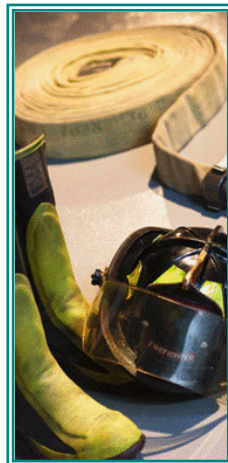

Xavier Catholic College Risk Management Policy



18 March 2013

Risk Management Policy (Draft)

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 organisational environment.

The purpose of this policy is to assist with the systematic and responsible management of risk throughout **Xavier Catholic College**. The Risk Management Policy applies to all areas of <insert name of organisation>'s operation including routine internal activities.

POLICY FRAMEWORK

The risk management process to be used by **Xavier Catholic College** 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 **Xavier Catholic College**.

Sound risk management principles and practices are to be a part of the normal management strategy for **Xavier Catholic College**. 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 **Xavier Catholic College**'s 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
- Jeopardise the reputation of <insert name of organisation> or present a significant legal exposure
- Pose a significant commercial or business risk that may threaten the reputation or well being of **Xavier Catholic College**.

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 <insert name of organisation>. 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 in Section 3 of AS/NZS ISO 31000:2009 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 organisation are realised.

Roles and Responsibilities

Michael Vella will be responsible for the implementation of risk management within **Xavier Catholic College**.

Michael Woerner will be responsible for implanting risk management within their portfolio areas, areas of accountability and responsibility and will report to the principal or Assistant Principal on any significant risks or risk areas.

The Principals is accountable for the implementation of sound risk management processes in the college in their care including creating an environment in which all workers are encouraged and supported to manage risks. Principals will report to the Michael Woerner 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.

Risk Management will be conducted in keeping with:

1. AS/NZS ISO 31000:2009 *Risk Management*
2. HB 266:2010 *Guide for managing risk in not-for profit organizations*,

and will following this process:

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 Analysed

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.

RELATED LEGAL INSTRUMENTS, POLICIES and PROCEDURES

<Insert list and relevant notes of related legal instruments and organisational policies and procedures>

KEY DEFINITIONS

The following definitions are drawn from *AS/NZS ISO 31000:2009 - Risk Management - Principles and Guidelines*:

Risk: The effect of uncertainty on objectives often characterised by reference to potential events and consequences or a combination of these.

Risk Management: The co-ordinated activities to direct and control an organisation with regard to risk

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

- (1) The foundations include the policy, objectives, mandate and commitment to manage risk.
- (2) The organisational arrangements include plans, relationships, accountabilities, resources, processes and activities.
- (3) The risk management framework is embedded within the organisation's overall strategic and operational policies and practices.

Risk Management Policy: Statement of the overall intentions and direction of an organisation 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.