POLICY
Risk Management

NT
CHRISTIAN
SCHOOLS

DOCUMENT INFORMATION

Policy Feedback

AMENDMENT HISTORY

Version	Date	Changes Made
1.0	10/2014	Establishment Risk Assessment Policy & risk management frameworks.
2.0	09/2021	Establishment of Risk Management Framework – edits unrecorded.
3.0	11/2024	Extensive expansion of all areas to align with risk management standards. (Previous versions primarily focused on school activities).

1   Preamble

NT Christian Schools is an organisation that exists to advance the Christian religion through the provision of high-quality education and training services and religious instruction. A holistic and relational approach to learning for each individual student, underpinned by a biblical world view provides an education for the whole person, for the whole of life.

We believe that the Christian faith is a life-transforming faith that will be authentically evidenced in a believer's actions. The bible exhorts us to purse godliness and to model biblical standards of behaviour. Everything we do, our practices, our conduct, our use and stewardship of resources is an act of worship to God and a witness to those around us.

All members of the NT Christian Schools community are to be committed to ensuring a safe and caring environment for students, staff and the whole community in a manner that is consistent with the Christian ethos and beliefs of NT Christian Schools.

Employees and those a policy applies to are fully supported by NT Christian Schools to meet compliance with this policy.

NT Christian Schools is committed to achieving and maintaining workable solutions for our organisation.

We may make changes to this policy from time to time to improve the effectiveness of organisational operation or to meet legislative requirements. Notification of changes will be communicated to those a policy applies to, and it is their responsibility to read updated policies and relevant related documents as soon as reasonably practical. Any NT Christian Schools stakeholder who wishes to provide feedback about this policy may forward their suggestions to the policy monitor or policy@ntchristianschools.com.au.

2   Purpose

The NT Christian Schools Risk Management Framework outlines our approach to risk. At NT Christian Schools, we acknowledge that risk is inherent in all we do. The management of the Company's risks are an important and serious responsibility. The Company, and its stakeholders across our communities, may face a myriad of risks that threaten the achievement of academic, safety, financial, reputation, regulatory and strategic objectives.

The Board of Directors recognise that, together with the CEO and staff, they are responsible for nurturing a proactive culture of being risk-aware and considerate throughout the Company. It is the Company's culture that enables our practice, and a proactive risk-aware culture will reduce the likelihood and impact of risks and the potential or actual problems that may emerge. It will also ensure that these challenges can be identified, managed and resolved within the context of the day-to-day operations in the context of the NT Christian Schools' governance processes.

3   Policy applies to

The Risk Management Framework applies to all aspects of NT Christian Schools community in the various ways in which those stakeholders interact with the operations of the Company. It encompasses students and all employees, including full-time, part-time, permanent, fixed term and casual employees, as well as contractors, volunteers and people undertaking work experience or vocational placements.

The Board of Directors is responsible for ensuring NT Christian Schools realises its purpose as articulated in its constitution. This obligation and commitment to the Company's objects and strategic objectives that have been identified by the Board of Directors in collaboration with the Company's management team, recognise that these goals and objectives must be underpinned by a sound risk management framework.

This approach to risk management charts the strategic and operational dimensions of risk management across all the Company's activities.

The policy is available to all parents, carers, students, staff, volunteers and contractors via the NT Christian Schools website and on request in hard copy form from the NT Christian Schools Business Services Office as required.

The policy is available to all staff via the NT Christian Schools Canvas *Policy and Advisory Library*.

4   Standards

The Australia Risk Management Standard AS/ISO 31000:2018 forms the basis of the NT Christian Schools' Risk Management Framework. In relation to this standard, NT Christian Schools will therefore:

- Identify reasonably foreseeable risks associated with its activities that may have a material impact on the Company;

- Assess identified risks;

- Put in place controls and treatments to reduce risks to a target level that is consistent with the Company's requirements and the Risk Appetite Statement;

- Communicate issues in relation to risks and risk management activities to key stakeholders; and

- Perform on-going monitoring and review of key risks to ensure that changes to the risks affecting the Company are identified and managed in a timely manner.

5   Policy

The NT Christian Schools is committed to:

- Protecting its people and its valuable assets, inclusive of processes, property, products and reputation;

- Ensuring to the best of its ability that the school environment is a safe place for all students and members of the NT Christian Schools community;

- Contributing to the development of a flourishing organisational culture, in which people not only feel safe but also understand their purpose, roles and direction in a proactive risk-aware culture;

- Improving its planning processes by enabling the key focus to remain on core business and to help ensure continuity of service delivery;

- Reducing the likelihood of potentially damaging occurrences and assist with preparing the Company to effectively manage challenging events;

- Improving accountability, responsibility, transparency and governance in relation to both decision-making and outcomes;

- Fulfilling its fiduciary obligations.

This policy sets out the NT Christian Schools' overall approach to risk management. Risks have been described in terms of combination of the impact or consequences of an event occurring and its likelihood of occurring. Risk is the chance of something happening that will have an impact on objectives and risk management can be described as the culture, processes and structures that are directed towards realising potential opportunities while managing an adverse effect.

The NT Christian Schools Risk Management is designed to identify the risks the Company faces and put measures in place to keep those risks to an acceptable minimum. The existence of risk presents both threats and opportunities to the Company. Risk Owners are assigned responsibility for the identified risks in the Enterprise Risk Register. The NT Christian Schools' risk assessment matrix is used as the benchmark in planning and implementing the risk management measures.

This diagram demonstrates the overall approach to the risk management process:
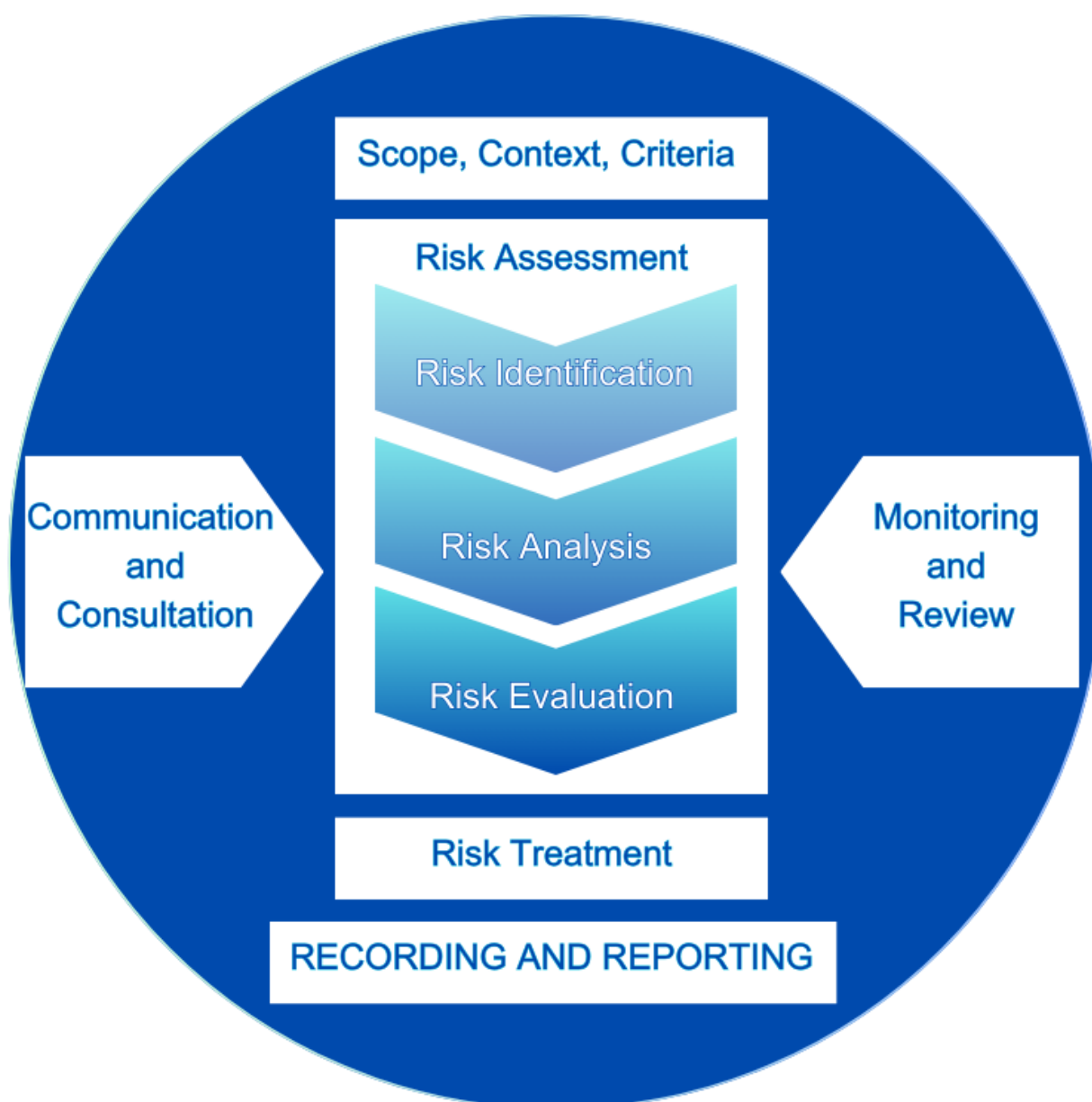
Figure 1: Responsibilities and relationships inherent to the Risk Management Framework
(Source: International Standards ISO 31000: Risk Management Guidelines)

The risk management process is an iterative process that involves the systematic application of policies, procedures and practices to the activities of the Company. It is an integral part of management and decision-making and is integrated into the structure, operations and processes of the NT Christian Schools. It can be applied at strategic, operational, programme or project levels.

Risks are effectively managed at the NT Christian Schools through the effective implementation of various controls, which include:

- The Risk Management Framework (approved by the Board of Directors);

- documented policies and procedures;

- maintenance of registers;

- implementation of risk-based systems and processes;

- ongoing monitoring of regulatory obligations;

- checklists to guide activities and project plans to record actions; and

- internal and external reporting.

6   Responsibilities

6.1   The NT Christian School Board (Board of Directors)

The Board of Directors is ultimately responsible for approving, and committing to, the risk management policy and setting and articulating the NT Christian Schools' appetite for risk. The Board of Directors responsibilities include:

- Reviewing and challenging the Company's Risk Appetite on a regular basis;

- Approving the Risk Management Framework on an annual basis; and

- Reviewing and approving risk information (including independent audits, external disclosures, and annual updates of the enterprise risk schedule).

6.2   The CEO

The CEO is responsible for:

- Ensuring all Risk Owners, staff, students and volunteers adhere to the Risk Management Framework;

- Reviewing and endorsing any information provided by the Finance and Risk Management Committee to the Board.

6.3   The Finance and Risk Management (FARM) Committee

The Board of Directors delegates the Finance and Risk Management Committee with responsibility for overseeing the risk management activities at NT Christian Schools. Functions of this role include:

- Ongoing review and approval of the Risk Register in accordance with risk reporting protocols;

- Annually reviewing and recommending to the Board any proposed changes to the Risk Management Framework;

- Monitoring adherence to the Risk Management Framework;

- Promoting awareness of the Risk Management Framework throughout the Company; and

- Providing any relevant risk information (e.g. independent audits of the Risk Management Framework or external disclosures) to the Board for approval.

6.4   Senior Leadership Team (SLT)

The Senior Leadership Team has responsibility for communicating and consulting with staff to ensure risks are identified, appropriate controls are in place and any necessary treatments are addressed in relation to the operational activities of the Company. The Senior Leadership Team comprises those persons incumbent in the positions of:

- CEO;
- School Principals;
- Senior Director Education;
- Director Business Services; and
- Director Finance and Facilities.

6.5   Risk Assessment Team Providing Accountability (RATPAC)

The RATPAC includes key staff from each school and site who ensure policies and procedures are followed at their location(s). This group will operationalise and monitor risks at a local level

6.6   Risk Owners

Risk Owners are individuals who have been allocated ownership of strategic or operational risks and are responsible for managing, monitoring and reporting on the status of the risk to the Senior Leadership Team. Risk Owners should follow the Risk Management Framework in fulfilling their obligations which include:

- Proactively identifying risks on a day-to-day basis;
- Monitoring and updating risks and their associated ratings on at least a quarterly basis;
- Reporting any new or re-rated risks in accordance with the Risk Management Methodology;
- Reviewing all risks in their area at least once per year.

6.7   Staff, Contractors and Volunteers

Risk management is the responsibility of all NT Christian Schools staff, contractors and volunteers. This group should be aware of, and are responsible for, applying risk management principles and practices relevant to all areas of their work. The way in which this group engages with, and communicates about, the risk management approach of the NT Christian Schools is fundamental to the development of a proactive risk-aware culture.

6.8   Parents/Guardians and Members of the School Community

Parents/guardians and members of the school community are responsible for maintaining awareness of, and complying with, the Company's policies, instilling risk-awareness in their children and bringing risk-related matters to the Company's attention.

6.9   Students

Students are responsible for complying with the Company's policies; following the instructions of staff and adopting appropriate behaviour.

7   Relationships

Figure 2 illustrates the relationships between the various stakeholders and their responsibilities within the Risk Management Framework. The critical relationships include:

- Between the Board of Directors and the Finance and Risk Management Committee, with a standing report of the Committee at each meeting of the Board;

- Between the Chair and the CEO, to ensure that perceived and actual risks and associated problems are identified at the earliest possible opportunity;

- Between the Finance and Risk Management Committee and the Senior Leadership Team, meeting on an as needs basis to ensure implementation and compliance with the Risk Management Framework;

- Between the Senior Leadership Team and Risk Owners, ensuring that there are clear and easy to follow systems and procedures for identification, management and resolution of risks;

- Between Risk Owners and Employees, embracing specific procedures for risk identification and management in day-to-day activities;

- Between Employees and the NT Christian Schools Community, ensuring clear and consistent communication of the NT Christian Schools's approach to risk as defined by the Risk Management Framework;

- Between the Board of Directors and the NT Christian Schools Community, ensuring clear and transparent communication on significant strategic risk and the management response of the Company.
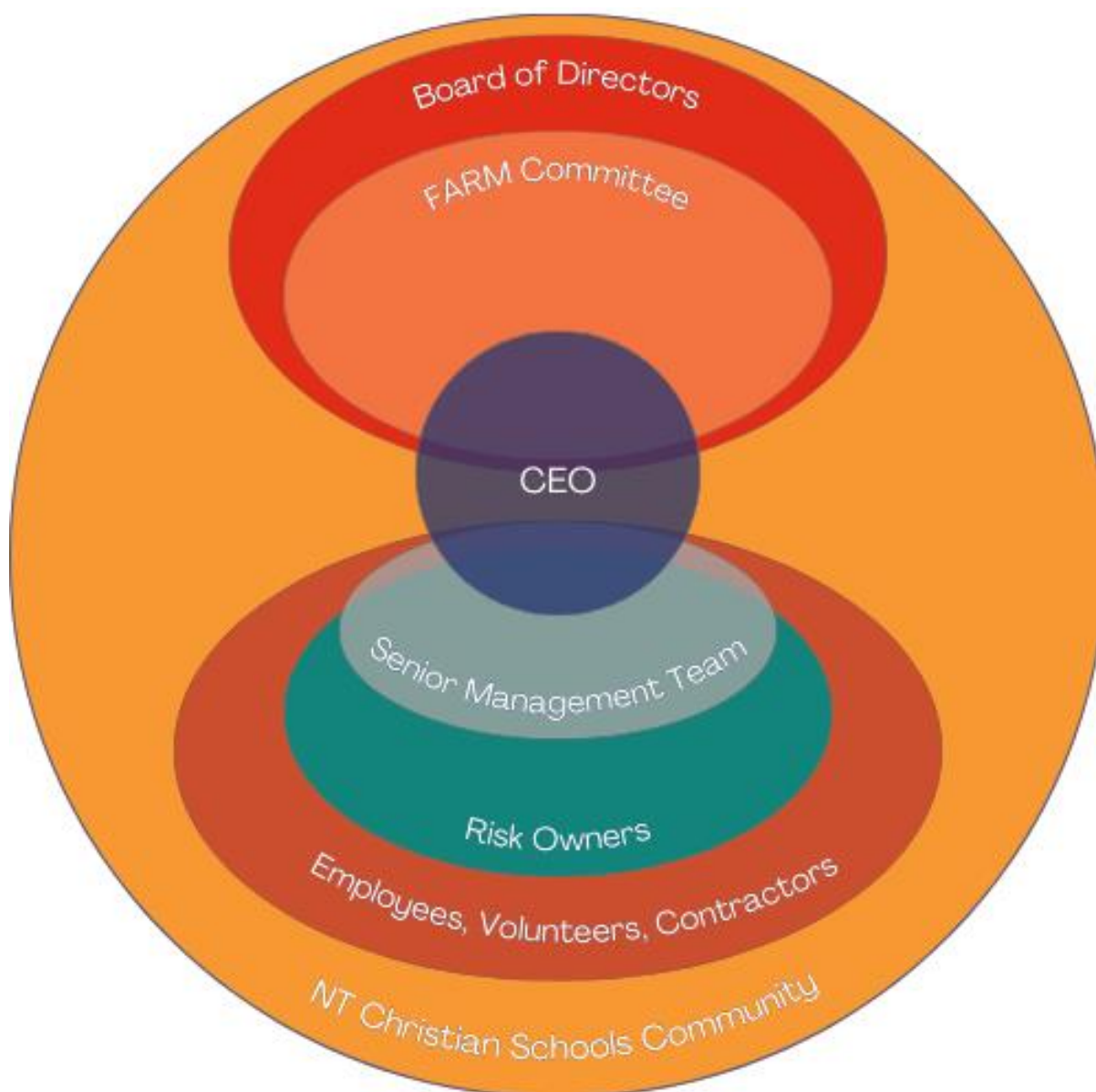
Figure 2 Responsibilities and relationships within the Risk Management Framework

8   Review

The NT Christian Schools's Risk Management Framework is not a "set and forget" framework. It is an ongoing process, and it is recognised that the level and extent of the Risk Management Framework will change commensurate with changes in the company and its external impacts. This will include an annual review of this framework by the Board of Directors.

9   Assessment Methodology

The Board of Directors has considered the Australian Risk Management Standard AS ISO 31000:2018 in developing its Risk Management Framework which provides a systematic approach to identifying, assessing and treating risks. It describes the criteria that will be used by NT Christian Schools to assess consequence and likelihood, leading to an overall risk rating. Risk will be assessed on an inherent basis (before controls are applied), and on a

residual risk basis (following the application of controls).

The Risk Management Framework also describes the ownership, monitoring and management requirements for each level of overall risk. The factors that are critical to the success of the Company's Risk Management Framework include:

- embedding a risk-aware culture throughout the Company;

- communicating our risk management strategy to all stakeholders;

- acknowledging that 'it can happen here';

- adopting innovative techniques to mitigate risks;

- effective identification and management of Company-related strategic risks in addition to the operational risks;

- engaging staff and students in discussions on risk and control concepts; and

- adopting a continuous improvement philosophy.

The risk management process from the Australian Standard is outlined in Figure 1 earlier in this document.

9.1   Scope, Context, Criteria

By establishing the scope, context and criteria, the Company will be able to articulate its objectives and define the external and internal parameters to be considered when managing risk, as well as set the scope and risk criteria for the remaining process.

The external parameters refer to:

- the socio-cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment;

- key drivers having an impact on the Company;

- relationships with key external stakeholders.

The internal parameters refer to:

- governance, organisational structure, roles and responsibilities;

- policies, procedures and strategies;

- resources, training and knowledge;

- relationships with key internal stakeholders.

9.2   Risk Identification

Identifying risk involves considering what, why, when, where and how things happen. The goal of the risk identification process is to generate a comprehensive array of risks that may impact on the Company. In establishing the context of risks key questions may include:

- when, how, why and where are risks likely to occur;

- what is the consequence should the risk or event occur, consider time and monetary impact;

- what are the threats and opportunities;

- what are the significant factors in both the internal and external environment that may affect the outcome;

- what is the source of the risk, has this occurred before, and how likely is it to eventuate;

- what is the impact should this occur;

- what controls are in place to mitigate this risk; and

- who are the stakeholders?

A range of procedures at the NT Christian Schools are used to identify risks, these include for example:

- Discussion and identification of risks by the Board of Directors;

- Identification of risks through discussion at Senior Leadership Team meetings;

- Safety reports completed by internal or external auditors;

- Annual review of Company enterprise risks;

- Discussion and identification of risks by all staff via regular staff meetings;

- Discussion and identification of risks by students via the Student Forum and classes.

A broad range of risks including operational, compliance, financial, reporting, technology, human resource and strategic risks are considered. Table 1 sets the risk categories and examples of the key areas of risk identified through the process.

Table 1: Risk Categories and Examples

Risk Category	Example
Our brand and reputation	- Reputation damage - Stakeholder communication failure
Our Educational Goals	- Failure to engage students in curriculum - Student learning outcomes
Our Finances	- Financial performance - Financial management - Fraud or corruption - Changes to funding policies
Our Operations	**Business Continuity** - Emergency response - Crisis management - Disaster recovery **Compliance With Legislation And Regulation** - State Government Requirements

	- ACNC reporting - Privacy **Governance And Operational** - Failure to develop and maintain a high-performing board - Poor decision making due to lack of appropriate information - Inadequate/inappropriate governance processes and practices - Lack of defined policies, processes, procedures or delegations of authority - Complaints handling - Audit **It, Systems, And Cybersecurity** - IT systems failures - Technology disruption - Data breaches - Technology innovation in education **Property** - Equipment and facilities - Grounds - Security **Strategic** - Resourcing - Failure to implement strategic objectives - Strategic targets and priorities not realistic
Our people	**Bullying And Violence** - Student bullying - Staff bullying - Code of conduct enforcement **Child Protection** - Failure to embed a child safe culture - Failure to provide adequate resources to meet objectives **Health And Safety** - WHS - Duty of care - Student safety and wellbeing **Human Resources** - Teaching staff turnover/retention - Teacher workload and stress - Non-teaching staff turnover/retention - Inappropriate behaviour
Our Environment	- Epidemics and pandemics - Territory wide and local demographic shifts - Political and economic impacts

9.3   Risk Analysis

Risk analysis involves developing an understanding of the risk and provides an input to risk evaluation and to decisions on whether risks need to be treated, and if so, on the most appropriate risk treatment methods. This analysis can also provide input into the options to address risks and inform the decision making required across different types and levels of risk.

Risk analysis should seek to identify potential causes and sources of risk in order to analyse their consequence and the likelihood that the consequence will occur.

All risks within the Company are assessed using a common scale that considers:

- the likelihood of a risk eventuating; and
- the potential consequences if the risk were to occur.

Determining likelihood can be subjective, particularly where data is not available. However, historical data that takes into account frequency of exposure and statistical data is often available and can be used to determine whether the likelihood of an event is:

- Almost certain
- Likely
- Possible
- Unlikely
- Rare.

The likelihood of the risk occurring is linked to probabilities. The higher the probability; the higher the likelihood. The likelihood rating scale in Table 2 has been developed as a tool to assist with the likelihood assessment.

Table 2: Likelihood Rating

Likelihood Rating	Likelihood	Probability
5	Almost Certain	Risk is expected to materialise multiple times over a 1-year period
4	Likely	Risk is expected to materialise once in a 1-year period
3	Possible	Risk is expected to materialise once in a 1 to 5-year period
2	Unlikely	Risk is expected to materialise once in a 5 to 25-year period
1	Rare	Risk is expected to materialise less often than once in a 25-year period

The impact of the risk event requires an assessment of the highest cost outcome, taking into account ancillary costs as well as direct costs that will be incurred if the risk event takes place. The Board of Directors have determined that a 'material' risk is one that has the

potential, if realised to:

- Adversely affect the interests of students, staff and other stakeholders; or

- Have a significant impact on the Company's operations, reputation, profitability or net assets.

The Risk Impact Rating scale in Table 3 has been developed to assist with quantifying the impact.

The measurement of the consequences that do not have a natural monetary value, for example, reputation loss, need to be determined. The main purpose of placing a value on the consequence is to get a feel for the magnitude of risk and its priority.

Table 3: Risk Consequence and Impact Ratings

Impact Rating	Level of Consequence	Description	People (Staff, Students, Volunteers, Contractors)	Operations	Financial	Educational / Academic Outcomes	Reputation
5	Catastrophic	Severely impairs the ability of the Company to operate as a going concern.	• Business failure due to capability failures or death or multiple life-threatening injuries.	• Critical system failure, bad advice or ongoing non-compliance. • Operations severely affected.	• **20%** of revenue or • **20%** reduction in enrolments in any one school or total enrolment.	• High (%) portion of students with poor academic outcomes; serious loss of recognition as leading Company in educational delivery; serious reputation issues acted upon by regulators.	• Regulatory / government intervention. • Impacts organisational viability.
4	Major	Will have a significant impact on the operations of the Company	• Parts of business fail due to capacity / capability failures or life-threatening injury or multiple serious injuries causing hospitalisation	• Strategies not consistent with organisation's agenda. • Trends show service is degraded. • Significant and repetitive control failures leading to	• **15%** of revenue or • **15%** reduction in enrolments in any one school or total enrolment.	• Significant portion of a year / stage cohorts with poor academic outcomes; substantial loss of recognition as leading Company in educational delivery; serious reputation issues that are the focus of public scrutiny.	• Intense public, political and media scrutiny; • Significant impact on enrolment base.

				major impact in business operations.			
3	Moderate	Requires Principal or CEO (for corporate or whole of Company) and SLT intervention to manage and resolve; may consume considerable resources to manage taking attention from day-to-day operations; notification to Board	• Repetitive failure in business capacity / capabilities causing some reputational impact or serious injury causing hospitalisation or multiple medical treatment cases.	• One or more key accountability requirements not met. Inconvenient and disruptive but not threatening to the Company as a whole.	• **10%** of revenue or • **10%** reduction in enrolments in any one school.	• Substantial lack of learner engagement resulting in poor learning outcomes; loss of recognition as leading Company in educational delivery; reputational impacts associated with unresolved issues in the Company community.	• Adverse capital city media coverage. • Internal disruption some disaffected students / staff / parents or guardians.
2	Minor	Requires executive-level intervention to manage and resolve; notification to Principal or CEO for corporate or whole of Company.	• Minor capacity / capability failures or minor injury or first aid treatment case.	• Policy procedural rule occasionally not met, or services do not fully meet need.	• 5% of revenue or • 5% reduction in enrolments in any one school	• Small trend showing lack of learner engagement and associated progression; increasing instability in curriculum and delivery resulting in some parent complaints.	• Adverse local media coverage only. • Minor disruptions in business.
1	Insignificant	Is expected and can be managed through already approved operations	• Minor irregular capacity / capability failures or injuries or ailments not requiring medical treatment.	• Minor errors in systems or processes requiring corrective action, or minor delay without impact on overall business.	• 2% of revenue or • 2% reduction in enrolments in any one school.	• Immaterial reduction in student learning outcomes and progression; minor changes in curriculum and delivery expect in line with normal Company management.	• No adverse media attention. • Expected consequence of conducting business.

Risk analysis is undertaken based on the existing status of the risk, with consideration of the controls that may already be in place. It identifies the inherent risk (i.e. the risk prior to the implementation of any controls) and the residual risk (the risk rating after the application of controls). This common

approach to risk rating is necessary to ensure that the most significant risks to the Company can be readily identified and prioritised in a way that has the greatest overall benefit to the Company.

The Inherent Risk Rating Equals the sum of the likelihood Rating and the Impact Rating. The Inherent Risk Rating is then classified as per Table 4.

Table 4: Risk Rating

Risk Rating	Classification	Required Action
9 to 10	Extreme	Advise Board of Directors and monitoring required by Finance and Risk Management Committee.
7 to 8	High	Advise Board of Directors and monitoring required by Finance and Risk Management Committee.
5 to 6	Moderate	Regular monitoring required by CEO and Senior Leadership Team.
Below 5	Low	General monitoring required by staff.

The risk matrix in Table 5 is used to combine *Likelihood* and *Consequence* to obtain a risk score.

Table 5: Risk Analysis Matrix for Determining Level of Risk

Risk Analysis Matrix for Determining Level of Risk		LIKELIHOOD				
		Rare	Unlikely	Possible	Likely	Almost Certain
		1	2	3	4	5
CONSEQUENCE	Catastrophic 5	Moderate 6	High 7	High 8	Extreme 9	Extreme 10
	Major 4	Moderate 5	Moderate 6	High 7	High 8	Extreme 10
	Moderate 3	Low 4	Moderate 5	Moderate 6	High 7	High 8
	Minor 2	Low 3	Low 4	Moderate 5	Moderate 6	High 7
	Insignificant 1	Low 2	Low 3	Low 4	Moderate 5	Moderate 6

9.4   Risk Evaluation

The purpose of risk evaluation is to assist in making decisions, based on the outcome of risk analysis, about which risks need treatment and the priority for treatment implementation. Decisions should take account of the wider context of the risk and include consideration of the Company's risk appetite and tolerances across categories of Company activity as well as the actual and perceived consequences to external and internal stakeholders. Legal,

regulatory and other requirements may also impact on the evaluation.

The rating of a risk, together with the categories of Company activity and the related risk appetite as identified by the Board of Directors in the context of the Risk Management Framework, are used to determine:

- The urgency with which action should be undertaken;

- The nature of the action that is required;

- The reporting requirements for the risk;

- How the risk is to be monitored.

That is, risk evaluation helps to identify where the inherent risk is greater than the risk appetite of the NT Christian Schools and therefore where additional action is required to further manage the risk.

9.5   Risk Treatment

Controls and mitigating actions are required for all risks. Where risk treatment is required, it involves selecting one or more options for modifying the risk and implementing those options. Risk treatment is required when the residual risks remain unacceptably high, or where there is a desire to bring this risk down, with regard to the Company's risk appetite. Once implemented, treatments provide or modify the controls.

An evaluation of each risk once undertaken determines those risks that are acceptable and those that require further treatment. To treat unacceptable risks, the Company may improve existing controls or develop and implement new controls. Controls are mechanisms that modify risk and are designed to address the root cause of risk. They are (typically) policies, processes, procedures, and strategies. Controls are used to calculate the current (controlled) risk level and identify the extent to which controls are modifying the risk.

Risks with a 'treated risk' rating of low or medium are deemed to be acceptable and should be managed locally. Those risks with a 'treated risk' rating of high or extreme require specific treatment actions and the attention of the CEO or the Senior Leadership Team.

Risk treatment involves an iterative process of:

- formulating and selecting risk treatment options;

- planning and implementing risk treatment;

- assessing the effectiveness of that treatment;

- deciding whether the remaining risk is acceptable; and

- if not acceptable, taking further treatment.

Risk treatment options are not necessarily mutually exclusive. Nor may they be appropriate in all circumstances when giving due consideration of current risk appetite. The purpose of this step is to put in place one or more options (controls) to reduce the level of residual risk to a level that is considered acceptable by the Company.

Selection of the most appropriate treatment option involves balancing the potential benefits derived in relation to the achievement of the objectives against costs, effort or disadvantages of implementation.

As highlighted in Table 6, responses to risk will fall within the categories of risk avoidance, mitigating/reducing, transferring or sharing and acceptance.

Table 6: Risk Response Categories

Avoid Risk	Not to proceed with the activity or choosing an alternative approach to achieve the same outcome. Aim is risk management, not aversion.
Mitigate	Reduce the likelihood – Improving management controls and procedures
	Reduce the consequence – Putting in place strategies to minimise adverse consequences, e.g. contingency planning, business continuity plans, liability cover in contracts.
Transfer the Risk	Shifting responsibility for a risk to another party by contract or insurance. Can be transferred as a whole or shared.
Accept the Risk	Controls are deemed appropriate. These must be monitored and contingency plans developed where appropriate.

Table 7 sets out some of the considerations that may need to be determined when deciding what treatment options are appropriate for a given risk.

Table 7: Considerations for Treating Risk

Term	Definition
Acceptability	Is the option likely to be accepted by relevant stakeholders?
Administrative efficiency	Is this option easy to implement or will it be neglected because of difficulty of administration or lack of expertise?
Authority	Who has the authority to apply this option, e.g. the CEO, the Board of Directors?
Compatibility	How compatible is the treatment with others that may be adopted?
Continuity of effects	Will the effects be continuous or only short term? Will the effects of this option be sustainable? At what cost?
Cost effectiveness	Is it cost-effective? (Could the same results be achieved at lower cost by other means?)
Economic and social effects	What will be the economic and social impacts of this option?
Effects on the environment	What will be the environmental impacts of this option?
Equity	Are risks and benefits distributed fairly, e.g. do those responsible for creating the risk pay for its reduction?

Individual freedom	Does the option deny any basic rights?
Leverage	Will the treatment options lead to additional benefits in other areas?
Objectives	Are organisational objectives advanced by this option?
Political acceptability	Will it be acceptable to the Company community? Is it likely to be endorsed by the relevant government authority, if required?
Regulatory	Does the treatment (or lack of treatment) breach any regulatory requirements?
Risk creation	Will this treatment introduce new risks or unintended consequences?
Timing	Will the beneficial effects be realised quickly?

The next step involves the determination of the expected Residual Impact, that is, the Inherent Impact calculated earlier reduced by the effect of the mitigators which limit the quantum of the impact and / or the probability.

The methodology used to determine the Residual Risk is similar to that used to determine the Inherent Risk. The only difference is that the Likelihood Rating and Impact Rating are determined after consideration of the influence of controls in place to reduce the likelihood and / or consequence.

The Residual Risk is then classified as Extreme, High, Moderate or Low using the scale used for Inherent Risk.

The tolerance for the Residual Risk needs to be determined. Tolerance is the amount that can be foregone each year in respect of the risk. This amount must be aligned with the risk appetite approved by the Board.

For controllable risk, the residual risk would normally be expected to be within tolerance where the effectiveness of the mitigation strategies was assessed as either 'Acceptable' or 'Effective'.

If the Residual Risk is in excess of the tolerance for any risk, an Action Plan setting out the steps to be taken to reduce the risk to tolerable levels together with a reasonable time frame in which the Action Plan will be implemented must be prepared for management approval.

The controls in place need to be assessed. The criteria for the assessment of mitigation effectiveness are set out in Table 8.

Table 8: Risk Mitigation Effectiveness

Rating	Criteria
Ineffective	• The design of controls overall, is ineffective in addressing key causes and/or consequences. • Documentation and/or communication of the controls does not exist (e.g. policies, procedures, etc.). • The controls are not in operation or have not yet been implemented.
Needs Improvement	• The design of controls only partially addresses key causes and/or consequences. • Documentation and/or communication of the controls (e.g. policies, procedures, etc.) are incomplete, unclear or inconsistent. • The controls are not operating consistently and/or effectively and have not been implemented in full.
	• The design of controls is largely adequate and effective in addressing key causes and/or consequences. • The controls (e.g. policies, procedures, etc.) have been formally documented but not proactively communicated to relevant stakeholders. • The controls are largely operating in a satisfactory manner and are providing some level of assurance.
Acceptable	• The design of controls is adequate and effective in addressing the key causes and/or consequences. • The controls (e.g. policies, procedures, etc.) have been formally documented and proactively communicated to relevant stakeholders. • The controls overall, are operating effectively to manage the risk.
Effective	• The design of controls overall, is ineffective in addressing key causes and/or consequences. • Documentation and/or communication of the controls does not exist (e.g. policies, procedures, etc.). • The controls are not in operation or have not yet been implemented.

10 Documentation

Effective documentation through recording and reporting of risks aims to:

- Communicate risk management activities and outcomes across the Organisation;

- Provide information for decision making;

- Improve risk management activities;

- Assist interaction with stakeholders including those with responsibility and accountability for risk management activities.

Recording is important for the following reasons:

- it gives integrity to the process and is an important part of good corporate governance;

- it provides an audit trail and evidence of a structured approach to risk identification and analysis;

- it provides a record of decisions made which can be used and reviewed in the future; and

- it provides a record of risk profiles for the NT Christian Schools to continuously monitor.

Key records will include:

- **Risk Management Policy** – Establishes commitment and provides a high-level overview of risk management framework;

- **Risk Management Framework** – Details the risk management framework processes and activities;

- **Risk Register** – the key risks and controls for the NT Christian Schools's activities and processes;

- **Risk Treatment Plans** – strategies to treat risk levels higher than acceptable risk tolerances.

The risk management process and its outcomes are reported to the CEO, Senior Leadership Team and the Finance and Risk Management Committee. Outcomes are also made available to staff where appropriate. This assists with decision making, improving risk management and transparency and the monitoring of risks against the organisation's stated risk appetite. Table 9 outlines risk reporting at all levels.

Table 9: Risk Reporting Matrix

	Strategic Risks	**Operational Risks**	**Responsible to**
Board of Directors	• Ensure that the strategic risk profile is reviewed annually. • Establish, implement and monitor the business plan and objectives. • Review and approve risk information from Finance and Risk Management Committee.	• Oversight of all operational risks through the CEO and Senior Leadership Team	• Report to NT Chrisitan Schools Community on catastrophic risk or major risks that will severely disrupt student experience.
Finance and Risk Management Committee	• Oversight of all strategic risks: implementation, monitoring, review and approval. • Review annually and monitor adherence to the Risk Management Framework and Policy.	• Oversight of all operational risks through the CEO and Senior Leadership Team.	• Report to Board of Directors at least 6-monthly on all operational and strategic risks with a high or very high-risk rating.
CEO	• Action plans and management responsibility allocated for	• Ensure all risk owners, staff, students and volunteers adhere to the Risk Management Policy.	• Report to Senior Leadership Team on changes to strategic and operational risk areas

	all high and very high-risk areas.		quarterly and on any new, changed or rerated risk as needed.
Senior Leadership Team	• Action plans and management responsibility allocated for all high and very high-risk areas	• Responsible for identification, monitoring and reporting of all operational risks.	• Report to Finance and Risk Management Committee via the CEO on changes to strategic and operational risk areas quarterly and on any new, changed or re-rated risk as needed.
Risk Owners	• Responsible for identification, monitoring, review and reporting on specific strategic risk area.	• Responsible for identification, monitoring, review and reporting on specific risk area	• Report to Senior Leadership Team quarterly as an input to Finance and Risk Management Committee. • Report on any new, changed or re-rated risk as needed.

11   Communication and Participation

It is essential throughout the risk management process that those involved in managing risks are aware of and understand why particular actions are necessary. In order to nurture a proactive risk-aware culture, participation in the risk identification and assessment process by all members of the organisation – particularly students – is an important element of the NT Christian Schools Risk Management Framework.

Risks may be communicated by written or verbal means. Records of any decisions that arise from communication and consultation activities are kept for future reference and accountability purposes.

Communication and consultation related to risk matters occurs at the NT Christian Schools at a number of levels and through a variety of mechanisms. Some of these mechanisms include:

- Staff professional learning, particularly annual staff professional development days;

- Staff and student consultation, specifically consultation with students is conducted through classes, learning families and via the Student Forum;

- Parent/guardian and school community consultation;

- School procedures, specifically all position descriptions and contracts capture the relevant risk responsibility for each staff member;

- Reporting to the Board.

12   Monitoring

Few risks remain static. Risks will be continuously monitored and reviewed; and the effectiveness of the controls in place and of the risk treatment plans will be assessed to

ensure changing circumstances do not alter risk priorities. Feedback on the implementation and the effectiveness of the Risk Management Framework will be obtained from the risk reporting process, internal audits and other available information.

Risks will be monitored regularly in line with their significance. At minimum, the risk register will be reviewed every six months. Key Risk Indicators (KRIs) will be developed to monitor risks on an ongoing basis. KRIs are operational in nature and should be determined by the risk owner once risks and their causes have been identified. An example of a KRI might be to monitor the number of student enrolments and determine a certain percentage reduction or change which would alert the accountable person that a potential risk to the school was forming.

KRIs are designed to be predictive in nature and identify changes in emerging risks. They are linked to risk factors that may impact on the achievement of a particular strategy. KRIs are embedded in the various activity-level risk management plans.

Key questions to ask during this stage include:

- Are the risk treatments effective in minimising the risks?

- Are risk treatments comparatively efficient and cost effective in minimising risks?

- Are the management and accounting controls adequate?

- Do the performance indicators address the key success elements for risk treatment?

- Are the assumptions, including those made in relation to the environment, technology and resources, still valid?

- Do the risk treatments comply with legal and regulatory requirements, and school policies?

- How can improvements be made?

13   Risk Register

The NT Christian Schools Risk Register is a centralised register of all strategic and operational risks that may have an impact on the school achieving its strategic and operational goals. In addition to the NT Christian Schools Risk Register, each identified functional area is required to compile a register of current risks and review this register quarterly.

Each direct report to the CEO has responsibility for maintaining risk registers for their areas of responsibilities. The registers are to:

- use a system of unique Risk IDs that provide a linkage of risk to the school's core strategies and functional areas;

- list the risks which could cause losses to be incurred and possible causes;

- determine the likelihood of the risk occurring

- list the consequences;

- provide an assessment of the inherent risks;

- detail the existing risk controls;

- provide an assessment of the strength of the controls;

- provide an assessment of the residual risks;

- detail any action plans to reduce residual risks.

Whenever any functions or systems are developed or changed, or new strategies, products or projects are considered, management is required to carry out a risk appraisal. This review is carried out using the procedures and tools set out in the Risk Management Methodology.

14 Definitions and acronyms

The following terms used throughout this policy are defined as follows:

Term	Definition
Consequence	The expected outcome or impact of a risk event
Current Risk	The risk that remains after mitigating actions or controls have been considered. Current risk is assigned a rating based on current consequence and current likelihood (commonly considered the residual risk rating).
Inherent Risk	Rate of a risk assuming no controls are in place.
Likelihood	The probability or change of a risk even occurring.
Operational risk	Key risks arising from the NT Christian Schools' operational activities. Operational risks are component risks within each strategic risk.
Residual risk	The level of risk that remains after assessing the effectiveness of the controls, management strategies and other mechanisms in place to mitigate a particular risk (treated risk).
Risk	Risk is often characterised by reference to any event that will have an impact on the Company or any of its activities. Risk is measured in terms of the consequences that could arise from an event (including changes in circumstances), and the likelihood of that particular consequence occurring. Risks to the NT Christian Schools are generally assessed in terms of their people, reputation, business operations, governance, financial and educational/ academic outcomes respectively.
Risk appetite	The risk appetite of the NT Christian Schools is the amount and type of risk that the Company is willing to take in order to meet its strategic objectives and is based on residual risk.
Risk identification	The process of determining the 'what, where, when, why and how' something could happen.
Risk Management Framework	Framework enabling the consistent management and reporting of risk throughout the NT Christian Schools. The framework includes a risk policy, risk assessment protocol, risk reporting protocol and risk register.

Risk rating	A categorisation or prioritisation of risk combining likelihood, consequence and mitigating actions. See current risk and target risk.
Risk Register	Register that defines and assesses key components of each risk.
Risk treatment	The process of implementing measures to modify risk.
SLT	Senior Leadership Team consisting of CEO, Principals, Senior Director or Education, Director of Business Services, Director of Finance.
Strategic risk	Risk categories that represent the key risk areas for the NT Christian Schools. Strategic risks impact on the achievement of the organisation's strategic objectives.

15   Related legislation and policy

15.1 NT Christian School policies and procedures

- NT Christian Schools' Enterprise Risk Table

- NT Christian Schools' Risk Register

- NT Christian Schools Policy Suite and supporting procedures, guidelines and frameworks

15.2 Other relevant resources

- Australian Risk Management Standard AS ISO 31000:2018

- International Standards ISO 31000: Risk Management Guidelines