

MACS Risk Management Framework

Board approved
November 2021



MELBOURNE
ARCHDIOCESE
CATHOLIC SCHOOLS

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Framework overview

Purpose

To document the Risk Management Framework for Melbourne Archdiocese Catholic Schools Ltd (MACS).

Introduction

MACS is a company limited by guarantee that has been established by the Archbishop of the Catholic Archdiocese of Melbourne to assume the governance and operation of MACS schools previously operated in an unincorporated form by parish priests, associations of parish priests or the Archbishop, and to be responsible for the operation of further schools that will be established by the company in the Archdiocese.

The Constitution of MACS clearly articulates the purpose and mission of MACS and defines the relationship between the Member, being the Archbishop, and the MACS Board (Board), including the reserve powers of the Member to ensure that the Board remains faithful to the purpose and mission:

Catholic schooling seeks to provide the young with the best kind of education possible, one that fosters a formation of the whole person that is deeply and enduringly humanizing.¹

Education is integral to the mission of the Church to proclaim the Good News. First and foremost every Catholic educational institution is a place to encounter the living God who in Jesus Christ reveals his transforming love and truth. This relationship elicits a desire to grow in the knowledge and understanding of Christ and his teaching. In this way those who meet him are drawn by the very power of the Gospel to lead a new life characterized by all that is beautiful, good, and true; a life of Christian witness nurtured and strengthened within the community of our Lord's disciples, the Church.²

With parents and parishes, Catholic schooling seeks to fulfil this mission by providing an environment in which students are enabled to:

- encounter God in Christ and deepen their relationship with him
- pursue wisdom and truth encouraged by a supportive academic culture
- grow in the practice of virtue, responsible freedom and serving the common good.

MACS Constitution clause 3.2

The Board is committed to strong leadership and robust governance oversight of each of the MACS schools, supported by the operationalisation of the governance model in each MACS school by the MACS Executive Director and at the school level.

One of the distinguishing characteristics of a MACS school, as part of its evangelising mission, is the development of community and creation of a climate and culture permeated by gospel values, which respects the dignity of all human persons. The creation of such an environment provides opportunities for school communities to build a sense of acceptance, inclusion and connectedness, and hence the best learning context for all students.

MACS holds that the development and promotion of high-quality relationships among all members of the school community are best achieved within environments that are safe, supportive, inclusive and empowering. In accordance with this belief, values promoted within a MACS school's understanding and practice of pastoral care include love, respect, compassion, tolerance, forgiveness, reconciliation and justice.

¹ Pope Francis, [Christus Vivit](#), Libreria Editrice Vaticana, Rome, 2019, n. 223.

² Pope Benedict XVI, [Address to Catholic Educators](#), Libreria Editrice Vaticana, Rome, 2008.

The Risk Management Framework

This document outlines the Risk Management Framework (Framework) for MACS. The Framework defines the MACS risk operating model, appetite, responsibilities, methodology, monitoring and reporting obligations. This Framework establishes the approach as to how MACS manages its risks within its organisation.

In this Framework, the terms 'risk' and 'risk management' are defined as follows:

- Risk is defined as the effect of uncertainty on objectives. An effect is a deviation from the expected – positive and/or negative. Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances or knowledge) and the associated likelihood of occurrence.
- Risk management is defined as the coordinated activities to direct and control an organisation with regard to risk.

The MACS Board has ultimate accountability and responsibility for risk management, and is committed to an effective risk management framework which represents an organisation-wide approach to risk management, and where processes and accountability requirements are clear and consistently applied.

This Framework provides the foundations and arrangements for designing, implementing, monitoring and continually improving risk management by MACS and within MACS schools.

The Framework also details and underpins the risk management approach as to how the Board will manage risks with regard to child safety in its role as a school governing authority as stipulated in child safety legislation, including Ministerial Orders.

Scope

This Framework defines the mechanisation of the management of risk throughout MACS. The application of both the Risk Management Policy and Framework is mandatory throughout MACS and its schools.

Contents of Framework

- Appendix 1: Sample School Risk Register
- Appendix 2: Principals' Delegations and Reporting

Definitions

School or MACS school

A school which operates with the consent of the Catholic Archbishop of Melbourne and is owned, operated and governed by MACS, where formation and education are based on the principles of Catholic doctrine, and where the teachers are outstanding in true doctrine and uprightness of life.

Risk Management Policy

The MACS Risk Management Policy commits MACS to the management of risk, according to ISO 31000:2018 *Risk management – Guidelines*, and defines accountabilities and reporting requirements to ensure a formalised approach in the management of risk.

Principles

Risk management supports good governance

ISO 31000:2018 *Risk management – Guidelines* is not a compliance standard. It consists of a set of principles, a framework and process aimed at improving decision-making about risks and their management by reducing uncertainty and increasing the likelihood the organisation’s objectives will be achieved.

The application of this Framework provides the basis for:

- more confident and rigorous decision-making and planning
- better identification of opportunities and threats
- proactive rather than reactive management
- more effective allocation and use of resources
- improved incident management and reduction in loss and the cost of risk, including commercial insurance premiums
- improved stakeholder confidence and trust
- a clear understanding by all staff of their roles, responsibilities and authorities for identifying and managing risk
- improved understanding and commitment to MACS’ legal and regulatory compliance obligations, including the role of the Board as a school governing authority
- better corporate governance
- the development of a risk-aware organisational culture through enhanced communication and reporting of risk
- a transparent process to identify, mitigate, escalate and comply with risks that pertain to child safety.

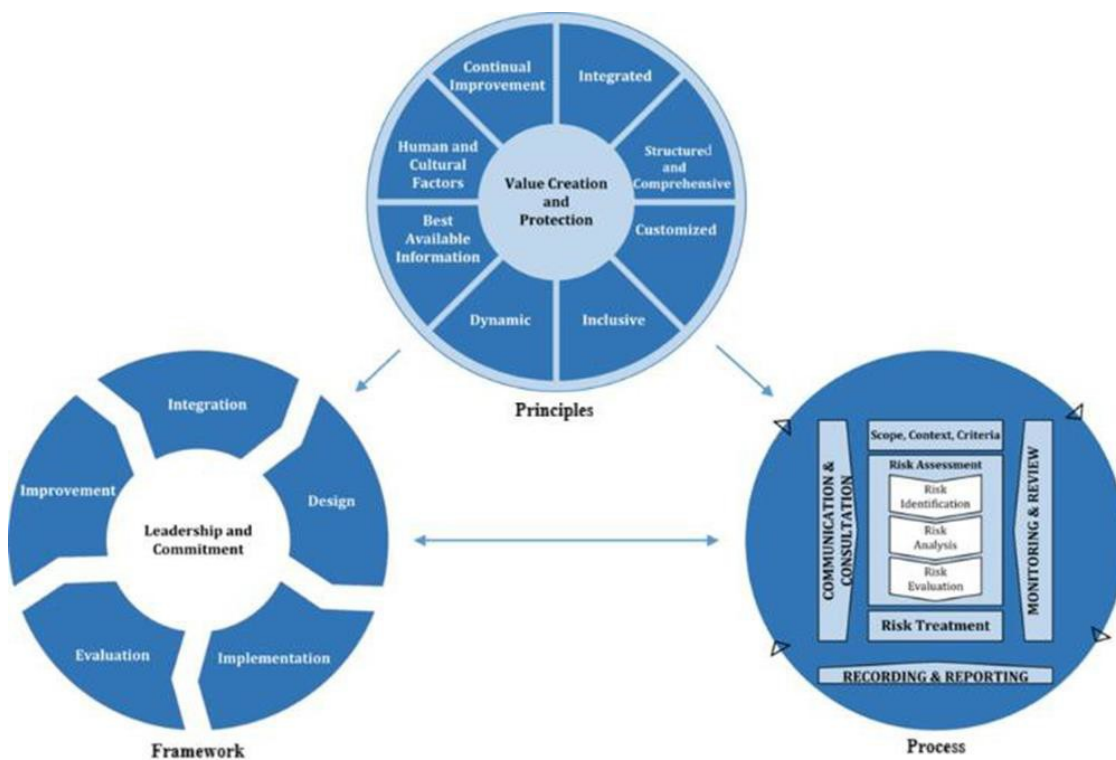


Figure 1: Principles, Framework and Process (ISO 31000:2018 Risk management – Guidelines)

The principles which guide MACS' risk management approach and activity have been adapted from the standard and are described as:

- **Risk management creates and protects value** by contributing to the achievement of MACS' objectives and improvement of performance.
- **Risk management is an integral part of MACS' organisational processes**, including strategic, operational, project and service delivery.
- **Risk management is systematic, structured and timely** through processes which are planned and an integral part of business planning and reporting processes.
- **Risk management is customised** to appropriately align to MACS' frameworks and policies.
- **Risk management is inclusive and transparent** through the appropriate and timely involvement of stakeholders and decision-makers at all levels of MACS.

The MACS Board acknowledges:

- Risk management is dynamic, iterative and responsive to change as internal and external events occur, context and knowledge change, monitoring and reviewing risk as new risks emerge, and some risk profiles change.
- Risk management is based on the best available information from multiple sources including historical data, experience, feedback, observation, forecast and expert judgments. It is used to assist decision-making and address uncertainty.
- Risk management takes human and cultural factors into account by recognising the capabilities, perceptions and intentions of external and internal people who can contribute to meeting our objectives.
- Risk management facilitates continual improvement for MACS and provides an important contribution to operational and strategic performance.

Risk management objectives

The key objectives of this Framework are to:

- develop and embed a culture of effective risk management by taking a systems approach to integrating risk management
- provide MACS, including all MACS schools, with appropriate tools to support risk decision-making and management reporting by supplying mechanisms for staff to assess, prioritise, manage and monitor all material risks in a consistent and effective manner
- facilitate the achievement of the MACS strategic and operational objectives and priorities by reducing threats and maximising opportunities
- provide assurances that the Board, as a school governing authority, is aware of the critical risks and that they are being managed effectively, including risks related to child abuse in schools.

Elements of the Framework

The MACS Board recognises that building a risk management framework takes commitment and resources. The effectiveness of risk management will depend on its integration into the governance of the organisation. This Framework relies on leadership and commitment, and is built around the five risk management elements of:

1. integration
2. design
3. implementation
4. evaluation
5. improvement.

Risk appetite

Risk appetite is defined as the amount and type of risk the MACS Board is willing to accept in pursuit of the objectives of MACS. MACS' risk appetite is expressed through the organisation's governance structure, legal and regulatory requirements, strategic and business plans, policy and procedures, and through the risk process consequence rating table.

MACS' strategic objectives underpin the aspects covered in the Risk Appetite Statement below.

MACS' Risk Appetite Statement is broadly articulated for key activities aligned to the risk categories, which enable the achievement of its strategic and operational objectives.

The table below details the risk appetite descriptions established for each key activity identified, which needs to be annually reviewed and endorsed by the MACS Board.

Activity	Risk Appetite Statement
Catholic Identity and Mission	MACS is committed to living our Statement of Mission, promote our Catholic identity and ensure that Catholic education fosters the formation of each child in a way that is deeply and enduringly humanising. MACS has a high risk appetite for any action or initiative that promotes and supports our Catholic Identity and Mission
Strategy	In order to achieve its objectives, MACS is willing to take and accept risk. The MACS Board is willing to take or accept a moderate level of risk in pursuit of its strategic priorities. There is a low willingness to accept risks which do not align with our strategic direction and vision/mission/values, impact educational outcomes or tarnish MACS' credibility and role in the community.
Student Wellbeing, Health, Safety and Environment	MACS has a zero risk tolerance for child abuse, and has established a Child Safety Framework in order to protect children and ensure a safe place to learn. There is a low appetite to accept risks to the health, safety and wellbeing of staff and students. It is not the intention of MACS to avoid inherently risky activities; however, a strong culture of health and safety awareness and risk management is expected of all staff. This includes identifying and managing health and safety risks to the best extent possible.
Culture and Compliance	As a good corporate citizen, MACS is committed to complying with all relevant regulatory and statutory requirements. This will be achieved through strong governance and management which will shape MACS' culture for compliance, ethical conduct and living our values. MACS has a zero tolerance for misconduct, fraud, harassment or illegal discrimination, and non-compliant behaviour that undermines the integrity of the organisation. MACS has a low risk appetite for non-compliance with external regulation and statutory requirements which is informed using a risk-based approach.
Finance	MACS is committed to remaining financially sustainable to ensure it can continue to serve its purpose and achieve its aspirations. MACS has a low risk appetite for irresponsible use of MACS' resources. MACS has a moderate risk appetite to ensure strong enrolment growth in the Archdiocese, while maintaining our Catholic identity.
Learning and Teaching	MACS has a moderate risk appetite for activities to improve learning, social and wellbeing outcomes, and ongoing development that enhances student outcomes in Catholic identity. This also involves having effective and efficient information systems that support and facilitate learning.
Service Delivery and Disruption	MACS has a low risk appetite for business interruptions at critical periods of operations impacting staff and MACS schools. While the ability to support operations on a day-to-day basis is important, MACS has a moderate risk appetite for change to ensure that the business has the right resources, staff capabilities and organisational structure to optimise performance in all areas.

Table 1: Risk appetite statement

Risk tolerance

Risk tolerance is the total amount of risk MACS is willing to take over its risk appetite. To determine this, tolerance metrics are generally set. The requirements to develop key risk indicators will be incorporated into the Framework strategy and plan.

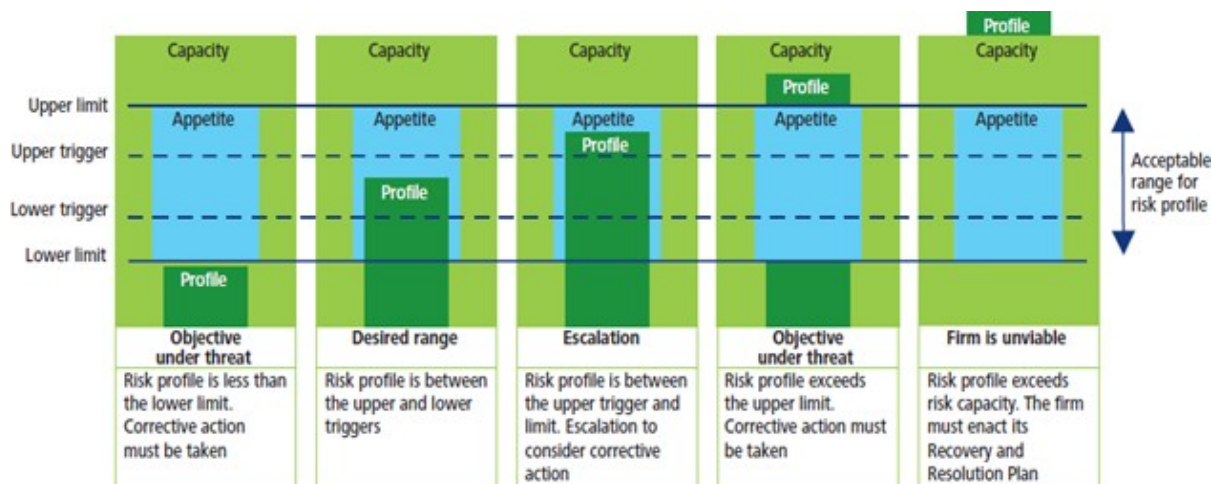


Figure 2: Risk tolerance process

Risk management accountability

Mandate and commitment

The MACS Board, as the governing authority of MACS schools, is responsible for overseeing and monitoring the assessment and management of risk and compliance.

Risk is managed in accordance with this Framework, which has been approved by the Board.

The management of risk aligns with the MACS Risk Appetite Statement, as approved by the Board.

The roles and responsibilities under this Framework are determined by the Board from time to time, and detailed in Table 1 and Table 2 of the MACS Risk Management Policy.

Risk management processes are embedded into, and not separate from, the organisation's practices.

The Board requires that the principal of each MACS school:

- ensures that each school manages and maintains a risk register consistent with the template risk register in Appendix 1 of this Framework
- reports on risk management in accordance with the requirements of this Framework and the Risk Management Policy, including those requirements specified in Appendix 2 of this Framework.

Accountability

The Board has overall accountability for risk management at MACS. However, under this Framework it may determine responsibility for particular activities to others as detailed in Table 2 of the MACS Risk Management Policy.

Reporting requirements

To ensure that the MACS Board has clear oversight of risk management, reporting requirements have

been defined in Table 3 of the MACS Risk Management Policy to ensure accountabilities are met, and the delivery of the intent of the Framework is achieved.

Integrated risk process structure

This section outlines MACS Risk Process Model, the key features and approach to risk escalation, reporting requirements and continuous improvement opportunities.

Risk focus areas

MACS Risk Process Model incorporates four areas of risk focus. These areas are nominated:

1. strategic (linked to the strategic plan)
2. operational (linked to the annual targets under the business plan)
3. project (linked to project risks)
4. emerging (linked to environmental scanning).

Figure 3: Risk process model



Strategic risk process

Strategic risks are future-focused and are the risks that may prevent MACS from achieving its strategic objectives. These risks are aligned to the strategic plan.



Operational risk process

Operational risks are those that may impact MACS in achieving its priorities, prevent MACS from delivering on the targets set by its annual business plans or compromise the delivery of education services.



Project risk process

Project risks are the risks that could impact on the achievement of delivering projects on time, within budget and to a satisfactory quality. These risks are owned by the program or project managers.



Emerging risk process

Emerging risks are newly developing or changing risks which may have an impact on MACS. Typically, emerging risks are difficult to identify, quantify and evaluate. Characteristics of emerging risk are often described as having a high level of uncertainty, and lacking consensus and agreement. They are difficult to communicate and assign ownership, often systemic and part of operational practice. The key to managing emerging risk is to have a structured approach to considering, discussing and mapping.



Emerging risk reports will be provided by the Executive Leadership Team (ELT) to the Child Safety & Risk Management Board Committee (CSRMBC) for members' information and scrutiny (this will include emerging risks that would impact the education sector, legislative and regulatory changes, etc.).

Emerging risks could also be risks that might impact schools at a local level.

Risk escalation

The 'Risk escalation and reporting guide' identifies risk escalation and reporting requirements (see also the 'Escalation flow chart' below). Table 4 of the Risk Management Policy details the reporting escalation requirements and how risks should be escalated (if uncontrolled).

Continual improvement

The MACS Board will identify continual improvement opportunities on an ongoing basis as the organisation matures its risk approach and process.

Risk management assessment process

Risks will be assessed and managed based on the best practice risk management framework stipulated in ISO 31000:2018 *Risk management – Guidelines*.

The key elements of the risk management process are:

- **Establishing the context** – MACS considers both external and internal factors when identifying and managing risks associated with the achievement of strategic and operational matters.
- **Risk assessment** – The overall process of risk identification, risk analysis and risk evaluation.
- **Risk identification** – Identifying risk sources, areas of impacts, events, causes and possible consequences to form a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.
- **Risk analysis** – Considering the range of causes, sources of risk, consequences and likelihood to produce a risk rating. The rating can be used to determine further management by MACS.
- **Risk evaluation** – The level of risk identified during risk analysis can be ranked and prioritised according to a consistent overall ranking and rating system.
- **Communication and consultation** – Effective communication, consultation and education in risk management are necessary to achieve a successful integration of the risk processes into the business.
- **Risk treatment** – Selecting one or more options for modifying risks, including funding and other resource considerations.
- **Monitoring and review** – Continual monitoring and reviewing of risk profiles is essential to maintain the effectiveness and appropriateness of MACS' risk management profiles, including (more specifically) risk treatment plans, risk assessments and identification of emerging risks.

The effectiveness of controls on the risk will modify the risk and its rating.

Risk rating methodology

Risk will be assessed and rated based on the risk rating methodology outlined in the 'Consequence rating table' and 'Likelihood rating table with risk scores'. This considers two elements of risk:

1. Likelihood rating for risk occurring – this is an assessment of the potential frequency of occurrence without reference to know management controls and mitigating processes.
2. Consequence rating for risk occurring – this is an assessment of potential people, financial, reputation, compliance or business process/system impact.

The level of inherent risk assessed is based on the level of likelihood and consequence. The mitigating processes and controls associated with the inherent risks are then assessed to determine the control effectiveness rating.

The combined inherent risk rating and control effectiveness are assessed to provide the residual risk rating and treatment plan as detailed in the section below.

Residual risk assessment and treatment plan

The residual risk is the level of risk that remains within MACS after consideration of all existing mitigating practices/controls. The residual risk provides guidance on the required level of management attention and when treatment plans are required to be developed to ensure management of the risk.

The 'Residual risk and risk treatment plan' is outlined further below.

Escalation flow chart

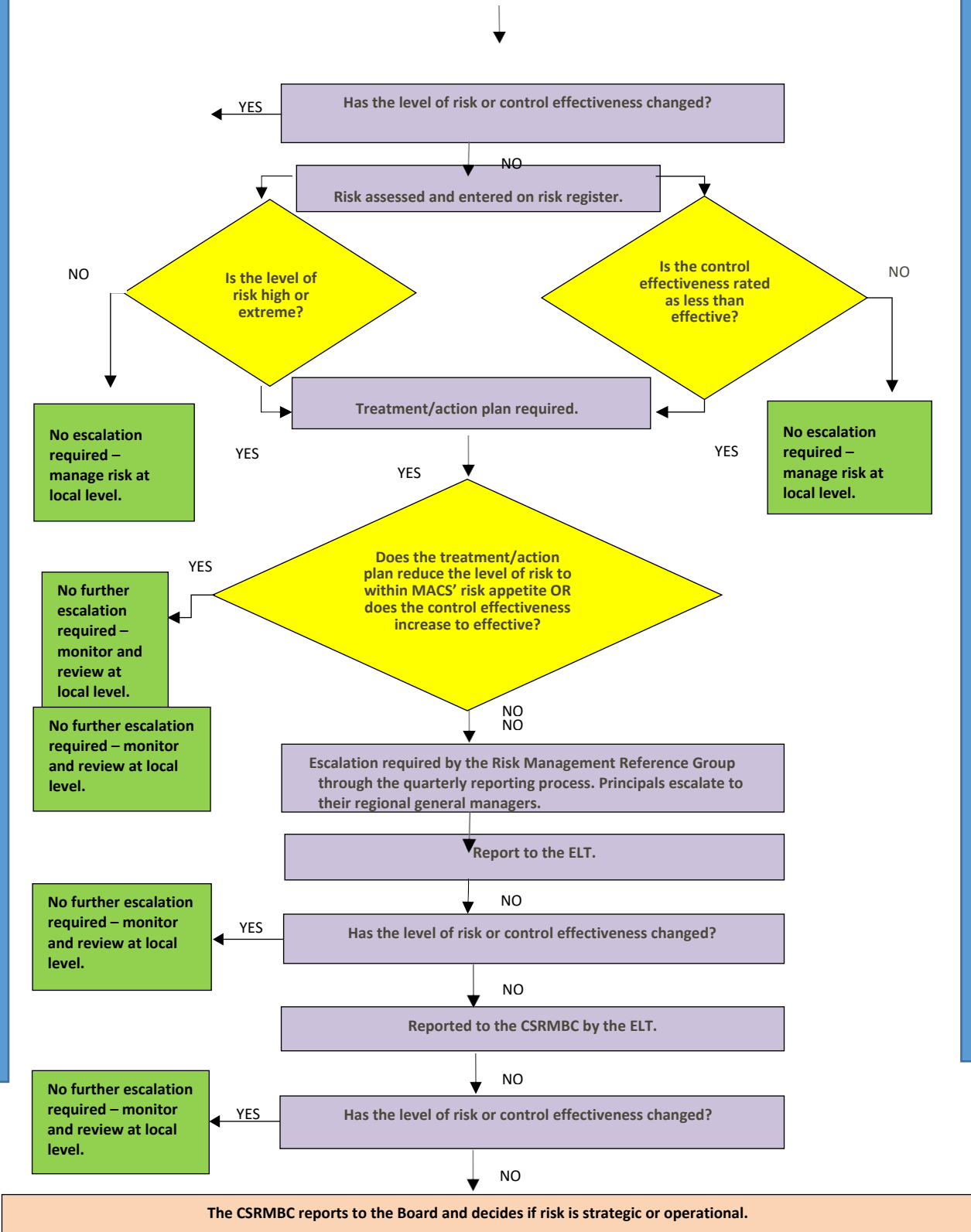
Identification and Escalation of Risks

Emerging risk or uncontrolled risk identified:

- Strategic Plan/Annual Operating Plan
- annual workshop
- quarterly review
- report or internal audit
- extreme risk event.

Communication and Consultation

Monitoring and Review



Risk management tools

Consequence rating table

Consequence	Risk Categories						
	Strategic	Reputation	Operational				IT
			Financial	Compliance or Legal Liability	Service Delivery	Student Wellbeing/ People/ Work Health and Safety	
Extreme	Mission would not be achieved. Ongoing loss of critical infrastructure. Significant impact on ability to meet governance, accountability or strategic objective (>30%). Longevity of MACS is compromised.	Impact the reputation of MACS from a national/state perspective, wider community or welfare perspective. Sustained negative publicity or damage.	Loss of assets or annual revenue of >\$5 million or >30% deviation from budget.	Sustained/serious non-compliance with legislation that has funding impacts or results in prosecution. Failure/breach of multiple controls, policies or code of ethics/conduct. Board not abiding by its role as a school governing authority.	Severe impact on majority of critical projects or closure of a service for >10 days.	Death due to injury/illness. An instance or allegation of abuse of a child.	Interruption to services including IT (>1 month) or multiple cybersecurity-related incidents.
High	Major impact on the ability to achieve governance, accountability or strategic objective, or mission (25–30% deviation). Temporary loss of critical infrastructure – medium to long-term.	Impact on reputation of MACS from a national/state perspective, wider community or welfare perspective. Short-term negative publicity or damage.	Loss of assets or annual revenue of \$1–5 million or 15–30% deviation from budget.	Failure to comply with legislative/regulatory requirements that results in fines/common law action. Significant breach of policies or code of ethics/conduct.	Impact on key requirements of a major project or closure of a service for 5–9 days.	Serious injury or illness. Workers compensation claims or permanent disability frequency rate and/or severity rate increased.	Interruption to services (1 week to 1 month) or one cybersecurity-related incident.
Moderate	Minor impact on ability to achieve governance, accountability or strategic objective, or mission (10–25% deviation). Adjustment to resource allocation and service required to manage impact – recovery is medium-term.	Impact on reputation of MACS to a specific audience which may not have long-term or community effects. Brief negative publicity or damage.	Loss of assets or annual revenue of \$250,000–\$1 million or 10–15% deviation from budget.	Regulatory breach that results in letter to management. Breach of code of ethics/conduct.	Compromised effectiveness and efficiency of a major project or closure of a service for 2–4 days.	Injury/illness. Medically treated injury (MTI) frequency rate and/or severity rate increased.	Interruption to services (<1 week).
Low	Negligible impact on critical objectives and mission. Impact can be managed through routine activities – recovery is short-term.	Minor unsubstantiated negative publicity or damage to reputation to an insignificant audience.	Loss of assets or annual revenue of <\$250,000 or <%10 deviation from budget.	Breach of policy, with little or no impact on code of ethics/conduct.	Compromised effectiveness and efficiency of minor projects or closure of a service for <2 days.	Minor illness frequency rate increased.	Minor delays (<3 hours).

Likelihood rating table with risk scores

MACS Risk Matrix	Likelihood				
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Consequence	Control failures or repetitive risk events during operations:				
	Possibility of occurrence <5%	Possibility of occurrence 5–25%	Possibility of occurrence 25–50%	Possibility of occurrence 50–75%	Possibility of occurrence >75%
	Historical:				
	Is possible, but has not occurred to date	Has never occurred, but has occurred in other organisations with a similar risk profile	Has occurred at least once in the history of MACS	Has occurred in the last few years or circumstances could cause it to occur again in the next few years	Has occurred in the past or circumstances could cause it to occur again
	Discrete risk events (e.g. cyclone, failure to meet strategic objectives, loss of key personnel):				
	May occur less than once in 15 years	May occur at least once in 5–15 years	May occur at least once in 2–5 years	May occur at least once in a year	May occur multiple times in a year
Extreme (4)	High (4)	High (8)	High (12)	Extreme (16)	Extreme (20)
High (3)	Moderate (3)	Moderate (6)	High (9)	High (12)	Extreme (15)
Moderate (2)	Low (2)	Moderate (4)	Moderate (6)	High (8)	High (10)
Low (1)	Low (1)	Low (2)	Moderate (3)	Moderate (4)	High (5)

Control Effectiveness Rating	Good (1)	Fair (2)	Poor (3)
	Current controls will identify risk occurrence or prevent it, enabling effective management.	Current controls have a reasonable chance of preventing or detecting risk occurrence to enable effective management.	Minimal chance of current control framework preventing or detecting risk occurrence to enable effective management.

Residual risk and risk treatment plan

The residual risk is the level of risk that remains within MACS after consideration of all existing mitigating practices and controls. The residual risk provides guidance on the required level of management attention and when treatment plans are required to be developed.



Active Management	Risks where current treatment options require preparation and active review.
Continuous Review	Controls are adequate, continued monitoring of controls required to confirm this.
Periodic Monitoring	Controls are not strong, but risk impact is not high. Improve control or monitor risk impact to ensure residual risk rating does not increase.
No Major Concern/ Accept Risk	Risks where systems and processes managing risks are adequate, or where the risk is out of MACS' control (e.g. government policy, etc.).

Risk management terminology

Risk Management Process: Definitions (in alphabetical order)

Consequence	The outcome of an event affecting the objectives.
Control	The measure that modifies risk.
Establishing the context	Defining the external and internal parameters to be taken into account when managing risk, and settling the scope and risk criteria.
Event	The occurrence or change of a particular set of circumstances.
External context	The external environment in which the organisation seeks to achieve its objectives.
Internal context	The internal environment in which the organisation seeks to achieve its objectives.
Likelihood	The chance of something happening.
Monitoring	The continual checking: critically observing or determining the status in order to identify change from the performance level required or expected.
Residual risk	The risk remaining after risk treatment.
Risk	The effect of uncertainty on objectives. An effect is a deviation from the expected and can be either positive or negative.
Risk analysis	The process to comprehend the nature of risk and to determine the level of risk.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk attitude	The organisation's approach to assess and eventually pursue, retain, take or turn away from risk.
Risk criteria	The terms of reference against which the significance of a risk is evaluated.
Risk evaluation	The process of comparing the results or risk analysis with risk criteria to determine whether the risk and its magnitude are acceptable or tolerable.
Risk identification	The process of finding, recognising and describing a risk.
Risk management	The coordinated activities to direct and control an organisation with regard to risk.
Risk management framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
Risk management plan	The scheme within the risk management framework specifying the approach, the management components and resources to be applied to the management of risk.
Risk management policy	The statement of overall intention and direction of an organisation related to risk management.

Risk management process	The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Risk owner	The person or entity with the accountability and authority to manage a risk.
Risk profile	The description of any set of risks.
Risk source	The element which alone or in combination has the intrinsic potential to give rise to risk.
Risk treatment	The process to modify risk.
Stakeholder	A person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity.

Reference: ISO 31000:2018 Risk management – Guidelines

Responsible director	Director, Governance and Strategy
Document owner	General Manager, Integrity and Assurance
Approving body/individual	The Board
Approval date	10/11/2021
Date of next review	10/11/2022

Appendix 1: Sample School Risk Register

[School name] Risk Register

School: [insert name]

Location(s): [insert location]

Responsible staff member: [insert name and/or title]

Approved by school principal: [insert signature]

Date reviewed: [insert date]

Next review due: [insert review date, no longer than one year from date reviewed]

Risk & Description Describe the risk, including a title and a short description. <i>What can go wrong?</i>	Risk Causes & Consequences Describe the risk cause/s and consequence/s. <i>What would cause it to go wrong? (causes)</i> <i>What are the impacts if it does go wrong? (consequences)</i>	Controls to Mitigate Identified Risks Describe any existing policy, procedure, practice or device that acts to minimise the risk. <i>What is in place now that reduces the likelihood of this risk occurring or its impact if it did occur?</i>	Risk Assessment Ratings			Risk Treatment Approach <i>What actions need to be taken to mitigate, minimise or eliminate the risk? (choose one)</i>	Risk Owner/s List the name and position of who is responsible for each risk.
			Risk Consequences <i>How big would the impact of this risk be if it occurred? (choose one)</i>	Risk Likelihood <i>How likely is this risk to occur? (choose one)</i>	Residual Risk Rating <i>What is the current risk rating after consideration of controls? (choose one)</i>		

Note: Refer to Appendix 2 of the MACS School Risk Management Policy for a risk register that includes instructions and an example.

Appendix 2: Principals' Delegations and Reporting

Delegation Reference	Duty or Power	MACS Policy Reference	Legislative Reference	Delegate	Limitations on Delegation (including any prior approvals required)	Reporting Requirements
TBC	Maintain and update risk register	Risk Management Policy		Principal		Provide attestation of up-to-date risk register
TBC	Escalation of risks	Risk Management Policy		Principal, Regional General Manager, Executive Leadership Team (ELT) or risk owner		High-rated risk to be reported to relevant member of the ELT as soon as possible. Extreme-rated risk to be reported to the Executive Director as soon as possible.

Appendix 3: MACS Schools Risk Management Policy



Note for principals:

This policy is to be contextualised for your school. Only the fillable form sections of this document can be amended by a MACS school without the approval of the MACS Executive Director. *(This note is to be removed in the published version of this policy.)*

[School name] is a school which operates with the consent of the Catholic Archbishop of Melbourne and is owned, operated and governed by Melbourne Archdiocese Catholic Schools Ltd (MACS), where formation and education are based on the principles of Catholic doctrine, and where the teachers are outstanding in true doctrine and uprightness of life.

1.1 Policy statement

MACS is committed to adopting a strategic, consistent and structured enterprise-wide approach to risk management in order to achieve an appropriate balance between realising opportunities for gains and minimising losses, and ensuring that the organisation is able to achieve its strategic objectives.

Risk management is an integral part of sound management practice and an essential element of good corporate governance and responsible stewardship, as it improves decision-making and enhances outcomes and accountability.

The MACS Board understands the importance of risk management as a major facet of good governance. In addition, this policy further assists the Board in meeting its obligations as a governing authority in accordance with child safety legislative requirements, including Ministerial Orders.

This policy applies to [School name] to ensure a clear and transparent approach in managing risk for [School name]. This policy needs to be read in conjunction with the MACS Risk Management Framework.

1.2 Policy description

ISO 31000:2018 *Risk management – Guidelines* defines risk management as ‘coordinated activities to direct and control an organization with regard to risk’.

Risk arises in all aspects of operations at [School name] and at all stages within the life cycle of those operations. Risk offers both opportunity and threat, and must therefore be managed appropriately.

Risk management refers to the set of principles, framework, culture, processes and coordinated activities to direct and control an organisation with regard to the many risks that can affect its ability to achieve its objectives. It involves establishing an appropriate risk management infrastructure and culture, and applying logical and systematic risk management processes to all stages in the life cycle of any activity, function or operation. The best interests of the school community will generally exceed those of any individual.

1.3 Policy objectives

The objectives of this policy are to:

- outline the approach of the [School name] to risk management
- align [School name] risk management with best practice ISO 31000:2018 *Risk management – Guidelines*
- define and provide a clear understanding for all staff of their roles, responsibilities and authorities for managing risk
- ensure proactive rather than reactive management
- enable confident and rigorous decision-making and planning
- ensure the development of a more risk-aware school culture through enhanced communication and reporting of risk
- enable the identification of opportunities and threats
- build stakeholder confidence and trust
- ensure compliance with relevant legislation
- ensure effective allocation and use of resources.

1.4 Risk management obligations

Risk management at [School name] is guided by the International Standard ISO 31000:2018 *Risk management – Guidelines* and the MACS Risk Management Framework.

1.5 Definitions

Risk Management Framework

The MACS Risk Management Framework provides the overall framework, direction and oversight for the systematic, disciplined and consistent identification and assessment of risks (including opportunities), and for transparent and efficient management. This policy supports the MACS Risk Management Framework, which has been approved by the MACS Board. Refer to the MACS Risk Management Framework for further elaboration on the following definitions:

- the risk rating methodology, including the development of risk thresholds for defined risk consequences
- risk appetite
- how controls should be managed within defined risk thresholds
- the objectives of the risk management program.

Risk register

All schools are required to maintain a risk register. The purpose of a school risk register is to identify, document, and manage or control risks in the school environment. It is expected that schools will manage and monitor any risks, the current controls in place, and regularly review their risk assessment and responsibility for risk management. Refer to Appendix 2 for a Sample School Risk Register (with instructions).

Control

A control is a measure that modifies risk.

Treatment

A treatment is a scheduled action that must be implemented to reduce risk priority to an acceptable level.

1.6 Procedural principles and roles & responsibilities

The MACS Board is accountable for overseeing and monitoring the assessment and management of risk and compliance, and has obligations as the school's governing authority as stipulated in child safety legislative requirements, including Ministerial Orders.

The MACS Board is supported in its risk management role by the Child Safety & Risk Management Board Committee (CSRMBC), which is responsible for reviews and endorses the MACS Risk Management Framework and MACS Risk Management Policy, and associated risk management documentation for approval by the MACS Board.

The management of risk aligns with the MACS risk appetite, as approved by the MACS Board.

The Principal will refer to the MACS Risk Management Framework when conducting risk management activities, in particular to 'Risk management accountability', 'Integrated risk process structure', 'Risk management tools', Appendix 1: Sample School Risk Register and Appendix 2: Principals' Delegations and Reporting.

The table below provides an overview of key activities and responsibilities pertaining to risk management at [School name], as approved by the MACS Board, which has ultimate accountability:

Activities	Responsibilities
Develop the [School name] Risk Register	Principal will develop a school risk register using a MACS template (Appendix 2, with instructions and example)
Assist in development of the [School name] risk management process for assessing, evaluating and treating risk, including training for school principals, in accordance with the MACS Risk Management Framework	MACS Integrity and Assurance team to facilitate awareness raising and training sessions for [School name], including principals and senior staff
Allocate roles and responsibilities of staff in risk management of [School name]	Principal
Identify and manage risk – perform day-to-day activities in an informed manner adhering to relevant compliance obligations, in accordance with the [School name] Risk Management Policy	All school staff
Manage, monitor and update the [School name] Risk Register, and manage school risk management programs	Principal

Table 1: Risk management responsibilities

1.7 Risk management reporting requirements

The table below provides an overview of reporting requirements pertaining to risk management at [School name], as approved by the MACS Board:

Role	Risk Management Reporting	Reporting Frequency
School principals	<ul style="list-style-type: none"> Ensure that the school maintains and updates the [School name] Risk Register. Sign off risk management compliance attestation (Appendix 1). Escalate extreme and high-rated risks to the Regional General Manager. 	<p>Yearly</p> <p>Yearly</p> <p>As soon as practicable</p>

Table 2: Risk management framework reporting with frequencies

1.8 Risk escalation and reporting guide

The table below provides an overview of the reporting escalation pertaining to risk management at [School name], as approved by the MACS Board:

Risk Level	Reporting Required
Low	<ul style="list-style-type: none"> The risk falls well within MACS' acceptable level of risk appetite. Accountability of the risk is to be managed by the appropriate risk owner. The risk owner is to monitor the risk at an appropriate frequency.
Moderate	<ul style="list-style-type: none"> The risk falls within MACS' acceptable level of risk appetite. Accountability and responsibility to be managed at a senior level or appropriate risk owner level. The risk may either be managed or accepted without further treatment, provided that it is at least monitored on a biannual basis. The risk should be integrated with staff level group plans.
High	<ul style="list-style-type: none"> The risk may fall outside MACS' acceptable level of risk appetite. Accountability and responsibility to be managed by the relevant principal/business manager/position of leadership role. Immediate attention and response needed. The risk requires a risk treatment plan, so the risk is managed to a level that is as low as reasonably practicable based on resource and cost. The risk should be integrated with staff group plans. Active monitoring of the risk and risk treatments are required and must be integrated into planning reporting requirements. The risk should be incorporated into quarterly reporting requirements.
Extreme	<ul style="list-style-type: none"> The risk falls outside MACS' acceptable level of risk appetite. Accountability and responsibility to be managed by the Executive Director. Immediate attention and response required, and a risk treatment plan developed to ensure there is a plan to manage the risk to a reasonable level based on resources, cost and practicality. The risk should be integrated with staff group plans. Active monitoring of the risk and risk treatments are required and must be integrated into planning reporting requirements. The risk should be incorporated into quarterly reporting requirements. The risk should be incorporated into the annual risk profile report, which is issued to the Executive Leadership Team, the CSRMB and the Board. If risk is uncontrolled, the escalation process should be adhered to.

Table 3: Risk management framework reporting escalation requirements

1.9 Policy owner

Insert Principal's name.

1.10 Next policy review

Select a date.

1.11 Appendix 1: Risk Management Compliance Attestation

Principal name Insert Principal's name

Year ending Insert year

Risk Management Compliance Attestation

In accordance with the MACS Risk Management Framework and [School name] Risk Management Policy, I confirm the following:

	YES	NO	IF NO – EXCEPTION DETAILS
1. The risk management and internal control processes that relate to my school are designed and operating effectively to prevent and detect risk and error.	Select	Select	Insert description
2. The staff, consultants and other external parties working under my direction have been informed of the MACS Risk Management Framework and [School name] Risk Management Policy, and are aware of their responsibilities to ensure the risk management and internal control processes are operating effectively to prevent and detect risk and error.	Select	Select	Insert description
3. All known or potential material areas of risk have been reported to the [Regional General Manager] and reported in the Risk Register, including detailed risk assessment and risk treatment plans.	Select	Select	Insert description
4. Any changes in risk levels or new initiatives or projects that may expose [School name] to risk have been reported during the period.	Select	Select	Insert description

Signature:

Date:

1.12 Appendix 2: Sample School Risk Register (with example)

All schools are required to maintain a risk register.

School risk register instructions

The purpose of a school risk register is to identify, document, and manage or control risks in the school environment. It is not always possible to eliminate all risks. It is expected that schools will manage and monitor any risks and regularly review their risk assessment.

Before completing any school risk register, you should:

- consult with school staff, students and the school community (such as School Advisory Councils) about any risks they have identified
- consider risks relating to achievement of your objectives in your school strategic plan and annual action plan
- consider risks in the physical school environment
- consider risks in the online school environment
- consider risks from, for example: excursions, camps, and other activities held on and off the school site
- consider risks that might be specific to vulnerable cohorts, including Aboriginal and Torres Strait Islander children, children from culturally and linguistically diverse backgrounds, children with disability and international education students.

When completing any school risk register, you should:

- add any risks – strategic, operational or project – that are relevant to your school
- add existing risk management strategies (controls) that your school is already undertaking and any being developed
- choose the risk assessment ratings that apply to the risk in your school. Risk will be assessed and rated based on the risk rating methodology outlined in the ‘Consequence rating table’ and ‘Likelihood rating table with risk scores’ sections of the MACS Risk Management Framework
- choose the required level of monitoring and risk treatments (refer to ‘Residual risk and risk treatment plan’ in the MACS Risk Management Framework)
- identify person/s responsible for managing and monitoring risk management strategies and treatments (noting that the principal is ultimately responsible)
- ensure that Extreme and High risk are monitored, reviewed and reported to the Regional General Manager
- add a date for the next review of the risk register.

The principal should sign the risk register.

[School name] Risk Register

School: [insert name]

Location(s): [insert location]

Responsible staff member: [insert name and/or title]

Approved by school principal: [insert signature]

Date reviewed: [insert date]

Next review due: [insert review date, no longer than one year from date reviewed]

Risk & Description Describe the risk, including a title and a short description. What can go wrong?	Risk Causes & Consequences Describe the risk cause/s and consequence/s. <i>What would cause it to go wrong? (causes)</i> <i>What are the impacts if it does go wrong? (consequences)</i>	Controls to Mitigate Identified Risks Describe any existing policy, procedure, practice or device that acts to minimise the risk. <i>What is in place now that reduces the likelihood of this risk occurring or its impact if it did occur?</i>	Risk Assessment Ratings			Risk Treatment Approach <i>What actions need to be taken to mitigate, minimise or eliminate the risk? (choose one)</i>	Risk Owner/s List the name and position of who is responsible for each risk.
			Risk Consequences <i>How big would the impact of this risk be if it occurred? (choose one)</i>	Risk Likelihood <i>How likely is this risk to occur? (choose one)</i>	Residual Risk Rating <i>What is the current risk rating after consideration of controls? (choose one)</i>		
<p>Risk title</p> <p>Student engagement and wellbeing</p> <p>Risk short description</p> <p>There is the risk that student engagement and wellbeing fails to improve their connectedness to the school, their peers and the broader community</p>	<p>Causes</p> <ul style="list-style-type: none"> Lack of professional development opportunities for staff Ability to recruit, train and retain appropriately skilled teachers Lack of leadership capability of staff Failure to engage students in curriculum and other school activities <p>Consequences</p> <ul style="list-style-type: none"> Best outcomes for students not achieved Students do not reach competent numeracy and literacy levels Reputation damage to the school, MACS Decreasing enrolments (further impacting funding and school program) 	<ol style="list-style-type: none"> School Annual Action Plan, curriculum review and ongoing development Teacher professional development Review student school improvement survey data and wellbeing practices Provide ongoing professional development for relevant staff and support them in their pastoral responsibilities Parish priest involvement in pastoral care Promote and publicise wellbeing practices through school newsletter and assemblies Regular school leadership team meetings to monitor and review progress MACS and school care, safety and wellbeing policies in place 	<p>Extreme</p> <p>High</p> <p>Moderate</p> <p>Low</p>	<p>Almost certain</p> <p>Likely</p> <p>Possible</p> <p>Unlikely</p> <p>Rare</p>	<p>Extreme</p> <p>High</p> <p>Moderate</p> <p>Low</p>	<ul style="list-style-type: none"> Active management Continuous review Periodic monitoring No major concern/ accept the risk 	[name and position]

Note: Add more rows as required. The risks listed here are not exhaustive; they are examples only and should be adapted to suit the circumstances of your school.