

Operational Risk Management Policy



Barnardos
Australia

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Introduction & Scope

Barnardos Australia (“**Barnardos**”) is committed to establishing an organisation that ensures risk management is an integral part of strategic and operational objectives, management systems and processes and policies and procedures.

The Operational Risk Management Policy seeks to implement Barnardos Strategic Risk Management Policy. It sets out the key management guidelines for the Risk Management Framework. We recognise that an integrated customised approach to risk management, systematically applied throughout the organisation will:

- Support our mission, vision and strategic directions
- Protect our image, brand and reputation
- Improve the quality of our services
- Encourage more effective decisions
- Protect internal and external stakeholders
- Protect our assets
- Encourage a high standard of accountability throughout the organisation
- Allow for our voice to continue to as a leader of innovation in Australian child protection.

To achieve this Barnardos will consult, communicate, train and support staff to build risk management into all aspects of the services we deliver. The implementation of this Policy is supported by the following principles:

1. All staff play a role in managing risk
2. Action taken to manage risks is integrated into existing planning and operational processes
3. Consultation and other stakeholder participation is an integral part of risk management processes
4. Effective and efficient internal communication is fundamental to the successful implementation and maintenance of a risk aware organisational culture, and
5. Risk management processes need to be grounded in a ‘no blame’ culture and supported within an environment of continuous improvement and empowerment.

This policy applies to Barnardos activities. It forms part of Barnardos Governance Charter and will be applied to all staff, contractors and volunteers.

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Risk Management

Risk is the chance of something happening (an occurrence or a set of occurrences) that will have an impact on Barnardos Strategy and/or objectives, either favourably or unfavourably and is usually categorised by reference to likelihood and consequences.

Risk Management is defined as *‘the culture, processes and structures that are directed toward taking advantage of potential opportunities while managing potential adverse effects’* (ASXCGC’s Corporate Governance Principles & Recommendations).

It is a set of coordinated activities to direct and control Barnardos with regard to risk. Managing risk is an essential part of good and sustainable practice, with risk being considered in the development of strategic and operational objectives, goal setting and monitoring performance.

Risk Management Objectives

- Barnardos is committed to minimising risk for children, young people, families and for staff, carers, volunteers and the general community.
- We are dedicated to the long-term functioning of Barnardos Australia so that we can continue to provide services to, and advocate for Australia’s children and young people.
- Risk management will be aligned to the organisation’s values, mission, strategic directions, governance framework and processes.

Categorising Risk at an Organisational Level

This policy is premised on the following five-view analysis of risk categories:



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Strategic Risk relates to the positioning of Barnardos in the market, where alignment between service and capabilities becomes an ongoing consideration.

Child Safe Organisational relates to the activities of Barnardos and its internal policies, procedures and structures that enables us to be a child-safe organisation who values all children and young people having caring families in which they can grow safely and fulfil their potential.

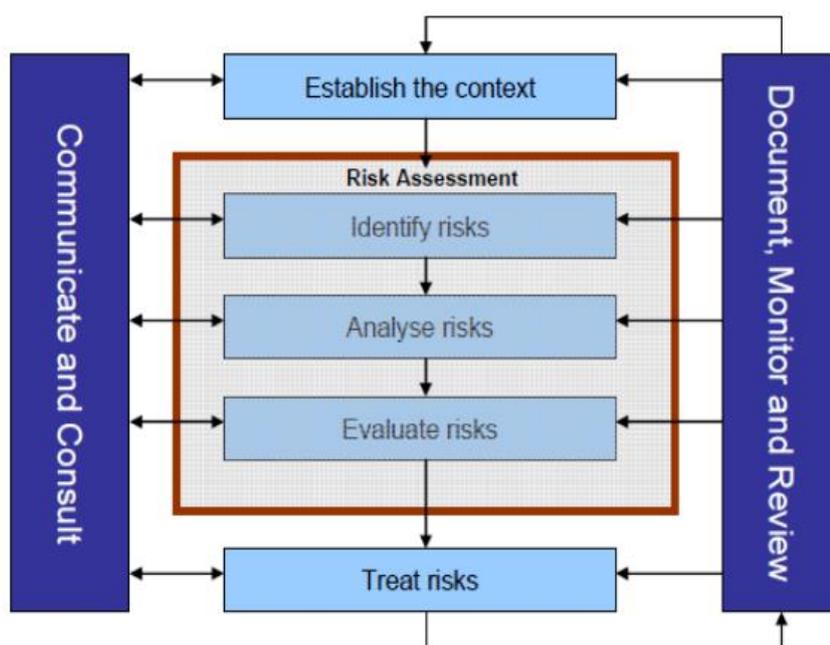
Operational relates to internal processes, procedures and systems that Barnardos has in place to support service and program delivery.

Financial relates to the management of Barnardos financial and physical assets that support both current and future service delivery.

People Safety relates to the management of Barnardos physical and environmental attributes which focus attention on harm to our staff.

Risk Management Processes

The elements of risk management will be integrated into Barnardos current structures and processes, embedded into its culture and tailored to ensure robust risk management outcomes. The elements of the risk management process are in line with AS/NZS ISO 31000:2009- Risk Management – Principles and Guidelines.



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Element	Description
Communicate and Consult	<p>Risk management requires continual consultation with internal and external stakeholders to ensure risk is fully understood and treatment plans reflect the nature of risk leading to effective and robust risk treatment plans.</p> <p>Consultation and communication is not a distinct stage. It occurs throughout the risk management process. Reporting on risk and risk outcomes is vital to keep stakeholders updated for informed decision making.</p>
Establish the Context	<p>Before undertaking a risk assessment an understanding of Barnardos Strategic Directions, the activity or activities undertaken and the environment in which they will be undertaken is required.</p> <p>This includes both internal and external environments.</p>
Risk Identification	<p>This element determines what, when, where, why and how risks could arise, and the effect this would have on achieving our objectives. A range of internal or external sources may be used to identify risk, such as program reviews, research, audit outcomes, brainstorming sessions, available data etc.</p>
Risk Analysis	<p>This element involves considering a range of potential causes or triggers, sources of risk, any existing treatments that may be in place to prevent or deal with the risk and assessing their effectiveness.</p> <p>This element considers:</p> <ul style="list-style-type: none"> • likelihood rating – an assessment of the potential frequency of occurrence • consequence rating – an assessment of the potential strategic, child safe organisational, operational, financial or people risk.
Risk Evaluation	<p>This element determines those risks that are acceptable and those that require further treatment, taking into account the established context, risk ratings, and agreed organisational risk appetite.</p>
Risk Treatment	<p>This element requires assessing and selecting one or more options for mitigating risks and implementing mitigation strategies to reduce or manage the level of risk.</p>
Risk Documenting, Monitoring and Review	<p>Risk management activities will be monitored and reviewed to ensure the ongoing effectiveness of risk management processes and risk assessment outcomes, including risk treatment plans.</p> <p>Risk assessment outcomes will be reviewed and shared for reporting, transparency and continuous improvement across the agency.</p>

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Risk Management Activities

Barnardos will undertake a range of activities to manage, eliminate, treat or control risk in the context of our Risk Management Framework. In particular we will;

- Regularly review the risk register
- Review as required the risk appetite in conjunction with the strategic and operational plans (being the responsibility of the Board)
- Regularly report the effectiveness of risk management, risk controls and risk treatment plans at the Board, Executive and Management Team levels
- Carry out risk assessments on all significant programs, services and/or projects
- Monitor the overall impact of new and emerging risks to ensure total risk levels remain within acceptable limits.

Responsibility

Board	<ul style="list-style-type: none">• Provides oversight and review
CEO	<ul style="list-style-type: none">• Supervises the Risk Management Framework• Sets and drives risk management culture
Executive Management Team	<ul style="list-style-type: none">• Managing the risk management framework – identifying, evaluating and treating risks• Identifying and providing resources• Supporting and promoting the risk management culture• Reviewing and acting on risk information
Barnardos Management Team	<ul style="list-style-type: none">• Drive the risk management processes, activities and recommend treatment plans• Review current risk assessments and recommend treatment plans• Promote risk management culture
Managers	<ul style="list-style-type: none">• Identify and undertake risk management process, activities and work with Manager on treatment plans
Staff	<ul style="list-style-type: none">• Identify and report risk to their immediate Manager• Participate in risk management processes and activities as requested• Work with Manager in implementing treatment plans, as required

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Reviews

The Operational Risk Management Policy will be reviewed by the Executive Management team every three (3) years or sooner if there have been significant internal changes; changes to the external environment; changes to the Strategic Risk Management Policy or Risk Committee – terms of reference.

Document Control Information

Heading	
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Revision Chart	Replacing Barnardos Australia Risk Management Policy – endorsed by the Board in June 2015
Links to other policies: <ul style="list-style-type: none">• Strategic Risk Management Policy• Risk Management Procedure• Risk Management Manual	