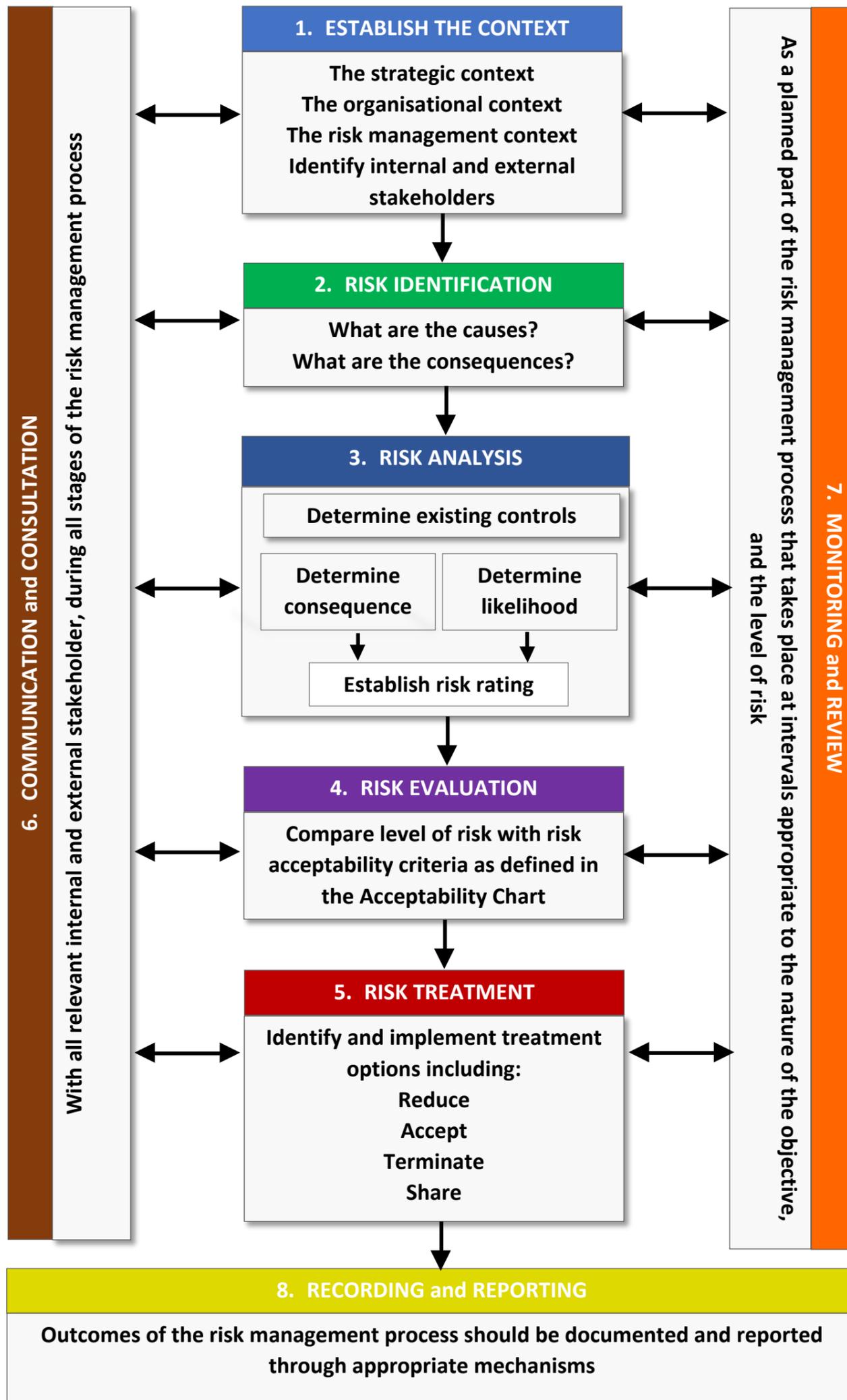


## DET School Risk Process



Process based on ISO 31000:2018

Risk can be described as anything; event, practice, process, activity, etc that can hinder or help achievement of stated goals or objectives.

### 1. Establish the Context

1. Decide the scope of the activity, including the goals and objectives.
2. Ascertain the internal and external environment (see PESTLE overleaf).
3. Confirm the identity and concerns/ issues/ expectations of stakeholders.
4. Familiarise yourself with the Department's tools used to identify, analyse and manage risk.

### 2. Risk Identification

5. Ask yourself the following questions (see SWOT overleaf):
  - What can go wrong? (risks)
  - What would cause it to go wrong? (causes)
  - What are the impacts if it does go wrong? (consequences)
  - What can go right? (value add-opportunity risk)
6. Once all the risks have been identified they should be recorded into a risk register

### 3. Risk Analysis

7. For each risk the existing controls currently in place should be captured.
  - How effective are the controls we have in place? (see control effectiveness chart overleaf)
8. Risk is analysed in terms of consequence (What is the impact of risk?) and the likelihood (How likely is the risk to occur? -taking into account the effectiveness of any controls identified in the previous step).
9. Risk consequences are measured using the following descriptive terms:
  - Severe, major, moderate, minor, insignificant (see the consequence criteria guide overleaf. It provides the context to select on of the above terms).
10. Risk likelihood is measured using the following descriptive terms:
  - Almost certain, likely, possible, unlikely, rare (see the likelihood criteria guide overleaf. It provided the context to select one of the above terms).
11. The risk matrix (overleaf) can now be used to combine the selected level of consequence with the selected level of likelihood to determine the overall level of risk.
12. This is called the 'current assessment' (with existing controls).

### 4. Risk Evaluation

13. Risk evaluation involves comparing the current risk rating found during the analysis process with risk acceptance criteria established by the Department.
14. You should refer to the Acceptability Chart (overleaf) to determine the level of acceptability.
15. The categories of acceptability defined in the Acceptability Chart determine the approach to the management of risk across the Department.
16. Risks rated Low or Medium do not necessarily require further treatments as this level of risk is acceptable.
17. Risks rated High or Extreme require further treatments to reduce their level of risk to a more acceptable level- (refer to Risk Treatment).

### 5. Risk Treatment

18. Options for risk treatment include:
  - Reduce- reduce the risk level by applying additional treatments until the risk is acceptable
  - Accept- risk acceptance required appropriate authority (see the Acceptability Chart to determine whether the risk is acceptable)
  - Terminate- cease the activity
  - Share- if practical to do so, share the risk- or some of it (e.g. outsourcing or insurance)
19. Risk treatment involves a cyclical process od:
  - assessing the risks
  - deciding whether the risk levels are acceptable (by reference to the Acceptability Chart)
  - if not, determine appropriate risk treatment options (see above)
  - implementing risk treatments.
20. A second assessment is then made to confirm the treatments will reduce the level of risk.
21. This second level of risk is called the 'target assessment' - after treatments where you expect the risk level to be once your treatments have been implemented- once implemented they become existing controls.

### 6. Communication and Consultation

22. Communication and consultation with all relevant internal and external stakeholders should take place during all stages of the risk management process.

### 7. Monitoring and Review

23. Monitoring and review should be a planned part of the risk management process and should take place at intervals appropriate to the nature of the objective and the level of risk.

### 8. Recording and Reporting

24. Recording and reporting involves a structured way to document and report the outcomes of the risk management process to relevant stakeholders, ensuring that risk exposures are understood and managed.

## DET Risk Management Framework - Assessment Tools

**Consequence Criteria:** This guide provides indicative terms against which the significance of risk is evaluated.

Descriptor	Student Outcomes	Wellbeing and Safety	Finance	Reputation	Operations	Strategic
Insignificant	<ul style="list-style-type: none"> <li>Educational outcomes, engagement and wellbeing and pathways and transitions can be met with workarounds</li> </ul>	<ul style="list-style-type: none"> <li>Minor injury requiring no first aid or peer support for stress / trauma event</li> </ul>	<ul style="list-style-type: none"> <li>Small loss that can be absorbed</li> </ul>	<ul style="list-style-type: none"> <li>Internal impact (no external impact)</li> </ul>	<ul style="list-style-type: none"> <li>School operations continue with slight interruptions to normal activities</li> </ul>	<ul style="list-style-type: none"> <li>Goals, targets and key improvement strategies can be delivered with inconsequential impacts</li> </ul>
Minor	<ul style="list-style-type: none"> <li>Educational outcomes, engagement and wellbeing and pathways and transitions achieved but below targets</li> </ul>	<ul style="list-style-type: none"> <li>Injury / ill health requiring first aid</li> <li>Peer support for stress / trauma event</li> </ul>	<ul style="list-style-type: none"> <li>Loss of 'consumable' assets,</li> <li>&lt; 2% deviation from budget</li> <li>Minor fraud possible</li> </ul>	<ul style="list-style-type: none"> <li>Adverse comments local community media</li> <li>Short term stakeholder dissatisfaction / comment</li> </ul>	<ul style="list-style-type: none"> <li>Some school operations disrupted</li> <li>Minor workarounds return school to normal operations</li> </ul>	<ul style="list-style-type: none"> <li>Minor workaround need to be implemented to deliver the SSP goals, targets and key improvement strategies</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>Students' overall levels of Literacy and Numeracy static</li> <li>Increasing truancy</li> <li>Partial achievement of targeted pathways and transition</li> </ul>	<ul style="list-style-type: none"> <li>Injury / ill health requiring medical attention</li> <li>Stress / trauma event requiring professional support</li> </ul>	<ul style="list-style-type: none"> <li>Loss of assets</li> <li>2% - 5% deviation from budget</li> <li>External audit management letter</li> </ul>	<ul style="list-style-type: none"> <li>External scrutiny e.g. VAGO</li> <li>Adverse state media comment</li> <li>Stakeholder relationship impacted</li> </ul>	<ul style="list-style-type: none"> <li>Key school operations temporarily disrupted</li> <li>School leadership team meets to return school to normal operations</li> </ul>	<ul style="list-style-type: none"> <li>Constant consultation with key stakeholders needs to be maintained to deliver the SSP goals, targets and key improvement strategies</li> </ul>
Major	<ul style="list-style-type: none"> <li>National targeted improvements not achieved</li> <li>Partial achievement of targeted learning outcomes</li> <li>Student dissatisfaction with access to pathways / transitions</li> </ul>	<ul style="list-style-type: none"> <li>Injury / ill health requiring hospital admission</li> <li>Stress / trauma event requiring ongoing clinical support</li> </ul>	<ul style="list-style-type: none"> <li>Loss of significant assets</li> <li>6% - 15% deviation from budget</li> <li>External audit qualification on accounts</li> <li>High end fraud committed</li> </ul>	<ul style="list-style-type: none"> <li>External investigation</li> <li>Adverse comments national media</li> <li>Stakeholder relationship tenuous</li> </ul>	<ul style="list-style-type: none"> <li>Whole of school operations disrupted</li> <li>Assistance sought from Regional Office</li> </ul>	<ul style="list-style-type: none"> <li>Significant adjustment to resource allocation and service delivery required to deliver SSP goals, targets and key improvement strategies</li> </ul>
Severe	<ul style="list-style-type: none"> <li>Literacy and Numeracy decline</li> <li>Student engagement and connectedness to the school and their peers is very poor</li> <li>Declining number of student options for pathways and transitions</li> </ul>	<ul style="list-style-type: none"> <li>Fatality or permanent disability</li> <li>Stress / trauma event requiring extensive clinical support for multiple individuals</li> </ul>	<ul style="list-style-type: none"> <li>Loss of key assets</li> <li>&gt;15 % deviation from budget</li> <li>Systemic and high value fraud</li> </ul>	<ul style="list-style-type: none"> <li>Commission of inquiry</li> <li>National front page headlines</li> <li>Stakeholder relationship irretrievably damaged</li> </ul>	<ul style="list-style-type: none"> <li>Normal school operations cease</li> <li>School evacuated</li> <li>Regional Office notified</li> </ul>	<ul style="list-style-type: none"> <li>SSP goals, targets and key improvement strategies cannot be delivered</li> <li>Changes need to be made to the SSP</li> </ul>

**DET's Control Effectiveness:** Indicates the self-assessment of control effectiveness.

Controls Effectiveness Rating and Criteria	
<b>Ineffective</b>	<ul style="list-style-type: none"> <li>The design of controls overall, is ineffective in addressing key causes and/or consequences.</li> <li>Documentation and/or communication of the controls does not exist (e.g. policies, procedures, etc.).</li> <li>The controls are not in operation or have not yet been implemented.</li> </ul>
<b>Needs Improvement</b>	<ul style="list-style-type: none"> <li>The design of controls only partially addresses key causes and/or consequences.</li> <li>Documentation and/or communication of the controls (e.g. policies, procedures, etc.) are incomplete, unclear or inconsistent.</li> <li>The controls are not operating consistently and/or effectively and have not been implemented in full.</li> </ul>
<b>Acceptable</b>	<ul style="list-style-type: none"> <li>The design of controls is largely adequate and effective in addressing key causes and/or consequences.</li> <li>The controls (e.g. policies, procedures, etc.) have been formally documented but not proactively communicated to relevant stakeholders.</li> <li>The controls are largely operating in a satisfactory manner and are providing some level of assurance.</li> </ul>
<b>Effective</b>	<ul style="list-style-type: none"> <li>The design of controls is adequate and effective in addressing the key causes and/or consequences.</li> <li>The controls (e.g. policies, procedures, etc.) have been formally documented and proactively communicated to relevant stakeholders.</li> <li>The controls overall, are operating effectively so as to manage the risk.</li> </ul>

**Likelihood Criteria:** This guide provides the indicative terms against which the probability of a risk event occurrence is evaluated.

Descriptor	Description	Indicative %	Indicative Frequency
Almost Certain	Expected to occur	>95%	Multiple times in the next year
Likely	Probably will occur (no surprise)	66-95%	At least once in the next year
Possible	May occur at some stage	26-65%	Once in the next 3 years
Unlikely	Would be surprising if it occurred	5-25%	Once in the next 5 years
Rare	May never occur	<5%	Once in the next 10 years

Note:  
 1. The **Likelihood Criteria** refers to the likelihood of the consequence descriptor you have selected i.e. the likelihood of a 'major' consequence.  
 2. The **Indicative Frequency** may not be relevant when assessing risks related to repeated activities, or when objectives are to be delivered over discrete periods of time. It should not be the sole basis for assessment.

**DET's Risk Rating Matrix:** Used to combine consequence with likelihood to determine the overall level of risk.

Risk Rating Matrix		Consequence				
		Insignificant	Minor	Moderate	Major	Severe
Likelihood	Almost Certain	Medium	High	Extreme	Extreme	Extreme
	Likely	Medium	Medium	High	Extreme	Extreme
	Possible	Low	Medium	Medium	High	Extreme
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

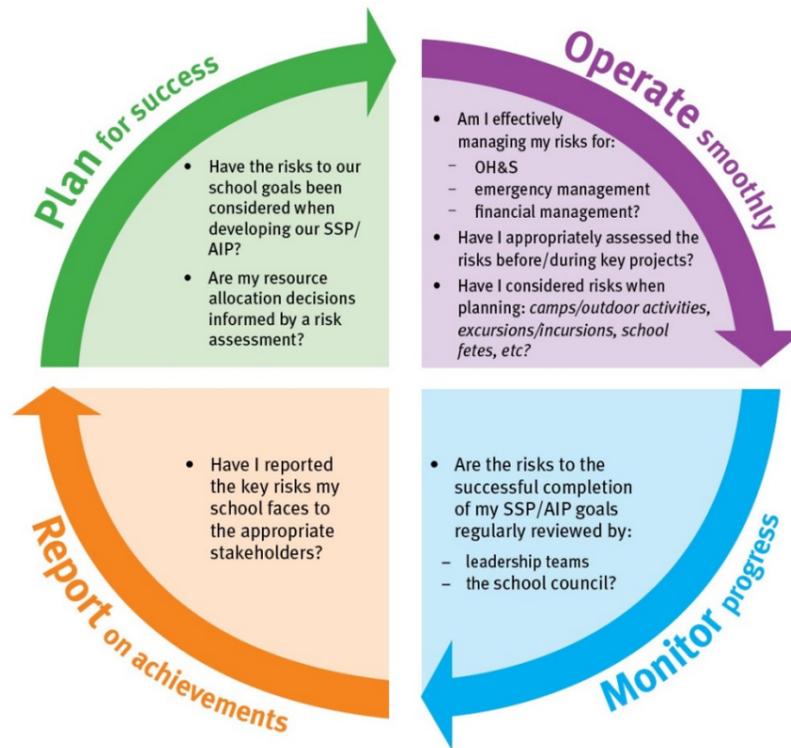
**DET's Acceptability Chart:** Used to decide whether the risk is acceptable, based on the rating calculated.

<b>Extreme</b> (must have Principal / School Council / Regional Office oversight)	Immediately consider whether the activity associated with this risk should cease. Any decision to continue exposure to this level of risk should be made at Principal / School Council / Regional Office level, be subject to the development of detailed treatments, on-going oversight and high level review.
<b>High</b> (with ongoing Principal Class Officer review)	Risk should be reduced by developing treatments. It should be subject to on-going review to ensure controls remain effective, and the benefits balance against the risk. Escalation of this level of risk to Principal Class Officer level should occur.
<b>Medium</b> (with frequent risk owner review)	Exposure to the risk may continue, provided it has been appropriately assessed and has been managed to as low as reasonably practicable. It should be subject to frequent review to ensure the risk analysis remains valid and the controls effective. Treatments to reduce the risk can be considered.
<b>Low</b> (with periodic review)	Exposure to this risk is acceptable, but is subject to periodic review to ensure it does not increase and current control effectiveness does not vary.

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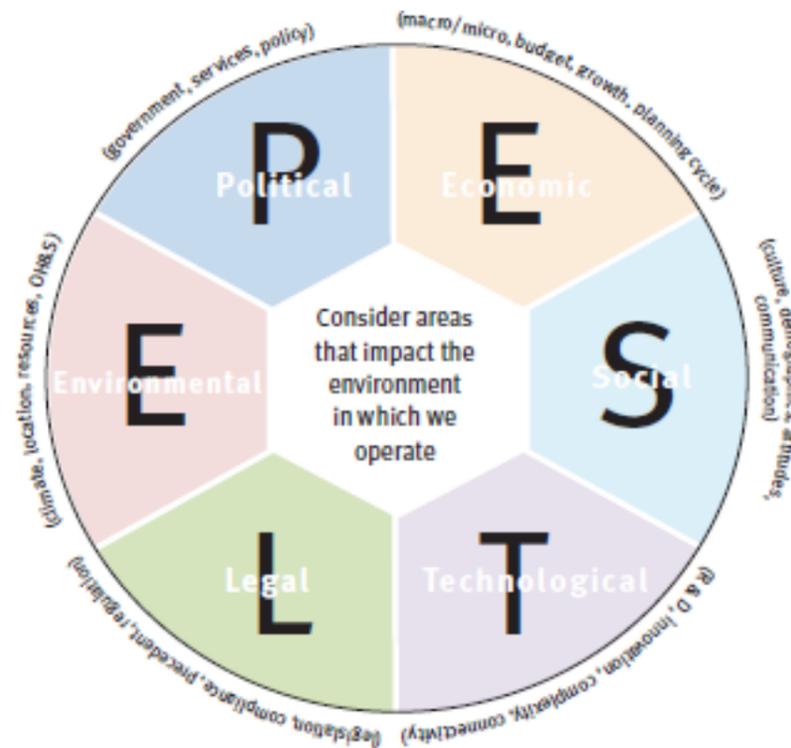
**School Cycle - where schools should use risk management**

Utilise risk management at all stages of the school cycle, to drive decision making, establish priorities and allocate resources. Risk management should be based on the best information available. Effort expended should be proportionate to the risk and benefits should be balanced against the risk.



**PESTLE Analysis - used to establish the context**

PESTLE - (political, economic, social, technological, legal, environmental) is a useful tool to analyse the operating environment and to understand any other factors that contribute to it. It may be beneficial to involve your key stakeholders when conducting this type of analysis.



**SWOT Matrix - used in risk identification**

A SWOT Matrix (strengths, weaknesses, opportunities and threats) is a useful tool to analyse the environment and establish current issues and future risks. It may be beneficial to involve your key stakeholders when conducting this type of analysis.

