

Risk Management and Compliance

Gary Robinson



Book 'em, Lou.
....for failure to
comply.



There is a Test!



Governance

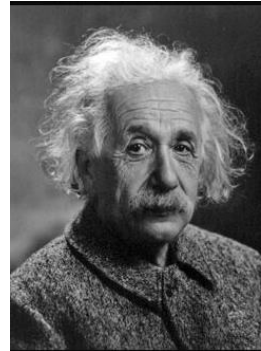
The system by which the whole organization is directed, controlled and held accountable to achieve its core purpose over the long term'

Risk Governance

Governors should put in place a structure of risk responsibility throughout the organisation. As a result, everybody in the organisation will be aware of their own risk responsibilities and accountabilities and those of others with whom they work



TAKE A RISK
MAKE A MISTAKE
LEARN SOMETHING NEW



Common sense is the collection of prejudices acquired by age eighteen.


(Albert Einstein)

RISK

IF YOU WANT IT,
GO FOR IT.
TAKE A RISK.
DON'T ALWAYS
PLAY IT SAFE OR
YOU'LL DIE
WONDERING.

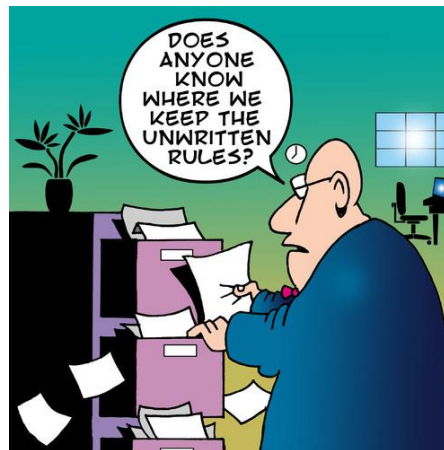
www.dakota.com

The Best Sentence By Swami Vivekananda...



"Take Risks In Your Life"

If You Win, You Can Lead!
If You Loose, You Can Guide!



Education is a Risky Business

Several high-profile incidents of school **fraud** demonstrate the real **risk** of inappropriate behaviour occurring at schools.

....schools are now legally required to improve their **risk** management and governance frameworks to meet **compliance** requirements.

Push for mandatory jail time as **violence against principals increases**

There has been a push for **tougher penalties** for physical and verbal assaults against school principals after a second incident of abuse recently occurred in Western Australia

The school in this case implemented an established procedure for responding to **allegations** against a staff member

School wins appeal against **liability for student's paralysis**

What conduct will be captured by the child abuse definition?

- encouraging a child to engage in inappropriate or **risky** behaviour; or



If you haven't identified the risks that your school is exposed to then how can you put controls in place to manage those risk?



Part 3 — Workplace safety requirements

Division 1 — General duties applying to workplaces

3.1. Identification of hazards, and assessing and addressing risks, at workplaces

A person who, at a workplace, is an employer, the main contractor, a self-employed person, a person having control of the workplace or a person having control of access to the workplace must, as far as practicable —

- (a) identify each hazard to which a person at the workplace is likely to be exposed;
- (b) assess the risk of injury or harm to a person resulting from each hazard, if any, identified under paragraph (a); and
- (c) consider the means by which the risk may be reduced.

Penalty: the regulation 1.16 penalty.

OS&H Regulations 1996



Risk

Organizations of any kind face internal and external factors and influences that make it uncertain whether, when and the extent to which they will achieve or exceed their objectives. The effect this uncertainty has on the organization's objectives is "risk".

All activities of an organization involve risk. Organizations manage risk by anticipating, understanding and deciding whether to modify it. Throughout this process they communicate and consult with stakeholders and monitor and review the risk and the controls that are modifying the risk.

**Australian Standard
AS/NZS ISO 31000:2009
Risk management—Principles and guidelines**





AS/NZS ISO 31000:2009
Risk management—
Principles and guidelines



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Not All Mandatory

Australian Standards are not legal documents but many, because of their rigour, are called up into legislation by government and become mandatory. This is a decision made by elected governments, not Standards Australia. Standards are also often incorporated into legal contracts.

Governments tend to refer to a Standard if the activity is **high risk**.



<http://www.saiglobal.com/>



Department of Education Services

Risk management

The governing body must maintain appropriate oversight to prevent the taking of unacceptable risks, even though it is not involved in the day-to-day operation of the school. In order to fulfil obligations in oversight management, the governing body should feel confident that there is a process of policy development and review. This is to include audits to identify risks and must include reporting of critical and other relevant incidents, to provide reasonable assurance that identified risks are being managed and duties and obligations are being met. Governing bodies should also consider professional indemnity insurance.

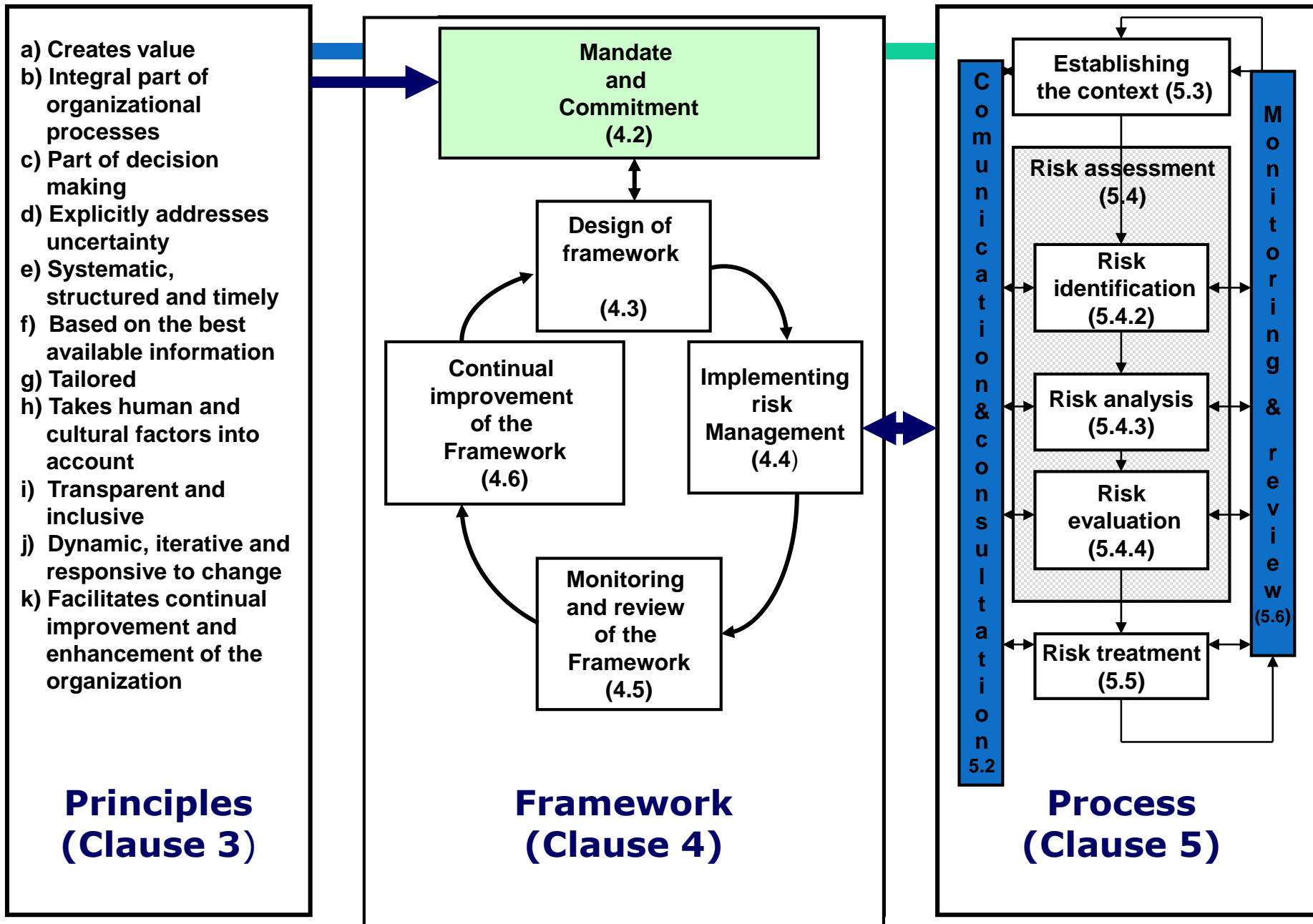
<http://www.des.wa.gov.au>



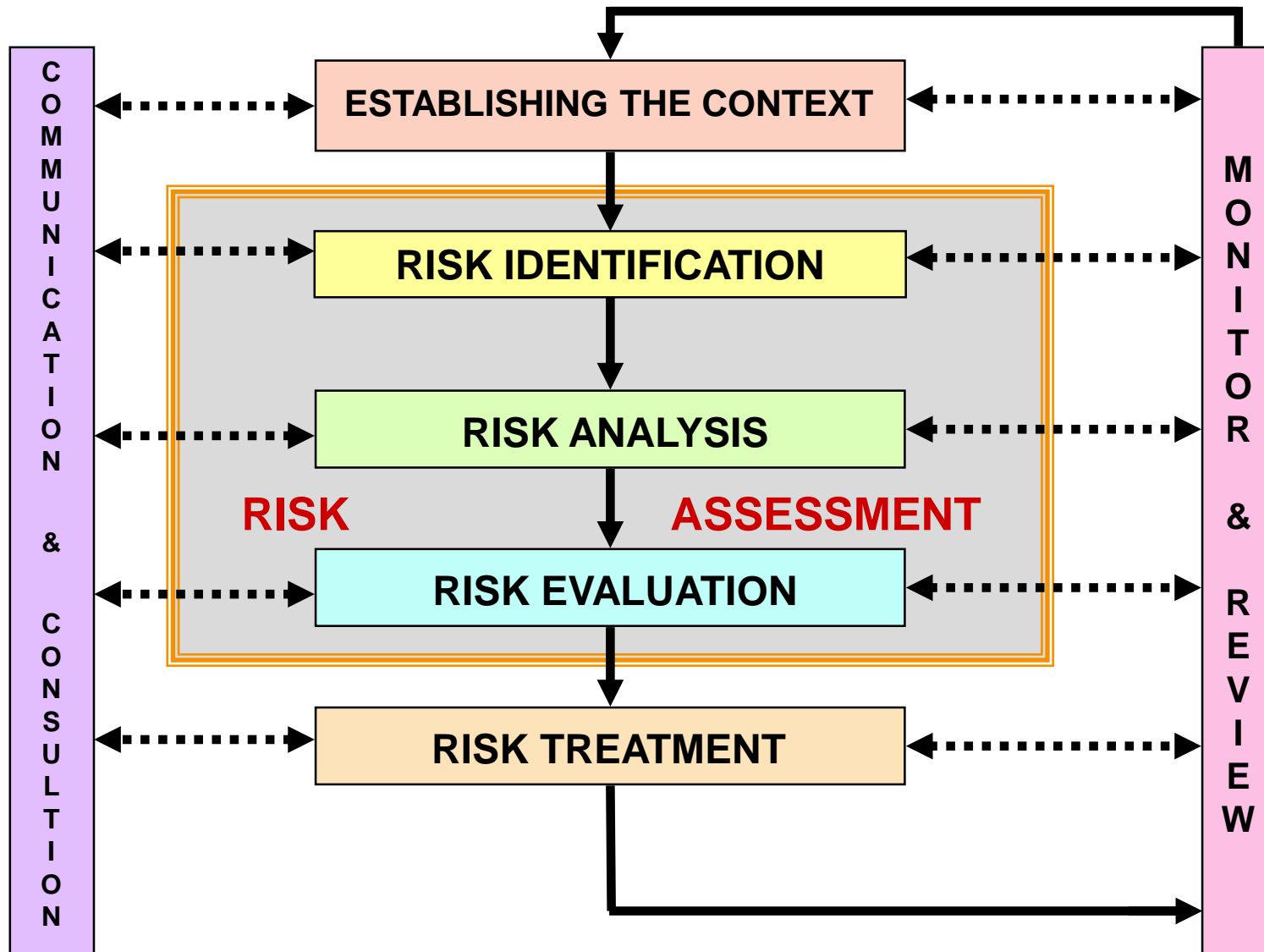
What you want is a culture where

All decision making within the school, whatever the level of importance and significance, involves the explicit consideration of risks and the application of the risk management process to some appropriate degree.





AS/NZS ISO 31000:2009 Figure 1 – Relationship between the principles, framework and process



ESTABLISHING THE CONTEXT

- Committed governance and management
- Clear understanding of the school, its culture, resources, policies
- Stated commitment to good risk management policy and why it is a high priority
- Who manages each risk and is accountable, records and communication.
- How does it fit into policies
- How will stake holders be informed and involved?
- A commitment to getting started





RISK IDENTIFICATION

- Audits or physical inspections.
- Accident / Incident reports.
- Brainstorming.
- History.
- Interview / focus groups.
- Personal or organisational experience.
- Scenario analysis.
- Surveys or questionnaires.
- Review policies looking for risks.
- Compliance check list.
- Review the Registration Standards and Requirements



Governors (governance) and leadership (operational) will have different risks.



Don't Jump...



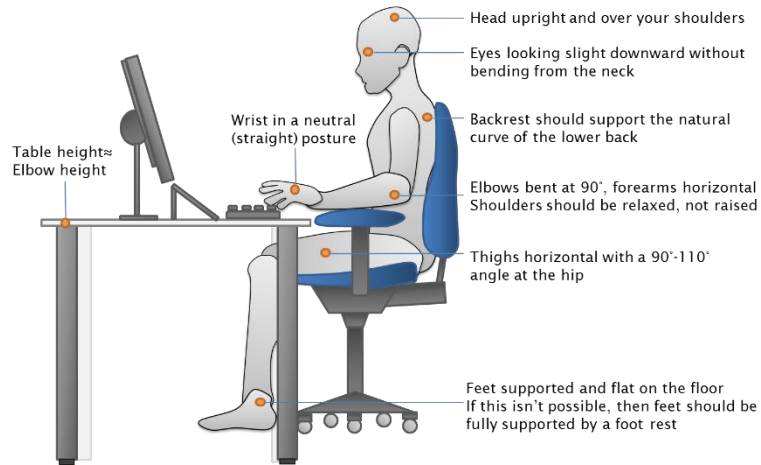
Don't Bend...



Don't Twist...



Don't Reach...



	Women		Men		
Shoulder height	3kg	7kg	10kg	5kg	Shoulder height
Elbow height	7kg	13kg	20kg	10kg	Elbow height
Knuckle height	10kg	16kg	25kg	15kg	Knuckle height
Mid lower leg height	7kg	13kg	20kg	10kg	Mid lower leg height
	3kg	7kg	10kg	5kg	

Lifting and lowering

Black Swan Event

A single Black Swan event invalidates a generally accepted, long believed, 'fact'.

Rare, not predicable and high impact.

Historically we have been blind to random large deviations.

[The Black Swan: The impact of the Highly Improbable by Nassim Nicholas Taleb](#)



What Risks in These Policies/Documents need Mitigation?

- ✘ Student Behaviour Management
- ✘ Complaints and Disputes
- ✘ Police Checks/Teacher Registration/WWCC
- ✘ Duty of Care
- ✘ Family Law
- ✘ Pandemic
- ✘ Construction on Site
- ✘ Excursion
- ✘ Staff Conduct
- ✘ Visitors
- ✘ Strategic Plan



Vision and Mission

Vision – Where do we want to be?

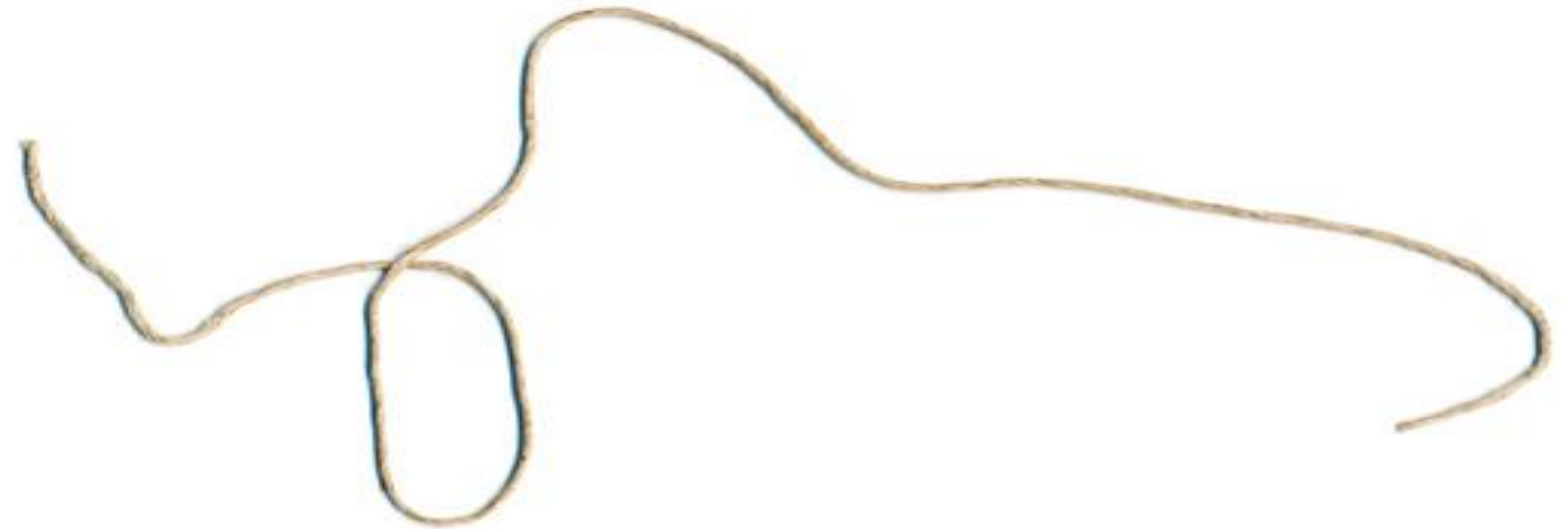
E.g. To provide Australia with the worlds best business leaders.

Mission – What are we doing now to achieve our vision?

E.g. To provide our students with a safe, innovative and flexible curriculum so they become ethical and entrepreneurial leaders.

Governance and leadership should know what they are protecting.
This gives focus to risk management and direction with strategic planning.





How many risks should be on our register?

It depends on your granularity!



Granularity



Risk Category	Risk Description
OSH	Staff are not safe in the work place.



Risk Category	Risk Description
Use of power boards	Staff uses too many power boards
Testing and Tagging	Equipment is not tested and tagged
Trips	Pavers are not even
Storage	Heavy items stored too high
Cut injury	Sharp paper not labelled correctly



Risk Description

Semantic discipline is required for risk writers!

There is a risk **that the chemicals as a result of being stored incorrectly** may lead to a **fire or explosion** occurring that **damages people and/or property**.

Trigger or circumstances.

The risk or what might happen.

The impact if the risk event happens.



RISK ANALYSIS

Consequence Descriptions

Negligible	No injuries or fatalities Little support needed Little or no financial loss (<\$100) No loss to reputation
Small	Few injuries no fatalities Some damage. Less than 24hrs disruption Some financial loss (\$100 - \$1000) Some short term damage to reputation
Moderate	Medical treatment required no fatalities Normal function with some inconvenience Significant financial loss (\$1000 - \$20000) Significant damage to reputation
Serious	Extensive injuries. Fatalities. External support needed. Significant damage. Many services limited. Significant financial loss, assistance needed. (\$20000 - \$100000) Significant long term damage to reputation
Catastrophic	Many severe injuries and fatalities. Many hospitalised. Extensive support needed. Limited or no functioning services. Major financial loss. Perhaps unrecoverable. (>\$100000) Major, perhaps permanent damage to reputation



Probability or Likelihood

What is the likelihood of this event occurring?

Rarely happens (never heard of this happening, but I guess it could)

Unlikely to happen (I did hear of this happening once or twice before)

Possible to happen (It has happened to us or to others like us)

Likely to happen (Usually occurs at least once every couple of years)

Definitely will happen (It has happened nearly every year)



Perception of Likely Risk

The level of risk determined depends on the quantity and quality of the information and the **perception** of the person doing the analysis.



<http://beachsafe.org.au/>



Risk	Consequence	Likelihood
Failure to do a mandatory report.	Small	Unlikely
Staff member not registered.	Moderate	Unlikely
Inadequate D&O Insurance	Serious	Unlikely
Bursar committing fraud	Serious	Possible
Fees not being paid on time	Small	Definitely
Loss of data due to server failure	Serious	Possible
Bushfire attack	Catastrophic	Definitely
Funding reduced significantly	Serious	Likely



Risk Matrix

Consequence

		Consequence				
		Negligible	Small	Moderate	Serious	Catastrophic
		1	2	3	4	5
Likelihood	Definitely 5	M 5	H 10	H 15	E 20	E 25
	Likely 4	M 4	M 8	H 12	H 16	E 20
	Possible 3	L 3	M 6	M 9	H 12	E 15
	Unlikely 2	L 2	M 4	M 6	M 8	H 10
	Rare 1	L 1	L 2	L 3	M 4	M 5



Low Medium High Extreme

Consequence

		Consequence				
		Negligible 1	Small 2	Moderate 3	Serious 4	Catastrophic 5
Likelihood	Definitely 5	M 5	M 10	H 15	E 20	E 25
	Likely 4	L 4	M 8	H 12	H 16	E 20
	Possible 3	L 3	M 6	H 9	H 12	E 15
	Unlikely 2	L 2	L 4	M 6	M 8	E 10
	Rare 1	L 1	L 2	L 3	L 4	E 5



Low Medium High Extreme

RISK EVALUATION

Is the level of risk acceptable or unacceptable?

If acceptable: carry on, communicate, monitor, review

If unacceptable: treat or avoid



R, R, T or A?

Retain: Check assumptions. Provide information and resources. Check your insurance cover.

Reduce: Can consequences be reduced? Can the likelihood be reduced? Would training, supervision, better equipment, clearer policy or procedures help?

Transfer: Get in an expert. Increase insurance so all possible cost is transferred.

Avoid: We don't do it...OR... Can we change how we do this to remove or reduce the risky bit?

Is it worth the cost?

Will the treatment reduce the risk to an acceptable level?



Question

Is this activity, that has an unacceptable level of risk, an activity we want to keep on doing because the educational benefits outweigh the perceived risk?



Lastly

Who will implement the treatment?

Who will monitor the treatment?

How will we know if it is working?

How will we know if the risk changes?

Have new risks developed?

Have our assumptions changed?



RISK TREATMENT

Good policies are one of your essential risk management strategies for staying a compliant school.

However during a court case a year or so ago one of the lawyers stated that it seemed to them that many organisations had excellent policies but there was often a huge gap between the policy and what actually happened on the ground.

It seemed that sometimes the policy was not adhered to because in this case the person who was in trouble had been allowed to get away with policy breaches because they made the company lots of money.



Therefore

- enforce policies by checking they are being followed and having consequences for breaches*
- make sure every one is updated with changes*



POLICY

The formal guidance needed and executed actively in the school. Policy provides the operational framework within which the school functions and decision are made.

- Widespread application.
- Doesn't change often.
- Expressed in broad terms.
- States "what" and/or "why".

PROCEDURE

The operational process required to implement school policy. Often presented as a series of steps to follow. Several procedures may apply to a policy.

- Often narrow application.
- Prone to change.
- Stated in detail.
- Describes process.
- States "how", "when" and "who".

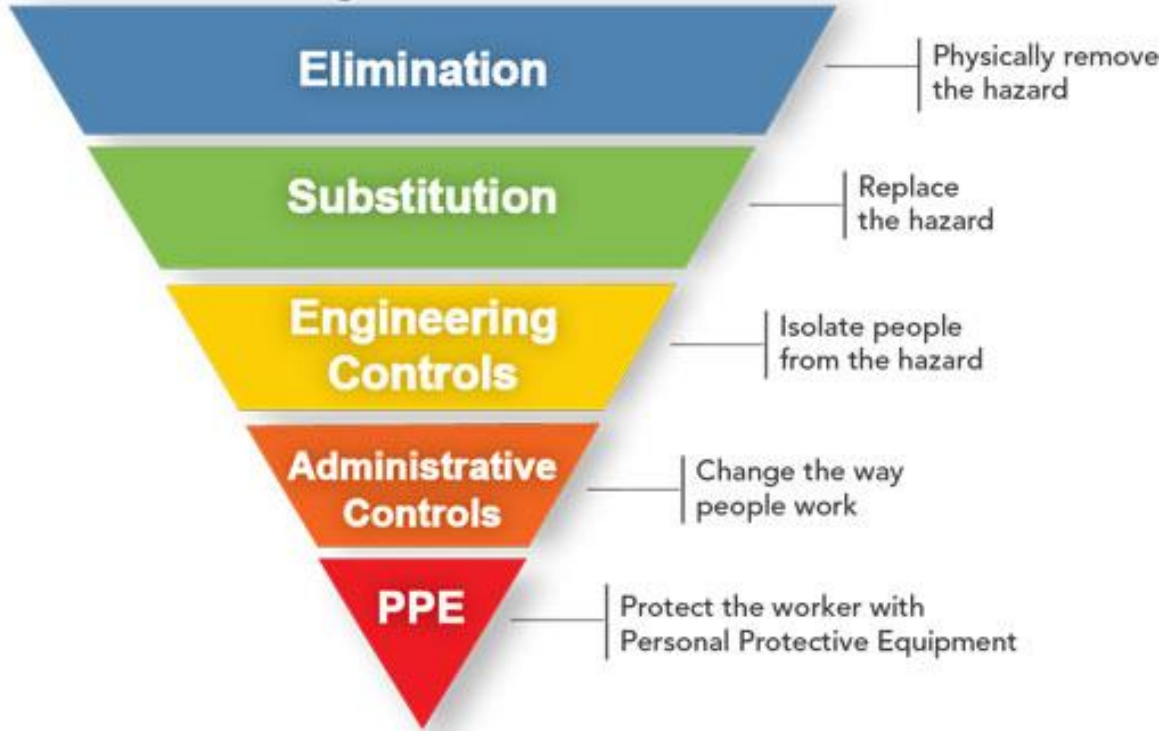


Hierarchy of Controls

Most effective



Least effective



Risk Register

Risk ID	Risk Category	Risk Area	Description/Activity (There is a risk that...)	Event Trigger (We will know when the risk is realised when...)	Potential Impact (If the risk becomes an issue the impact will be...)	Raw Risk Assessment			Current Controls	Residual Risk			Residual Control Rating	Assumptions	Action	Risk Monitor	Last/Next Review Date	Further Treatment Required
						Consequence Rating	Likelihood Rating	Risk Rating		Consequence Rating	Likelihood Rating	Risk Rating						
1.0	Student																	
1.1		Failure to achieve	students won't achieve at expectation	Data shows poor results	Parent complaints. Parents withdraw students. Don't attract good students	4	4	16	Data analysis Staff performance linked to student results Specialist Staff Specialist resources	4	1	4	excellent	Valid assessments	Periodic Review Required	Curriculum Deputy	Nov 2015 Nov 2016	
1.2		Failure to extend	bright students are not extended	Students are bored and not achieving their potential	Bright students are withdrawn from the school.	3	1	3	Data analysis Specialist Staff Specialist resources PEAC program	4	4	16	adequate		Periodic Review Required			
2.0	Duty of Care																	
2.1		Excursions/Camps	Students will drown at the beach.	A student needs to be rescued or drowns.	Injury or death to a student. Loss of school reputation.	5	2	10	Beach excursion policy. Training staff in open water safety and rescue.	4	1	4	Inadequate		Do Not Proceed			
			Students could fall and injure themselves	A student is injured	Injury or death to a student. Loss of school reputation.	3	2	6		4	4	16	adequate		Periodic Review Required			
2.2		Grooming	A staff member will groom a student.	A student/parent reports grooming behaviour, a student is exposed to inappropriate sexual	Sever trauma for a student. Loss of school reputation.	5	1	5	Staff Code of Conduct. Screening process for new staff. Performance management for minor breaches of code of	4	4	16	adequate		On Going Review Required			
2.3		Drugs	Student will bring drugs to school.	A student is found to possess drugs on school property.	Negative effects on the students health and performance.	3	2	6	Drugs Policy	4	4	16	adequate		Do Not Proceed			
2.4		Play ground	A child will injure themselves	A child is injured or there is a near miss.	Child injured. Reputation damaged.	3	2	6	Playground supervision. Kidsafe audit annually	4	4	16	adequate		On Going Review Required			
		Transport	The school bus is involved in an accident			5	2	10	Critical Incident policy. All school staff trained in 1st aid. Bus drivers must complete advanced driver training. Counselling services contact list maintained. Bus serviced	4	4	16	adequate		On Going Review Required			
2.5		Science Room	A student will be exposed to poison gases.			5	3	15	Fume hood serviced annually Chemicals stored	4	4	16			Periodic Review Required			



Risk Treatment Plan

Risk Reference	Treatment Options	Cost/Benefit	Treatment Implemented	Expected Likelihood	Expected Consequence	Expected Risk Level	Responsible Person	Implementation Timeline	Monitoring Strategy
I	Remove Forest		No						
	Install approved screens	Low	Yes				Maintenance	By 9/2015	Maintenance check and report
	Trim trees on east side of buildings	Low	Yes				Gardener	On 10/2015	Gardener reports
	Install sprinkler system	Medium	Yes				Business Manager	On 11/2015	Gardener checks and reports every month in fire season.
	Combined Options			Likely	Moderate	High			





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It is just a whole lot
of extra work for
no real benefit!



Why Risk Manage?

- You monitor what is going on
- You focus on what is important
- You are thinking ahead
- You are allocating resources efficiently
- You find out which policies you are missing
- You consider mission, vision and reputation regularly
- You reduce the likelihood of catastrophic problems
- You improve strategic planning
- You don't miss new opportunities
- You reduce costs around 'mistakes'
- You increase stakeholder confidence
- You improve contingency planning



Off Site Activity Risk Management Form

Teacher: _____ Class: _____ Event Date: _____

Proposed Event: _____

Educational Benefits: _____

Risk Management:

Risk Description	Risk Level	Mitigation	Mitigated Risk Level	Acceptable (Y/N)

Administration only:

Further Information Required: _____

Event authorised (Y/N): _____ by _____



Looking for Risks

Some examples of risks that schools may want to consider managing to some degree.

These risks range from dust to boulders in granularity! Some may not even end up on a risk register.

Each risk has a some aspects to consider when analyzing, evaluating and treating the risk. For many of them mitigation will be by one or more policies.



There is a risk that our chemistry laboratory is not safe for staff or students.

Consider

Legal chemical storage and labelling

Eye wash and shower facilities

Gas cut off

Staff and student induction

Laboratory staff training

Uncluttered environment

Fire blanket

Fume hood serviced



There is a risk that our school is not child safe.

Dept. of Social Services

In the context of creating safe environments for children, risk management means identifying, assessing and taking steps to minimise the risks of harm to children because of the action of an employee, volunteer, or another child.

...it includes planning the work of the school to reduce or minimise situations where children may be abused.

...it means looking at the 'what if's' within the work of the school.

Child safe schools adopt a structured approach to risk management...

Guidelines for Building the Capacity of Child-Safe Organisations

<https://www.dss.gov.au/our-responsibilities/families-and-children/programs-services/protecting-australias-children/working-with-children-checks/guidelines-for-building-the-capacity-of-child-safe-organisations>



There is a risk that our wood work room is not safe.

Consider

- Electricity cut off switches
- Safe Operating Procedures – dual language?
- Staff and student room and machine inductions.
- PPE in good condition and used
- Adequate signage – dual language?
- Safe working zones
- Test and Tag
- Over crowding
- Safe storage of stock material and models
- Safe storage of volatile chemicals
- Machines serviced regularly
- Barriers and guards in place
- Dust extraction adequate
- Safe working signage
- Limited access signage
- Running lights
- Stay off switch



There is a risk that our school is not governed well.

Consider

Clear mission and vision

Roles and accountabilities clear

Constitution legal and followed

Supporting documents in place

Good Principal management

Good information gathering

Meetings well run and regular enough

Adequate insurance

Good inductions and training.

Good self review



Induction and Training (especially financial)

When sentencing the directors of Centro Justice Middleton said”...

“Directors had a clear duty to exercise their own skill, care and due diligence in vetting and verifying company’s accounts...they cannot abrogate their responsibilities to a third party such as auditors.”

“..it was reasonable to expect directors to read, understand and focus on financial documents using the knowledge each director has or should have by virtue of his or her position as a director...”



From Law to Instructions

Legislation
Constitution
By-laws
Policies
Procedures

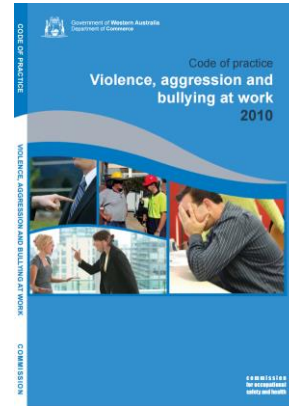
What we can and can't do
Parameters of governance
Rules for all members
Governance approved guidelines
Instructions on how to do things



There is a risk that our school is not providing a safe workplace.

Consider

- Active OS&H committee
- Good staff OS&H induction
- Good visitors on site induction
- Good record keeping and reporting
- Adequate insurance
- Appropriate evacuation and lock down signage
- Lack of path maintenance
- Lack of appropriate equipment eg ladders
- Contractor checks and induction
- Training – manual handling, ergonomics



“Workers' compensation figures show that nearly half the workplace assaults in WA were in the health and community services industry. Most of the assaults were to prison officers, security officers, taxi drivers, teachers, pizza delivery drivers and employees in service stations, chemists and video outlets.” (WorkSafe)

www.commerce.wa.gov.au/sites/default/files/atoms/files/code_violence.pdf

There is a risk that our teachers will take unacceptable risks.

Consider

- Off campus risk management protocols not in place
- Appropriate culture not in place
- Appropriate equipment not available
- Provision of support people not adequate



There is a risk that emergency services will not find administration quickly.

Consider

- Inadequate signage



There is a risk that a fire will cause injury to staff or students.

Consider

Sign in procedure – everyone, everytime, OSH induction

Evacuation plans

Evacuation signals

Regular practice and evaluation

Fire extinguisher training

Clear uncluttered doorways and pathways

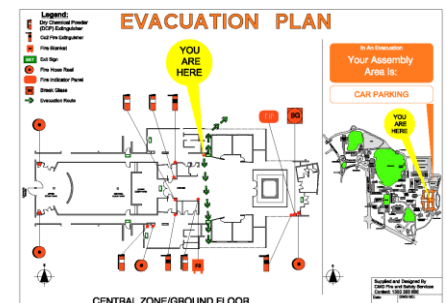
Locking doors policy

Students in rooms policy

Flammable fuels storage

Gas and electricity cut offs

Emergency and critical incident plans eg bomb threat



There is a risk that staff and students will use school IT devices inappropriately.

Consider

IT use policy

Email monitoring eg auto cc to admin for staff

Password management

Down load restrictions

Copyright

Viruses and ransomware – Backups and software

There is a risk that a student will be injured during drop off/pick up.

Consider

Signage

Yellow traffic guide lines

Traffic person on duty

Parent reminders



There is a risk that our school is not compliant with all legal requirements.

Consider

Compliance checklists

Department and individual compliance knowledge

Renewal of registration preparation

Reporting to governing body by Principal and others

Compliance committee



There is a risk that a student will be injured on an excursion.

Consider

Triggers for abandoning

Reliable communication

First aid

Transport in an emergency

Attendance criteria

Staff student ratios

Equipment safe and appropriate.

Weather and warning monitoring

Helper training

WWCC

Parent information and permission

Clear policy with general principles including risk management

Staff emergency response training



There is a risk that a student will not achieve to their potential.

Consider

Teacher performance management

Student behaviour – bullying

IEP for strugglers and high flyers

Attendance

Student engagement measured

Surveys – student and parent

Data analysis and response



Do your policies cover these scenarios? Are there risks that need consideration?

Student badly injured in bus crash on the way to school.

Staff member trips on uneven paver and badly breaks elbow.

Student collapses due to sun stroke during lunch break.

Swarm of bees sting multiple students on oval.

Person gains access to students on a camp.

Student throws a stone and injures another students eye.

Office assistant develops a RSI.

10 staff contract HINI

The Principal has a serious accident

20 unhappy families leave a particular class



The end result is

All decision making within the school, whatever the level of importance and significance, involves the explicit consideration of risks and the application of the risk management process to some appropriate degree.

