JUMBUNNA COMMUNITY PRESCHOOL AND EARLY INTERVENTION CENTRE INC.

St 6s	RISK MANAGEMENT

Applies to:	**Version:**
Specific responsibility:	**Date approved: 9 Sept 2014**

Policy context: This policy relates to	
Standards or other external requirements	NDIS Practice Standards
Legislation or other requirements	Disability Services Act
Contractual obligations	National Disability Insurance Agency

POLICY STATEMENT

The Board is committed to ensuring the organisation has effective risk management in place. The governing body has ultimate responsibility for safeguarding the organisation and its employees, clients and other service users, students, as well as the organisation's services, reputation and finances from unnecessary injury, loss or damage relating to the business and activities in which it is involved.

Risk management processes are designed in order to prevent injury or harm to individuals, to protect the assets and interests of the organisation and to limit the impact of any unavoidable risk.

The Board will ensure that adequate resources are made available within the budget to implement all risk management processes.

The Board delegates the monitoring and reporting of risk management to the General Manager.

The General Manager will be responsible for the day-to-day implementation of risk management procedures and for ensuring that all staff are aware of these procedures.

All staff have responsibility for understanding the policy and implementing the intent and procedures of the policy where applicable in their work.

Definitions

Risk management is a systematic process whereby an organisation identifies and assesses risks, develops strategies to mitigate risk, assigns responsibilities, and monitors and reviews progress.

Risk is the chance of something happening that will impact on objectives, measured in terms of likelihood of occurrence and impact.

Likelihood is the probability or chance of an incident occurring.

Impact is the actual or potential impact that may result from a risk occurring.

Due Diligence is an action considered reasonable for people to be expected to take in order to keep themselves or others and their property safe.

Risk assessment is the process of analysing and evaluating the likelihood and impact of potential risks.

Risk treatment is identifying and implementing actions to eliminate risks or reduce impacts.

Risk incident is realisation or occurrence of a risk impact.

Policy

Jumbunna identifies, manages and continuously reviews risks to clients, workers and the organisation. It will implement a risk management system to identify risks, and take actions to prevent, control, minimise or eliminate risks. For example:

- Jumbunna will engage with our stakeholders to identify risks to our operations and to communicate risk management strategies;
- The level of risk for Jumbunna and its operations will be assessed by considering the likelihood and impact and our purposes and objectives. Risks will be ranked in order of their inherent risk rating;
- A Risk Management Plan will be developed and maintained. This plan will identify how risk is managed;
- Risk assessment will be conducted as part of major projects and business decisions; and
- When planning for future events and/or short-term projects, a risk assessment will be conducted.

Context of Policy

There are various contexts which impact on this policy:

- **External / Strategic context**
  - legislative and regulatory;
  - financial and political environment;
  - stakeholders; and
  - natural disasters.

- **Internal / Organisational context**
  - Jumbunna's strategic goals and outcomes;
  - Jumbunna's size, organisational structure and numbers of sites and their locations;
  - organisational culture;
  - existing systems and processes;
  - nature of service delivery;
  - workforce capacity;
  - assets; and
  - available resources.

PROCEDURES

Risk management plan

The General Manager will oversee the development, implementation, and monitoring of the risk management plan for the organisation. The risk management plan will cover all aspects of the organisation's activities and involve:

- Document all potential risks and their risk rating.
- Identification of actions to manage risk, time frames for any tasks and responsibility. This will include compliance checks to be conducted.
- Monitoring and reviewing of the plan.
- The General Manager will report to each meeting of the Board about critical risk incidents that have occurred and their management.

- The General Manager will review and report to the Board at least every six months about the management of risk and will include any changes to the Risk Register and Management Plan.
- The General Manager will provide a report against the risk management plan to the Board.
- The Board will review the risk management plan on an annual basis.

Risk identification

All areas of the organisation will be addressed, and can be grouped according to the following broad categories:

- Strategic;
- Compliance;
- Human resources;
- Financial;
- Service Delivery;
- Operational;

All identified risks are to be documented in the Jumbunna Risk Register with dated, delegated and documented strategies to manage, control or minimise the identified risks.

Risk Assessment

A risk matrix is used to assess risk. This includes an estimation of both the likelihood of the risk occurring and the impact it may have to the organisation.

The overall Risk Rating for each risk item is calculated by multiplying the Likelihood rating level x the Impact rating level:

Likelihood of occurrence	Almost Certain 5	5 - Moderate	10 - Moderate	15 - High	20 - Extreme	25 - Extreme
	Likely 4	4 - Low	8 - Moderate	12 - High	16 - High	20 - Extreme
	Possible 3	3 - Low	6 - Moderate	9 - Moderate	12 - High	15 - High
	Unlikely 2	2 - Low	4 - Low	6 - Moderate	8 - Moderate	10 - High
	Rare 1	1 - Low	2 - Low	3 - Low	4 - Moderate	5 - Moderate
		Insignificant 1	Minor 2	Moderate 3	Major 4	Critical 5
	Impact of occurrence					

Risk register

- Once the risks are assessed, they are then recorded as part of the *Risk Management Plan*, including their risk assessment;
- Priorities for action will then be assigned to each risk to guide us in our next steps;
- When responding to risk priorities, Jumbunna will consider how acceptable the risk is, resources required to respond effectively to the risk, and how practical any response is to the organisation's operations;
- Actions to respond to the risks, responsibilities and timeframes are then developed and recorded in the plan;
- Where risks are deemed 'Extreme' the Board may decide to eliminate the risk completely by changing the relevant operations completely. This will not always be possible; in which case we will ensure that clear and comprehensive risk management strategies are identified and implemented urgently;
- Risks specific to individual projects or events will be identified and responded to through a risk assessment process which forms part of project implementation, and may not be required to be recorded in the Risk Management Plan; and
- Risks that are substantially addressed through specific organisational policies or listed in the organisation's Compliance Register may not be required to be recorded in the Risk Management Plan.

The Risk Register should be reviewed and updated by the General Manager or their delegate every six months to identify any common themes and patterns that require a more systematic response.

Compliance checks

The General Manager will monitor and report to the Board to confirm compliance checks and report any irregularities on the following:

- Currency and adequacy of insurance cover
- Probity and security of financial management
- Compliance with contractual arrangements, and funding agreements in particular
- Compliance of all Jumbunna's procedures with relevant legislation
- Compliance with the following Jumbunna's procedures:
  - WHS
  - Fire Safety
  - Accidents and Injuries
  - Critical Incidents

Communication

- This policy will be communicated to all governing body members, staff, and volunteers as part of their induction process.
- Where strategies are changed, an update will be provided.
- Particular roles and responsibilities will be identified in position descriptions.
- Other stakeholders will be informed of relevant parts of the Risk Management Plan.
- All governing body members and staff are responsible for maintaining an awareness of potential risks in the organisation, for ensuring that procedures are followed and notifying the General Manager of any potential or actual risk.

Monitoring and review

Jumbunna regularly reviews and improves the effectiveness of its risk management system.

For example:

- Jumbunna will monitor, report, and review our management of risks regularly and after any incident or near miss. As part of our monitoring we will continually check, supervise, and track the progress of an activity so that we know whether it is happening as we expect. This checking will be done against assessed risk, agreed measures, objectives, or an expected level of performance.
- The Board will consider the annual review of the Risk Management Policy, after input from General Manager and other stakeholders. The review of our Risk Management Plan will be completed each year to re-evaluate all the risks that our organisation faces, considering the changes in the environment, stakeholders, and other factors, as well as our plans and processes to manage risks.
- If there has been an incident or near miss not covered by the Risk Management Policy, or if other factors have changed, the policy and risk management plan will be updated.

When there is an incident, near miss or event that did not go as planned, or that exposes a new area of risk, we will review the causes. After the review we may complete activities to prevent the identified risk from happening again, and to update our Risk Management Plan

DOCUMENTATION

Documents related to this policy	
Related policies	
Forms, record keeping or other organisational documents	

Policy Name:	**Risk Management**	**Policy Number:**	
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