# managing project risk in schools

Effective risk management practice is integral to good governance and management in schools. Good risk management is essential to achieving the best learning and development outcomes for all learners.

The purpose of this guideline is to provide additional guidance and support to schools managing project risks.

Projects in a school context may include initiatives to deliver the Annual Implementation Plan or School Strategic Plan goals or objectives, infrastructure programs or fetes.

1. **what is risk management for projects?**

Risk is the effect (positive or negative) of uncertainty on project objectives.

A **risk** is a future event that may have an impact on project objectives. A risk may or may not happen. When a risk materialises, it becomes an issue.

An **issue** is a current problem or concern impacting project objectives.

Risk management is the identification, analysis and prioritisation of risks to the achievement of project objectives. Good risk management supports us coordinate, prioritise resources and investment to minimise the likelihood of risk and or its impact. Risk management is also about opportunities to maximise the benefits we can realise by monitoring, communicating and controlling risk. Risk management is an integral part of good project management practice.

Project risks may emerge at any phase of the project lifecycle from project initiation to delivery. Risks can relate to the problem definition, scope, planning, requirements, budget, schedule, quality, benefits and resources.

1. **How to manage risk in projects**

The [School Risk Process](https://www.education.vic.gov.au/PAL/risk-management-schools-pocket-guide.pdf) describes how risk should be managed at all levels and functions of the Department. Schools utilise this process when seeking to maximise the achievement of strategic, operational or project objectives and outcomes.

The key components of the risk process are:

1. **Establish the context** -understanding the environment in which the school seeks to achieve its project objectives. It includes planning and risk management and may involve the use of tools such as SWOT analysis.
2. **Risk identification** -involvesdetermining what, where, when and why risks might arise, and the consequences on the school’s ability to achieve its project objectives.
3. **Risk analysis** -involvesobtaining a detailed understanding of the risk identified and the consideration of the effectiveness of controls. The risk is assessed using the risk matrix and standard risk terminology of likelihood and consequence to determine the risk rating.
4. **Risk evaluation** – involves comparing the current risk rating with the risk acceptance criteria (found in the process document linked above). Based on this comparison, the need for treatments can be determined.
5. **Risk treatment** – involves determining options or action plans for mitigating the risk. Assessment of whether the remaining level of risk is tolerable, determines whether further action is necessary.
6. **Communication and consultation -** involves engaging with stakeholders to share information about risk management and risk treatment actions throughout the project. This supports a shared understanding of decisions and if any actions are necessary.
7. **Monitoring and review** - involves regular checking and assessment of risks. The active monitoring and review process will:
   * + assess if the implemented controls are effective.
     + support the identification of emerging risks and opportunities.
8. **Recording and reporting** - involves documenting and reporting the outcomes of the risk management process through appropriate mechanisms.

Risk assessments at key points across projects assist in reducing uncertainty and increase the likelihood of a successful project.

1. **Project governance**

Project risks can impact the achievement of project objectives. Those delivering projects should implement appropriate risk management processes through the project lifecycle to improve the likelihood of success.

A review of the project risks should be a standard agenda item for the team or leadership group overseeing the project. This ensures that decisions are informed by the risks to the project objectives and supports the effective and efficient prioritisation of resources. Reporting and escalation of project risks to the appropriate person in the school environment i.e. principal, who can provide oversight and guidance on how project risks are managed, should be considered in line with project governance arrangements.

1. **Resources and training**

Further information, related policies and advice can be located in the[Policy and Advisory Library](https://www2.education.vic.gov.au/pal/risk-management-schools/policy) for schools.

Training on risk management for school leaders can be undertaken through the [Bastow Institute of Educational Leadership](https://www.bastow.vic.edu.au/professional-learning/risk-management).

1. **QUESTIONS**

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