involves all stakeholders.
☐ changes with the environment.

ACCOUNTABILITY

The Board maintains overall responsibility for identifying major areas of risk and providing strategic-level policies and procedures on how they are to be managed. Ownership of risks and risk treatment actions will be assigned to relevant roles within the school. The school has incorporated risk management accountability in board-level, management, teaching and administrative roles who are required to report on risks and risk treatment actions as specified in the Risk Register.

RISK MANAGEMENT OVERSIGHT

The board or its delegated (Risk) Sub-Committee will oversee the Risk Management Policy and the school's exposure to risk. Ongoing oversight of the effectiveness of our risk management processes and activities will provide assurance to the Board and stakeholders and will support our commitment to continuous organizational improvement. We will review material risk incidents and ensure that appropriate actions are taken and lessons learnt.

REPORTING, MONITORING AND REVIEW

The school will monitor risks and treatment actions on an ongoing basis and will update the Risk Register and risk treatment plans as required. Performance of the risk management system and outstanding risk treatment actions will be reported by the HOS to the Board (or delegated committee) on a regular basis. Formal reviews of both the risk management system and the Risk Register will take place on an annual basis and the Board will assess the effectiveness of the Risk Management Policy annually.

Process
Managing risk involves logical and systematic thinking.
A typical risk assessment process is summarized in the following table.
Communication and Consultation
Establish
Context
Identify
Risks
Analyze
Risks
Evaluate Risks
Risk Assessment
Monitoring and Review

Communication and Consultation

Both internal and external stake holders should be consulted and kept informed as appropriate to the school and circumstance. An open process will make sure that stake-holders are engaged and nothing is missed. In addition to the Board, the Work Health and Safety committee will, by agreement, be routinely consulted around matters pertaining to risk in the work place.

For each risk identified a consultative open approach will help ensure

☐ all stakeholders are considered.

☐ clear identification of all risks.

☐ all expertise is used.

☐ all parties are aware of the risk and the treatment devised.

Establish Context

☐ The school will consider the external and internal contexts in which it operates.

☐ External Context would include the political, legal, competitive and regional environments.

☐ Internal Context would include ethos of the school, strategic directions, school culture, contracts and existing policies.

☐ Nadi Sangam Primary School will define its risk criteria so the risk can be evaluated. For example, how the level of risk will be determined.

Risk Assessment Involves:

Risk Identification

NSS will develop a list of reasonable risks it may be exposed to including those associated with not pursuing an opportunity.

Not all risks will be under the control of the school. External "Risk Assessors" may be consulted in this area.

Risks have

☐ a source – the thing that can help or harm

☐ an event – something that happens, the source has impact

☐ a consequence – the impact on assets and stakeholders

☐ a cause – what and why is there a hazard

☐ controls – policies, training etc.

☐ a time and place where it could happen

The following questions could be asked of every risk considered.

☐ What is the source of the risk?

☐ What might happen that would help or hinder our mission?

☐ When, how and where is the risk?

☐ Who will be affected?

☐ Do we have existing controls?

☐ What could cause our controls to be less affective?

☐ Is our information reliable?

☐ Is this the only risk?

☐ Have all the right people been involved?

☐ What records have/will be kept?

Risk Analysis

At this stage the risk needs to be understood. The possible positive and negative consequences of all treatments, including no treatment, should be examined. The reliability of data and effectiveness of existing controls would be considered.

There are many ways of analyzing risk. All involve some way of measuring consequences and likelihood. Some are qualitative, involving descriptions, and others are quantitative, involving assignment of numerical values. A combination of these two types is also possible.

Consequence and likelihood tables are used to give a clear picture of possibilities. Once the consequences and likelihood have been determined the level of risk can be assessed using a Risk Matrix. Examples of consequence, likelihood and Risk Matrix tables are in Appendix 1.
When staff plan activities, excursions / incursions etc. assessment plans should be used to identify and manage risk.

Risk Evaluation

Based on the analysis and established criteria a decision as to the level of treatment is made. The decision may be to do further analysis if the risk is not properly understood. All legal requirements and flow-on effects should be considered.
A good question to ask is *"Under what circumstances, if any, would this risk be tolerable?"*

Risk Treatment

The treatment(s) decided on are implemented. This stage involves:
☐ a review of existing guides.
☐ agreement that the root cause of the risk has been identified.
☐ determining if the risk can be shared wholly or partly with another party. E.g. By contract or insurance cover.

Risk treatment also involves:
☐ documenting the decisions.
☐ determining who is accountable for implementing the option(s).
☐ allocating resources.

Monitoring and Review

At all stages the risk needs to be monitored and plans reviewed. This will involve
☐ allocation of personnel to do the monitoring and review.
☐ measuring to see if the treatment was effective.
☐ determining if further information is required.
☐ checking to see if other risks are emerging.
☐ Doing a cost benefit analysis to see if the event was "worth it".

Risk Management Documentation

Formalized processes and documentation assist in making the risk management process comprehensive, reliable and less onerous.
For some school activities it is good practice to have a documented "plan B". This document would take effect if the risks during an event became too great due to changing circumstances. The circumstances that would trigger the implementation of "plan B" should have been discussed before the activity commences.

APPENDIX 1 Consequence, Likelihood and Risk Matrix Tables

Consequence Tables Risk Level	Description
Severe	A considerable potential for loss of school capability, multiple fatalities, failure to achieve any outcomes of activity, or serious long term degradation of public image and morale.
Major	A considerable potential for serious degradation of school capability, fatal injury, failure to achieve outcomes of activity or significant degradation of public image/morale.
Moderate	A moderate potential for serious degradation of school capability, fatal injury, equipment loss, failure to achieve outcomes of activity or short term impact to public image/morale.
Minor	Has the potential to degrade school capability, injure students, staff or members of the public, damage equipment or compromise outcomes of activity.
Low / Not Significant	Minimal potential for impact to students, staff and members of the public, equipment, activity or public image/morale.

Risk Matrix

			Potential Consequences				
			L6	L5	L4	L3	L2
			Minor injuries or discomfort. No medical treatment or measureable physical effects.	Injuries or illness requiring medical treatment. Temporary impairment.	Injuries or illness requiring hospital admission.	Injury or illness resulting in permanent impairment.	Fatality
			Not Significant	Minor	Moderate	Major	Severe
Likelihood	Expected to occur regularly under normal circumstances	Almost Certain	Medium	High	Very High	Very High	Very High
	Expected to occur at some time	Likely	Medium	High	High	Very High	Very High
	May occur at some time	Possible	Low	Medium	High	High	Very High
	Not likely to occur in normal circumstances	Unlikely	Low	Low	Medium	Medium	High
	Could happen, but probably never will	Rare	Low	Low	Low	Low	Medium