

GOVERNANCE POLICY - RISK MANAGEMENT

Policy Number:	Effective Date:
Drafted by:	Approved by BoG on:
Responsible Person:	Review Date:

Purpose

The International Organisation for Standardisation (ISO) defines risk as “the effect of uncertainty on objectives” (AS/NZS ISO 3100 Risk management). This is a useful definition as it helps to explain why risk is important to Hampton Park Care Group Inc. governance – it must be understood and considered in decision-making so that HPCH achieves its purpose with an acceptable degree of certainty. The Victorian Government Risk Management Framework (VGRMF) describes the minimum risk management requirements agencies are required to meet to demonstrate that they are managing risk effectively.

HPCH risk management is based on the principles, framework and process outlined in AS ISO 31000:2018 Risk management Guidelines.* These are continually assessed adapted and improved so that managing risk is efficient, effective and consistent across all Service Domain Areas of the Hampton Park Community House organisation.

The purpose of the risk management policy is to provide guidance regarding the management of risk to support the achievement of Hampton Park Care Group Inc. (HPCH) objectives, protect staff and business assets and ensure financial sustainability.

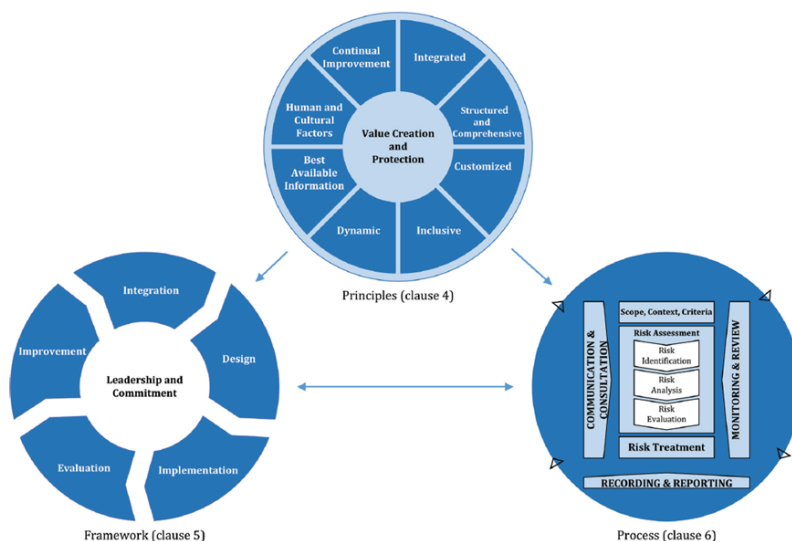


Figure 1 — Principles, framework and process

Figure 1 from: AS ISO 31000:2018 Risk management Guidelines

Scope

Management of risk is an integral part of Hampton Park Care Group Inc. culture, reflected in policies, systems and processes. This includes strategic business planning, performance management and overall governance to ensure sound financial management and efficient service delivery.

This policy applies to all Hampton Park Care Group Inc. (HPCH) activities. It forms part of HPCH. governance framework and is applies to all employees, contractors, volunteers and community members.

Governance

Hampton Park Care Group Inc. is a not-for-profit, incorporated association and community development organisation established to support children's families and the local community and enable all to *belong, be and become*, lead active and full lives through provision of, education, care and family support services.

Hampton Park Care Group Inc. sets the strategic direction and provides leadership and guidance for the organisation to deliver on its strategic initiatives, through strong governance and agile decision making.

Responsibilities:

Board of Governance	Provides policy, oversight and review of risk management
ECM/ WHS committee	Overseas regular review of risk management activities
Executive Officer	Drives culture of risk management and signs off on annual risk attestation
Executive Committee	Continuously improving risk management policy, strategy and supporting framework
Domain Area Managers	Ensure staff in their Service areas comply with the risk management policy and foster a culture where risks can be identified and escalated
Staff, volunteer and Contractors	Comply with risk management policies and procedures

Risk Management Process

When undertaking a risk management process the following steps must be taken: establish the context, identify the risk, analyse the risk, evaluate the risk, treat the risk and monitor and review the risk. Refer to the AS ISO 31000:2018 Risk management Guidelines for details on how to perform each step in the process.

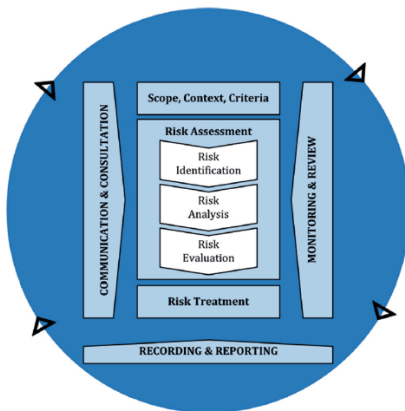


Figure 4 — Process

Integration with other systems and processes

Risk management is factored into business planning, performance management, audit and quality assurance, business continuity management and project management.

Risk categories

HPCH risk categories include but are not limited to strategic, financial, environmental, safety, people and reputation.

Risk Register

Each Domain/ Service Area maintains a Risk Register which includes the following elements:

Risk identification ID: A name or ID number to identify the risk.

Risk description: A brief explanation of the risk.

Risk categories: There are many risk categories that can impact the Service area such as staffing, budget, technical and external risks.

Risk analysis: The purpose of risk analysis is to determine the probability and impact of a risk. You can either do a qualitative risk analysis or a quantitative risk analysis.

Risk probability: You'll need to estimate the likelihood of each risk and assign a qualitative or quantitative value.

Risk priority: The risk priority is determined by assigning a risk score to each risk, which is obtained by

multiplying the risk impact and probability values. If you're using qualitative measurements, you'll need to prioritize risks with the highest impact and highest probability.

Risk assessment plan: Regulation 101 of the Education and Care Services National Regulations includes the minimum risk assessment considerations for excursions, including specific considerations when an excursion involves transporting children.

Risk response: Each risk needs a risk response to mitigate its effect on Service delivery. Those risk responses are also documented in a risk response plan

The Domain Area Managers review the risk register regularly and are responsible for adding and removing risks from the register, and reporting monthly to the Executive and Board of Governance.

Risk Reporting

The purpose of risk reporting is to create awareness of key risks, improve accountability for the management of risk and the timely completion of risk treatment plans. Domain Area Managers prepare reports, which are reviewed by the Executive and BoG monthly. Incident reports are reviewed by the Emergency Management and WHS Committee as required. (see Attachments 1 and 1.1)

The strategic risk register is prepared by the Executive and reviewed by the EM/WHS Committee on a quarterly basis.

Risk Management Performance

Risk management performance indicators include the number of internal audits/self-assessments or Incident reports completed per annum, the number of internal or external audit/ assessment findings accepted by management, the timeliness of remediating internal audit findings, the reduction in the number of extreme risks in the risk register.

Risk Appetite

Risk appetite applies to the management of existing activities, as well as seeking out new opportunities. It is the responsibility of the Hampton Park Care Group Inc. (HPCH) Board of Governance, management and staff to continually review what HPCH does, to investigate new opportunities, and to take account of individual risks in decision-making.

The Risk Appetite Statement summarises HPCH's tolerance for risk in each of a whole range of activities undertaken. For example, HPCH's tolerance for risk in health and safety matters is very low; hence a low-risk appetite for that category. On the other hand, tolerance for risk in learning and teaching innovation is relatively high.

All of the activities undertaken by HPCH can be so classified in terms of risk appetite.

The Risk Appetite Statement is a written articulation of the HPCH's risk appetite to guide staff in their daily roles.

It serves to:

- define the risk culture of HPCH
- establish a consistent view of the risk parameters HPCH operates in; and



- establish boundaries for risk management activities to determine whether further risk mitigation strategies are required.

The Risk Appetite Statement is dynamic and will be reviewed on a regular basis in conjunction with the HPCH’s strategic planning cycle.

Adequate resources are assigned to risk management and the risk profile and risk appetite are reviewed at a minimum annually.

Risk appetite statement

HPCH’s Strategic Objectives underpin the aspects covered in the Risk Appetite Statement below. HPCH’s Risk Appetite Statement is broadly articulated for key activities aligned to HPCH’s 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

Key activities	Risk appetite
Overall – Strategy	In order to achieve its objectives, HPCH must be willing to take and accept risk. HPCH is willing to take or accept a moderate to high level of risk in pursuit of its strategic priorities and for the Public Good. There is low willingness to accept risks which have no alignment with our strategic direction or tarnish the HPCH’s credibility, role in the community and its values



<p>Learning, Teaching</p>	<p>As a registered Kindergarten and out of - school -Hours Care Provider HPCH Children’s Services Domain Area has a high -risk appetite for designing Early Years play -based programs and curriculum that are innovative and informed by best practice current research.</p> <p>As an Adult Community Education Provider HPCH has a high-risk appetite for innovative courses and online Distance Learning that enhances adult student learning outcomes and experience. This involves having pre-accredited training courses which is relevant to current foundation skills, employment and industry needs. This will not be pursued by compromising our low-risk appetite for poor learning and teaching practice, unethical behaviour or program quality which would not meet HPCH standards and external accreditation requirements.</p>
<p>Research & Industry Collaboration</p>	<p>HPCH strongly believes in generating impact and contributing openly to the social good of our communities through our research. HPCH has a high-risk appetite for investment to grow its research strengths through research partnerships and industry collaboration. By doing so, HPCH has a low-risk appetite for research conduct that is unethical, noncompliant with legislation or compromises quality.</p>

Community, Student & Staff Engagement	HPCH is willing to take risks that will drive strong community engagement and increased participation in regional communities. We have a high-risk appetite to contribute to public policy discussions with government and provide equitable access to higher education. We have a low-risk appetite for risks that will destroy the HPCH's brand and diminish its role as a significant contributor to regional communities it serves.
Financial & Commercial	HPCH needs to remain financially sustainable to continue to serve its purpose and achieve its aspirations. HPCH has a low-risk appetite for irresponsible use of HPCH resources and unnecessary liabilities. We have a moderate to high-risk appetite for being more commercially adept and explore avenues to diversify revenue streams through commercially viable arrangements and partnerships
Delivery of Service & Capabilities	HPCH has a low-risk appetite for business interruptions at critical periods of operations impacting staff, volunteers, students, children, families and community members. Whilst the ability to support operations on a day-to-day basis is important, HPCH has a high-risk appetite for change to ensure that HPCH has the right resources, staff capabilities and organisation structure to optimise performance.

<p>Health Safety and Environment</p>	<p>The willingness to accept risks to the health, safety and wellbeing of staff, students and others at the House is very low. It is not our intention to avoid inherently risky activities which are part of operations; 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. We have a strong interest in protecting and preserving the environment, hence, have a low- risk appetite for activities which will significantly degrade the environment.</p>
<p>Organisation Culture and Compliance</p>	<p>HPCH seeks to comply with relevant statutory requirements to the best of its ability. We will achieve this through appropriate governance and management which will shape the HPCH's culture for compliance, ethical conduct and living our values. We have a low-risk appetite for misconduct, fraud, harassment or discrimination and non-compliance behaviour that undermines the integrity of HPCH. We have a low to moderate risk appetite for compliance with external regulation which is informed using a risk-based approach (including management of risk).</p>

Shared and State Significant Risks

Shared risks (previously known as interagency risks) are identified, and managed through communication, collaboration and/or coordination by impacted agencies. HPCH contributes to the identification and management of significant risks in Victoria and specifically the City of Casey LGA, as required.

Insurance

HPCH is insured with VMIA and ensures that the most appropriate insurance products and levels of cover for current and future risks are in place (Refer: VMIA current Insurance Certificates)

Review and approval

The BoG Executive will review the risk management policy annually. Review of the risk management policy takes into the account, risk management performance and progress made against the risk management improvement plan, which is how the risk management policy is implemented across HPCH.

Related Policies and Supporting Documents

Policies

Read this policy in conjunction with the following policies and procedures

Governance Policies- Conflict of Interest, Governance

Staffing Policies

Incident Management and Reporting Policies

Health & Safety Policies (including, Child Safe Environment, Safe Transportation of Children)

Attachments:

Attachment 1: The Risk Management - Board of Governance Report Template

Attachment: 1.1 Sample BoG report

Attachment 2: Communication- Consultation Plan Template

Attachment 3: Attachment 3-Risk-Rating-Criteria

Attachment 4: Risk Assessment Plan example

Attachment 5: Risk Mitigation Plan example

Supporting documents

AS ISO 31000:2018 Risk management Guidelines

ASEQA Risk Assessment and Management Tool

ASEQA [Risk Assessment resource](#)

ASEQA [Risk assessment and management cycle](#)


ASEQA [Risk assessment and management – Adequate supervision infographic](#)

ASEQA [Risk assessment and management template – Learning experience plan – Educators/Teachers](#)



Authorisation:

Signature of Chair of BOG :



Date of Approval by BOG:

Hampton Park Care Group Inc.

