

Section 3: Risk Management

3.1 Overview

Risk management maximises the ability to deliver on departmental objectives, promotes sound decision-making for resource allocation and investment, and works to safeguard student and employee wellbeing. It also contributes towards meeting the Victorian community and government expectations for accountable and responsible use of public finances and resources.

3.2 Risk Management Framework

The Risk Management Framework provides an overview of the Department's approach to managing risk across the business.

3.2.1 Mandatory policy (Must do):

Sequence Number	Information
3.2.1.1	Implement the DET Risk Management Framework

3.3 Fraud and corruption

Fraud is dishonest activity causing actual or potential financial loss to the Department (including theft of money or other property) and where deception is used at the time, immediately before or immediately following the activity. This also includes deliberate falsification, concealment, destruction or use of (or intention to use) falsified documentation and the improper use of information or position for personal financial benefit.

Corruption is a dishonest activity in which an executive, manager, employee or contractor acts contrary to the interests of the Department and abuses his or her position of trust to achieve some personal gain or advantage for themselves or for another person or entity.

The Department has a zero tolerance to fraud and corruption.

3.3.1 Mandatory policy (Must do):

Sequence Number	Information	
3.3.1.1	Implement the Fraud, Corruption and Other Losses Control Policy	
3.3.1.2	Report fraud or corruption or suspected fraud or corruption by notifying: <ul style="list-style-type: none">• the principal or Regional Director and/or <ul style="list-style-type: none">• the Fraud and Corruption Control Unit on 7022 0121 or email: fraud.control@edumail.vic.gov.au; or <ul style="list-style-type: none">• the Speak Up service, phone 1800 633 462	

3.4 Conflict of interest/declaration of private interest

Conflict of Interest arises in circumstances where an employee's public duty is influenced, or can be seen to be influenced, by a private interest. All employees, including members of the teaching service, school council employees and school councillors, have a responsibility to avoid any dealings that may affect their public duty. Where a conflict is identified, reasonable steps must be taken to address it in order to protect the public interest.

3.4.1 Mandatory policy (Must do):

Sequence Number	Information	
3.4.1.1	Implement the Conflict of Interest Framework at school level.	
3.4.1.2	The principal must make a Declaration of Private Interest (DPI) on appointment and annually thereafter. FAQ - declaration of Private Interests	

Legislative requirements

The advice in this section was based on requirements outlined in the following legislation:

- Code of Conduct for Victorian Public Sector Employees

- *Education and Training Reform Act 2006* – Part 2.3 – Government School Councils
- *Education and Training Regulations 2017* – Part 4 – Government School Councils and Parents Clubs
- Standing Directions of the Minister of Finance 2018 under the *Financial Management Act 1994* – Section 3.5 Fraud, corruption and other losses and 3.7 Managing risk
- *Public Administration Act 2004*
- Ministerial Orders 199 and 200

Definitions

Item	Definition
Declaration of private interest (DPI)	Declaration made via Edupay of potential conflicts of interest including, but not limited to, other sources of income, any positions of office held in public or private companies, shareholdings and other business interests, relationships with trusts, holdings of real estate, agreements and contracts, other financial interests and any probity issues.
Principal Controlled	This means a contract for work that is arranged and controlled by the school, not the builder.

Additional resources

- [Conflict of Interest](#)
- [Risk Management Overview link](#)
- [Risk Management Framework](#)
- [School Policy and Advisory Guide – Risk Management](#)
- [School Policy and Advisory Guide](#)

Version and revision control record

Date	Version	Approver	Next Review
01/2019	1.2	Chief Finance Officer - Financial Services Division	01/2020