

Title	Risk Management Procedure
Policy Category	Governance
Policy Type	Best Practice
NQF Standard	NQS: Quality Area 7
Related Legislation	See legislation map

Background and Context

This procedure outlines how, using the principles of the Australian Standard on Risk Management – Guidelines (AS/NZS ISO 31000:2018), Glen Education determines the risks and opportunities that need to be addressed in order to:

- give assurance that its quality management framework can achieve its intended results
- enhance desirable effects
- prevent, or reduce undesired effects
- assist in identifying and realising opportunities
- achieve improvement of the quality management framework

The result of this procedure will enable Glen Education to plan and implement improvement actions to support the ongoing effectiveness of its processes in order to achieve quality objectives.

Risk management refers to all of the actions we take to reduce our exposure to risk to achieve our objectives. It facilitates continuous improvement by linking risks to organisational planning and performance reporting. Risk management is integrated into day-to-day activities and informs all aspects of our business.

Scope

The Risk Management Procedure is used by the Executive Management team to identify and address risks and opportunities which may affect the achievement of quality objectives. It provides information for all staff who are responsible for risk management – including the Glen Education Board and volunteers.

This procedure should be read in conjunction with the:

- Risk Management Policy
- Business Continuity Plan
- Emergency Management Plans specific to each site

Definitions

Term	Definition
Action	A planned, temporary strategy applied to maintain or achieve the target level of risk after controls are applied. Actions are undertaken within a pre-determined timeframe
Consequence	The outcome of an event which affects Glen Education's ability to achieve its objectives
Control	An existing strategy used to maintain or reduce a risk and may include any process, policy or practice and are an ongoing function of the business
Event	An occurrence or a change of a particular set of circumstances. An event can be something that is expected which does not happen, or something that is not expected which does happen
Existing Control	An existing control includes systems and procedures already in place to mitigate risks
Inherent Risk	The probability of loss arising out of circumstances or existing in an environment, in the absence of any action to control or modify the circumstances
Likelihood	Chance or probability of the risk occurring as a result of an event
Residual Risk	Exposure to loss remaining after other known risks have been countered, factored in, or eliminated
Risk appetite	Level of risk or opportunity Glen Education is willing to accept in achieving its objectives
Risk assessment	A structured process of risk identification and analysis
Risk level	Expression of the effect of a risk, in terms of its likelihood and the consequence if it were to occur. Risk levels are assessed at current and target
Risk management	Coordinated activities to direct and control an organisation with regard to risk
Risk owner	Position with accountability and authority to manage a risk
Risk Rating	The relative measure of risk as defined by the combination of likelihood and consequence
Risk register	A tool or centralised repository used to record risk, controls and actions
Risk Treatment	Controls that are proposed (i.e., not yet existing) to reduce or mitigate the likelihood or consequence of an event occurring, that is to reduce the residual risk
Risk tolerance	The variation from the pre-determined risk appetite Glen Education is prepared to accept

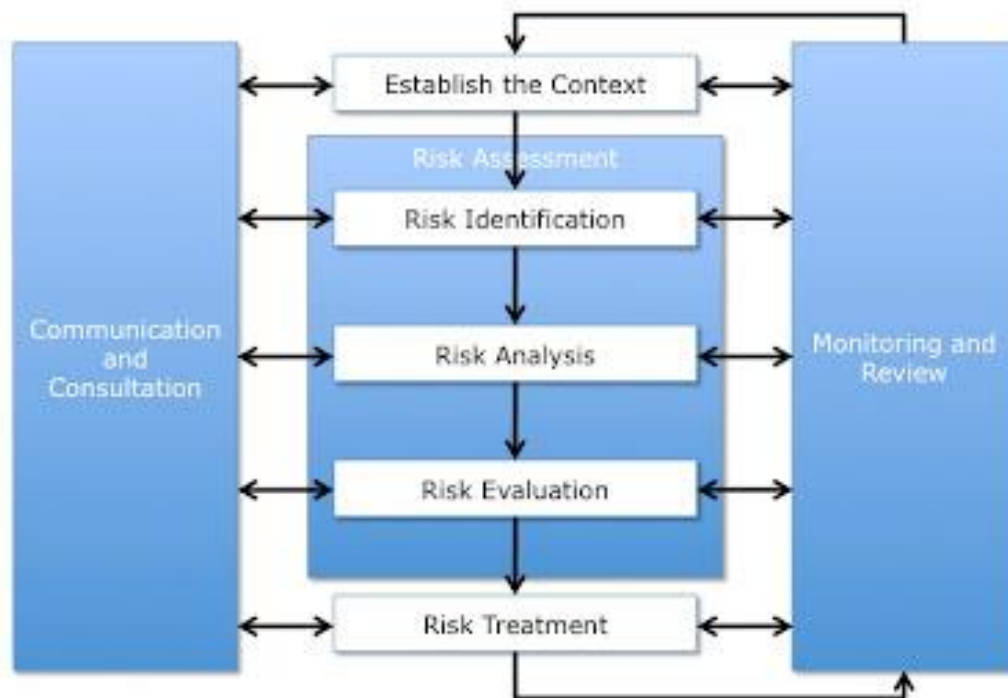
Responsibilities and Authorities

Board	<ul style="list-style-type: none"> Responsible for setting the risk appetite statement
Executive Management Team	<ul style="list-style-type: none"> Responsible for managing risk across the organisation Ensure that risk management is fully integrated with operational

	<p>planning processes and considered in the normal course of activities at all levels</p> <ul style="list-style-type: none"> • Identify and evaluate the significant risks that may influence the achievement of quality objectives • Assign accountability for managing risks within agreed boundaries • Ensure that a risk-based approach is communicated to our people and embedded in organisational processes • Design, resource, operate and monitor internal risk management systems • Monitor the effectiveness of the risk management system and internal controls • Provide the Board with quarterly risk reports and report any risks in line with the risk management policy.
All Managers and Leaders	<ul style="list-style-type: none"> • Responsible for applying agreed risk management policy and strategies in their area of responsibility and are expected to report identified weaknesses or incidents to Executive Management Team in a timely fashion
Compliance and Quality Assurance roles	<ul style="list-style-type: none"> • Implement and monitor the effectiveness of quality management systems and processes • Complete quarterly audits as required and analyse the results to determine and implement preventative actions

ISO 31000 Principles

ISO 31000 was developed with the objectives of providing a generic framework for identification, analysis, assessment, treatment and monitoring of risk. The Glen Education risk management procedure follows the ISO 31000 methodology illustrated below.



The process of managing risk at Glen Education involves:

- establishing the context of risks within Glen Education’s quality management framework objectives and processes
- identifying the risks (including identifying the likelihood and consequences associated with each risk)
- analysing the risks
- assessing and prioritising the risks
- treating the risks
- continually monitoring and reviewing the risks and treatments

The following Risk Management process is documented in Glen Education’s Risk Management Register and Report.

Establish the Context and Identify Risks

The Executive Management Team shall establish the internal and external context of its organisation.

1. Internal context

The internal context refers to the internal environment in which the organisation functions and seeks to achieve its objectives. Consideration should be given to factors such as:

- Objectives and strategies in place to achieve objectives
- Governance, structure, roles and accountabilities
- Capability of people, systems and processes
- Delivery of innovative and contemporary programs
- Changes to processes or compliance obligations

Establish the context which might impact achieving objectives. These may include factors relating to:

- Organisational structure
- Services provided
- Personnel competencies / skill levels
- Organisational culture
- Workplace premises
- Workplace equipment / technology

2. External context

The external context is the environment in which the organisation operates and seeks to achieve its objectives. Consideration should be given to the following inputs as they relate to the business, social, regulatory, legislative, cultural, competitive, financial, and political environment, including:

- Relationships with external stakeholders
- Geographical location
- Legislative/regulatory framework
- Policy environment
- Economic conditions
- Employment market / factors

3. Risk Identification

Management shall identify and describe the sources of risk, including the risk event, cause, and consequence. There may be great diversity of opinion on the actual risks and their various sources, given different perceptions, knowledge and experience. Management should consult the relevant people to determine required detail.

Risk Assessment

Glen Education undertakes an inherent risk analysis by determining the likelihood and consequence of any identified risks. This is undertaken on a quarterly basis (or more often as required) and includes the following components:

- Likelihood
- Consequence
- Risk Rating
- Evaluation
- Residual Risk Analysis

This approach is clearly described in Glen Education’s Risk Management Policy.

Risk Treatment

Glen Education will prioritise risks and decide on risk acceptability to determine the treatment of risks. The identification and evaluation of the treatments are summarised below:

OPTION	TREATMENT
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AVOID	Deciding not to proceed with the activity that introduced the unacceptable risk, choosing an alternative more acceptable activity that meets business objectives, or choosing an alternative less risky approach or process.
REDUCE	Implementing a strategy that is designed to reduce the likelihood or consequence of the risk to an acceptable level, where elimination is considered to be excessive in terms of time or expense.
SHARE or TRANSFER	Implementing a strategy that shares or transfers the risk to another party or parties, such as outsourcing the management of physical assets, developing contracts with service providers or insuring against the risk. The third-party accepting the risk should be aware of and agree to accept this obligation.
ACCEPT	Making an informed decision that the risk rating is at an acceptable level or that the cost of the treatment outweighs the benefit. This option may also be relevant in situations where a residual risk remains after other treatment options have been put in place. No further action is taken to treat the risk; however, ongoing monitoring is recommended.

Documentation, Risk Monitoring and Review

The Executive Management Team will determine and document the method for monitoring the action plan and review points in the Risk Management Register and Report.

The Risk Management Register and Report will be reviewed each quarter (or more often if required) and reported to the Glen Education Board and staff as required.

Communication and Consultation

The Board and Executive Management Team will determine the level of communication and consultation required to deal with identified risks. Where stakeholders contribute to the decision-making process, there is a much larger pool of information and expertise to enable appropriate solutions to be developed.

Communication and consultation amongst the organisation is invaluable in terms of regaining control of business activities.

Approvals and Revision

Date	Version	Author	Revision Description
Q2 2022	1.00	Glen Education Executive Management Team	New Procedure