

RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

The information provided in this paper is intended to assist school staff in development of suitable Risk Management processes.

Introduction to Risk Management

Risk is the exposure to the possibility of such things as economic or financial loss or gain, physical damage, injury or delay, as a consequence of pursuing or not pursuing a particular course of action.

In any school community the variety of activities and participants exposes the school to risk. Risk Management is the process by which risks are identified, evaluated and controlled.

Outlined below are the elements of the Risk Management process (derived from Australian Standard AS/NZS ISO 31000:2009 Risk management – Principles and guidelines):

- Identify Risks – identify where, when, why and how events could prevent, degrade, delay, or enhance the achievement of organisational goals.
- Analyse Risks – identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur
- Evaluate Risks – compare estimated level of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.
- Control Risks – develop and implement cost-effective strategies and action plans for increasing potential benefits and reducing potential costs
- Monitor and Review – monitor the effectiveness of all steps of the risk management process and provision of feedback for improvement of the process.

Baptist Insurance Services (BIS) has developed tools to assist with the documentation of Risk Identification, Risk Analysis, Risk Evaluation and elements of Risk Treatment. Collectively these components are referred to as Risk Assessment.

In a school context there are 2 distinct levels at which risks might be assessed.

The first is a **whole of school (or enterprise) level** where matters of both strategic and operational impact are considered. A key objective of enterprise level risk assessment is to identify those activities or events of highest risk to help prioritise allocation of scarce resources to where they will have the most immediate impact in reducing overall risk. The ***School Risk Assessment (Register)*** tool has been developed to document the results of whole of school risk assessments.

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RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

The second level of risk assessment is at the **individual activity level**. At this level, the individual risks associated with an activity are identified so that the activity can be made as safe as possible. Note that if it is not possible to sufficiently control risks, a decision may be made to not proceed with a particular activity. The **Activity Risk Assessment** tool has been developed to document the results of assessing risk for individual activities.

All new activities undertaken by a school should be subject to a formal risk assessment. The risk assessments for continuing activities should be updated on a regular basis, typically annually.

Once risks have been identified, assessment of their impact is best considered by looking at the potential **likelihood** and **consequences** of events occurring. In order for the assessment to be meaningful, some thought must be given to the adoption of appropriate consequence and likelihood factors for each school and/or activity. Further guidance on these factors follows.

RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

Likelihood of Risk

Likelihood factors attempt to measure the frequency with which events might be expected to occur, taking into account the effectiveness of existing control measures. The following table contains examples of likelihood values used within different schools or activity types.

Likelihood Factors & Values

Factors	Example Values		
<i>Almost certain</i>	Expected to occur in most circumstances	Once a day	Once a year or more frequently
<i>Likely</i>	Expected to occur occasionally (more than 50% of time)	Once a week	Once every 1-3 years
<i>Possible</i>	Expected sometimes (less than 50% of time)	Once a month	Once every 3-10 years
<i>Unlikely</i>	Occurs only in unusual circumstances	Once a year	Once every 10-30 years
<i>Rare</i>	Possible but not expected to occur	Once in 10 years	Once every 30-50 years

It is important that *relevant* likelihood factors are adopted for both whole of school and individual activity risk analyses. They should be agreed and understood by the school community to be the appropriate measures for the school and/or activity being assessed and that they are consistently applied to similar activity types.

The likelihood or expected frequency of occurrence should be expressed in terms that enable effective distinction between frequently occurring and seldom occurring events.

RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

Consequence Of Risk

Consequence factors consider the impact of events, should they occur. In considering impact, the effectiveness of existing control measures should be taken into account. The following table contains examples of consequence factors and values used within different schools or activity types.

Consequence Factors and Values

Factors	Example values		
	Physical Injury	Reputation	Financial
Extreme	Death	Sustained negative national media coverage	5% of value of own funds
Major	Extreme / permanent Injuries	Major negative state media coverage	2% - 5% of own funds
Moderate	Medical treatment	One off state media or sustained local media coverage	1% - 2% of own funds
Minor	First Aid	One off digital media TV or newspaper coverage	0.5% - 1% of own funds
Insignificant	No treatment	One off local media coverage	Less than 0.05% of own funds

Other values that might be considered could include: property loss dollars, activity interruption, legal and compliance impacts, and environmental impacts.

Some schools use a single value type for consequence while others consider multiple values. Values may vary according to the types of activity being assessed. For example, when looking at school strategic issues, multiple measures are more likely to be relevant while a particular sporting activity may only be concerned with physical injury.

What is important is that the factor(s) used are agreed and understood by the school community to be the appropriate measures for the school and activity being assessed and that they are consistently applied to similar activity types.

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RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

Risk Evaluation

Once likelihood and consequence values have been determined for a particular activity, the risk rating can be determined as the intersection of the 2 values, using a matrix similar to the one below. The intersection shows the “seriousness” of each event and points to where action should be prioritised to either reduce the consequence or the likelihood or both. For example, events determined to have a risk rating of “high” will require immediate action, while those determined to be “low” may simply be monitored. The example shows 3 ratings: High, Medium and Low.

A school might adopt different ratings that better suit their circumstances.

Risk Matrix

		Consequence				
		<i>Insignificant</i>	<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Extreme</i>
Likelihood	<i>Almost certain</i>	Medium	Medium	High	High	High
	<i>Likely</i>	Low	Medium	Medium	High	High
	<i>Possible</i>	Low	Medium	Medium	High	High
	<i>Unlikely</i>	Low	Low	Medium	Medium	High
	<i>Rare</i>	Low	Low	Low	Medium	Medium

Each school will need to determine the actions required for the different risk ratings, including communication and escalation requirements, frequency of reporting and priority of risk treatment (remediation) activities. An example is set-out below:

<i>Risk Rating</i>	<i>Escalation and Communication</i>
High	Immediate escalation to school leadership (Board); active remediation activities in place; regular frequent (weekly) monitoring
Medium	School management team advised; active remediation plans in place; regular (monthly) monitoring as part of existing meetings
Low	Local management team or workgroup monitoring; lower priority remediation activities

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RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

Risk Treatment

Risk treatments will depend on the underlying causes of an event and also any factors that might influence the proposed treatment (remediation) option chosen. In determining the mix of actions / controls necessary to treat risks, the following options should be considered.

Risk Treatment Options

<i>Treatment Option</i>	<i>Option Description</i>
Avoid the risk	Change business processes or objectives so as to avoid the risk
Change the likelihood	Undertake actions aimed at reducing the possibility of the risk occurring
Change the consequence	Undertake actions aimed at reducing the impact of the risk
Share / transfer the risk	Transfer ownership and liability to a third party, e.g. insurance
Retain the risk	Accept the impact of the risk.

Once it has been decided that a risk is to be treated (any of the first 3 steps above) the following hierarchy of control table can be used to help determine the mix of control measures that might be utilised in a treatment plan.

Hierarchy of Control

<i>Eliminate or control</i>	<i>General description</i>
Eliminate the risk	Remove the hazard. Change the activity or stop using it.
Substitute the risk	Replace the activity, material or equipment with a less hazardous one.
Isolate the risk	Isolate the hazard from the person at risk; isolate through distance
Use engineering controls	Change the physical characteristics of the environment (with additions or subtractions) to remove or reduce the risk
Use administrative controls	Establish procedures and safe practice
Use personal protective equipment	Use appropriately designed and properly fitted equipment and clothing.

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RISK INFORMATION – SCHOOLS

SCHOOLS RISK MANAGEMENT

Events / Activities / Facilities Requiring Risk Assessment

Set out below are examples of the sorts of school based events, activities and facilities for which an activity risk assessment may be appropriate.

1. Physical premises

- Halls /theatres
- Class rooms
- Offices
- Counselling centre / rooms
- Facilities for people with a disability
- Catering / cafe
- Sporting facilities / change rooms
- Camp sites
- Water craft
 - Rowing
 - Canoes
 - Powered boats

2. Regular activities

- Teaching
- Pre-school
- Extra-curricular
- Itinerant music etc.
- Sporting
- Excursions
 - Local
 - Interstate
 - overseas
- School exchanges
- Yard supervision
- External users of facilities
- Catering / meals
- Transport
 - School (owned) bus
 - Hired vehicles
 - Private vehicles
- Hiring facilities

3. Events

- Working bee
- School fete

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SCHOOLS RISK MANAGEMENT

References

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