Risk Management

Do Schools need to comply?

Although there are no legislated obligations, a risk management approach to a school’s operations can assist in managing risk and protecting the school against legal liability and loss of reputation. Risk management is also about careful planning of opportunities and is a methodology associated with many legal obligations. In some cases it is recognized by legislation and the courts.

Conditions of compliance:

Risk is anything that may impede a school in the achievement of its objectives.

Risk is measured in terms of consequences and likelihood (AS/NZS Standard 4360:2004 Risk Management).

Risk for schools could cover the following areas (list not exclusive):

- People risks
- Damage to property risks
- Employment practices risks
- Legal risks
- Physical environment risks
- Reputation risks
- Financial management risks
- Fund raising risks
- Income risks
- Student duty of care risks
- Student enrolment and other policy risks

If you have to comply, what do you have to do?

The key steps in risk management are:

- Identifying risks. What can happen? How and why can it happen?
- Analyse risks – determine the likelihood and consequences and estimate the level of risk.
- Evaluate the risks and assess the possible consequences for the school.
- Consider risk options including altering practices, insurance or acceptance of the risk.
- Monitor risks, particularly any changes that alter or add to the risks.

In identifying the risk it is advisable that the school:

- Consider all identifiable obligations;
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- Identify information, record keeping and required policies and procedures associated with these obligations;
- Evaluate the relevance and quality of the school’s policies and procedures; and
- Ascertain whether policies and procedures are effectively implemented.

**What are the consequences if you don’t comply?**

There may be serious implications for a school if both policies and procedures are not in place, or if they are in place but not effectively implemented. The implications may include:

- Harm or loss for students, staff, the school or others;
- Significant costs
- Loss of time for staff should a legal issue arise;
- Negative impact on morale of staff and/or students; and
- Adverse publicity for the school.

**See also:**

Legal Obligations for Schools

**Useful links:**

*DECD - Risk Management*
*SAI Global - AS/NZS 4360:2400 Risk Management (for purchase)*