Barnardos Australia Risk Management Policy

Compliant with Standards Australia AS/NZS ISO 31000:2009

Content

Our vision

All children and young people will have caring families, in which they can grow safely and fulfil their potential. Families and young people will be valued and supported by quality services and engaged communities.

Definitions

Organisations of any kind face internal and external factors and influences that make it uncertain whether, when and the extent to which, they will achieve their objectives. The effect of this uncertainty on the organisation's objective is risk. All activities of an organisation involve risk.

Organisations manage risk by anticipating, understanding and deciding whether to modify it. Throughout the process, they communicate and consult with stakeholders and monitor and review the risks and controls that are modifying the risk.

Barnardos Australia is a child protection agency, working with children at risk of abuse or at risk of significant harm. (Child Welfare Act definitions). We recognise that we work in a high risk area.

a) Context of risk as a child protection agency
- Organisational environment
- Social and cultural environments
- Level of abuse and neglect
- Political, legal, regulatory
- Financial/economic systems including role of charities
- Technology
- Physical environment

b) Areas of risk for Barnardos
- Immediate risk to individual children and young people ie abuse/neglect
- Risk to staff and community from Barnardos' clients
- Risk from poor practice
- Financial risks
- Management and administration risks
- Marketing and fundraising

All areas of uncertainty for Barnardos carry both an ethical and financial implication for the organisation.

Risk Management Principles

Barnardos Australia adheres to the principles of identifying and treating uncertainty management outlined in Standard AS/NZS ISO 31000: 2009;

- Risk Management creates and preserves values
- Is integral to all organisational processes
- Is part of decision-making
- Explicitly addresses uncertainty
- Is structured in a systematic and timely manner
- Is based on the best available information
- Is tailored to our individual context and risk profile
- Takes human and cultural factors into account
- Is transparent and inclusive
- Is dynamic, iterative and responsive to change
- Facilitates continual improvement in the agency

This document updates the policy based on Standard AS/NZS: 2011 and includes enhanced measures for continual improvement of risk management, specification of responsibility for accountability for risk, controls and risk treatment tasks, application of risk management to all decision-making at all levels in the agency, strengthened communication about risk throughout the agency and with external stakeholders, and integration of risk management into the agency's governance structures.

The Risk Management Policy has been reviewed and endorsed by the Board of Barnardos Australia, April 2014.

Barnardos' Objectives for Risk Management

- Barnardos Australia is committed to minimising risk for children, young people, families, and for all employees, carers, volunteers and the general community.

- We are dedicated to the long-term functioning of Barnardos Australia in order to provide services to, and advocate for, Australia's children and young people. Risks to the organisation will be reviewed and addressed regularly.

- Risk management will be aligned to the organisation's structures, culture, process and strategy.

Barnardos fulfils these objectives through both working directly with vulnerable children and young people and by promoting change to improve their environment.

- Barnardos Australia is daily engaged in high risk work, particularly in out-of-home care programs. Many of the children we care for are extremely vulnerable. They can also be the source of risk as they can be aggressive and violent towards carers or other children and the community. Their behaviour can antagonise and wear down carers and staff and may provoke violence.

- An additional source of risk is the context in which we work. This environment is constantly changing, with growing expectations of child rearing and adult and organisational responsibility towards children. All members of the organisation need to consider both the immediate and long-term risks for children. We must remember that adults who were cared for by us as children can, and have, claimed lifelong damage and compensation for failures in our duty of care to them. This duty of care may not be due to child maltreatment but could be due to issues of practice such as failure to provide permanent placement.

- The organisation operates in the context of uncertainty in a number of other areas, in particular, the uncertainty of funding. We have a number of funding streams which are subject to change from external circumstances in the areas of government contracts, public and corporate support.

- Decision-making requires a focus on our professional obligations and ethical considerations and we must treat risk in relation to our mission. Good strategic thinking is part of all decision-making, planning and day to day management and each element of the agency's management must include awareness of uncertainty.

Barnardos' Risk Management Processes

The process of risk management will be integrated with the agency's structures, embedded in its culture and tailored to the business processes of the organisation.

1. Communication and consultation on risk

Risk Management requires continual communication with external and internal stakeholders, including frequent reporting on risk management performance. This is a two-way process.

The objective of communication about risk will be to;

- Establish the context appropriately
- Ensure the interests of stakeholders are understood
- Help ensure adequate identification of risk
- Bring different areas together for analysis of risk
- Ensure different views are appropriately considered
- Secure endorsement and support for treatment plan
- Enhance change management
- Maintain an evaluation of residual risk

Barnardos will utilise the broadest possible range of external and internal stakeholders for effective decision-making. Wherever possible, existing procedures will incorporate risk management and all decision-making. Documentation of uncertainties and probabilities of negative outcomes occurring, and plans to deal with these uncertainties, will be maintained.

All levels of the agency will continue to be involved in identification of uncertainties affecting their area of responsibilities.

Barnardos will maintain membership and be actively engaged with PEAK or industry bodies, including Association of Children's Welfare Agencies, NCOSS, Families Australia, and ACOSS. A range of external people will be used to identify changes in the external environment. A group of professional people will be maintained to assist in areas such as public relations, accounting practice, legislation and industrial relations.

2. Establishing the risk context

Barnardos Australia identifies the context of risk in the Corporate Plan and in summarised form in the Annual Review. The Corporate Plan's four Key Result Areas and their corresponding 'current environment' overview external and internal impacts that may contribute to uncertainty within Barnardos. During the period of the Corporate Plan and reporting process changes are noted and reported.

a) External context - policy, regulatory, competitive, financial, social and cultural, political, legal, technological, economic, natural at the local, national and international levels. This will include the relationships, perceptions and values of stakeholders.

b) Internal context - including governance, organisational structure and roles and accountabilities; policies, objectives and strategies; capabilities and understandings, information flows and systems and decision-making processes; relationship and perception of internal stakeholders; organisational culture; standards, guidelines and models and the form and content of contractual relationships.

3. Defining risk criteria

Barnardos will identify the sources of risk and the events which may impact on the achievement of objectives.

The organisation will define risk by identifying;

- The nature and type of causes
- Likelihood
- Timeframe and consequences
- How level of risk is determined
- Toleration levels
- Combinations of risks

4. Identifying, analysing and evaluating risk

Barnardos will utilise a framework for the identification, analysis and evaluation of uncertainty based on the four key areas of the organisations business activity;

- Welfare
- Fiscal
- Administrative
- Marketing/Fundraising

This process will involve understanding the exact nature of the risk, its causes and sources, existing controls, positive and negative consequences, and the likelihood and magnitude of consequences. This process may involve both quantitative and qualitative assessment of risk. The positive opportunities offered by the risk should also be assessed.

The evaluation will involve understanding of which risks need treatment and the level of priority they will receive.

5. Treating risk

Options for treating risk will be identified in the framework, assessed and implemented on an ongoing basis.

Selecting the most appropriate option will involve balancing the cost of implementing each option against the benefits to be derived from it. These options can be combined. It should be noted that risk treatment can introduce new risks and monitoring needs to be considered. Secondary risks may also be generated.

The reasons for treatment options undertaken is documented, as well as allocating the people responsible for action, proposed actions, resources required, performance measures and the schedule for implementation.

Barnardos' Risk Management Framework

1. The context of risk for Barnardos

The context of uncertainty within Barnardos falls into four distinct but inter-related areas and all relate directly to Barnardos' [vision](#).

- [Welfare](#)
- [Fiscal](#)
- [Administrative](#)
- [Marketing/Fundraising](#)

The ranking of importance placed on risk level and probability are presented in the following table.

Risk level	Description	Probability	Description
High	Significant implication for the individual child and/or the organisation including death or major financial/reputational loss	**High**	Rare, but possible
Medium	Some impact on an individual child or community. Some financial loss, some ongoing disruption/implication to organisation capability	**Medium**	Unlikely, but could occur at some time
Low	Minor consequences or effects for the individual child and/or the organisation	**Low**	Not likely to occur in normal circumstances

The principles underlying each of the four areas and policy where risks intersect are described below.

a) Welfare Uncertainty and Management

Barnardos is a child protection agency guided by our commitment to the individual person, values and principles, the possibility of moral 'laws' and holding the goal of individual liberty. We maintain our commitment to the United Nations Convention on the Rights of the Child.

We work in a complex environment balancing government, community and professional cultural environments and manage risk with values of;

- Human dignity
- Self-determination
- Non discrimination and equality
- The well-being of vulnerable populations
- Empowerment
- Client participation
- Transparency
- Inter-ethnic understanding
- Co-operation

A primary risk is the immediate risk to children and young people in Barnardos' care.

- Children are particularly vulnerable when they are in out-of-home care and or accessible to adults. Children and young people can also be a risk to other children and adults working with them. In addition, the very nature of the work that we undertake involves an assessment of risk to individual clients and there are considerable uncertainties in human and professional decision-making.

- Longer term welfare uncertainty lies in changes to welfare knowledge and values. Barnardos' commitment to service users is made in the understanding that knowledge of the most appropriate ways of assisting children is continually evolving. Welfare practice is shaped by the social and cultural context of the times and these standards change over time. Examples of radical shifts in community expectations of welfare services have included the treatment of the 'Stolen Generations', child migrants and institutionalised children.

- Risk management in welfare is further complicated by the agency's multiple responsibilities to children, families and communities, governments, professional bodies and other stakeholders. Responsibilities to these entities may be at odds and, at times, create tension. Whilst we are accountable to government, Barnardos' welfare policy maintains independence and will base professional practice on evidence for effectiveness and professional, ethical considerations.

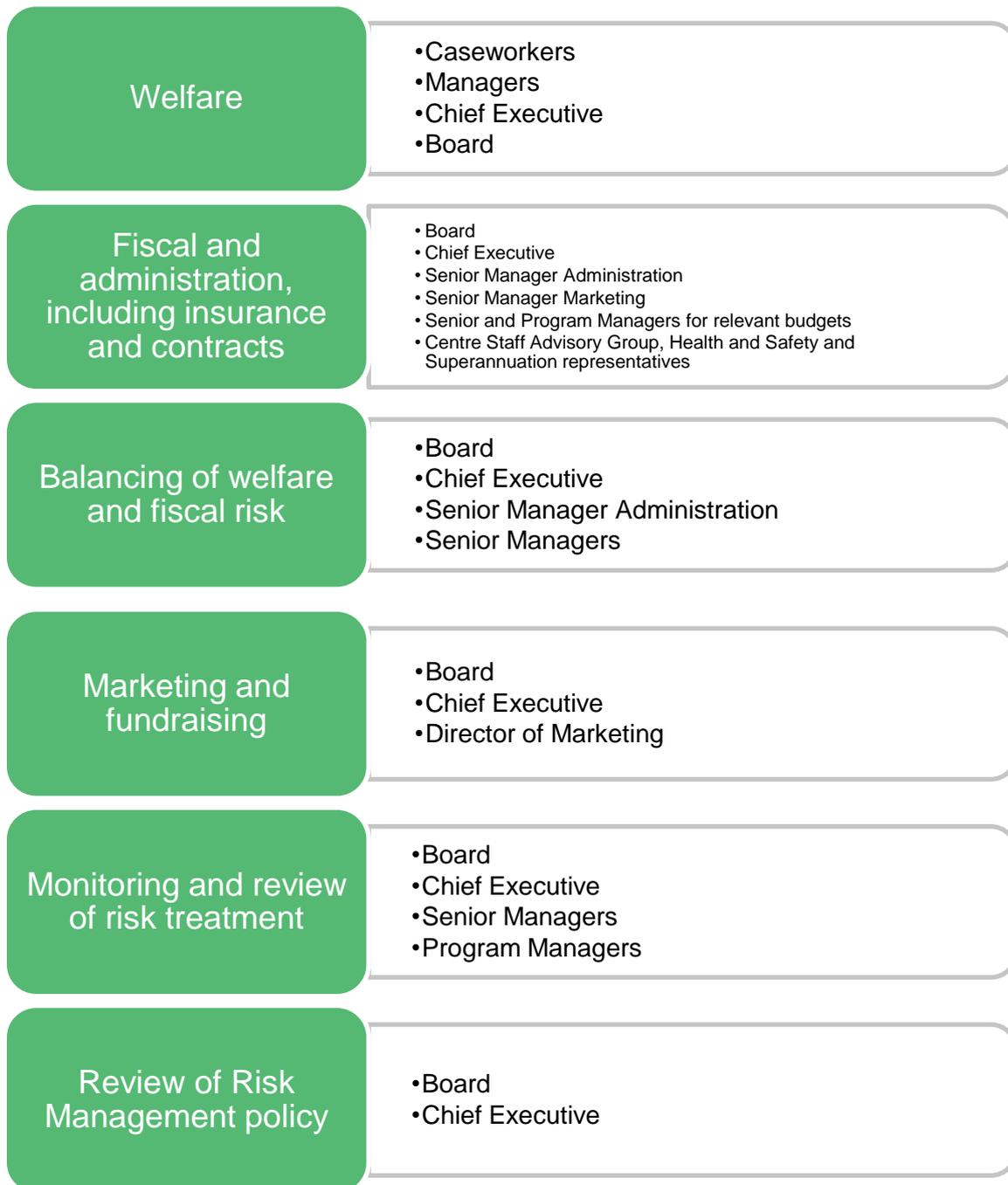| Uncertainty	Treatment	Risk level	Probability	External Review
a) **Welfare Uncertainty and Management** • Immediate risk to children and young people in Barnardos care • Risk to staff and community from Barnardos' clients • Poor case decisions and/or assessments • Poorly designed programs	Welfare Risk Management is addressed through organisational processes, developing an organisational culture of 'proactive prevention' based on children's rights, participation, openness to reflection and criticism, transparency and not shirking 'hard conversations'. • Well-developed recruitment/employment procedures • Quality staff training • Developing and maintaining a case management system to guide best practice standards, including regular communication with children and encouraging their participation in care planning • Rapid investigation of allegations of abuse, critical incidents and complaints • Ongoing research on risk, including regular review of latest knowledge • Ensuring accountability of productivity contracts, grants and donor commitments • Transparent management systems • Maintenance with all relevant accreditation standards • Supervision of all welfare staff, including managers • Biennial internal audits of all centres • Liaison with industry bodies to identify any potential improvements in practices and any problems with strategies • Standardise accountability reports via IT and portals • Advocacy to improve policy	High	Medium	**Accreditation** Of standards and audited in out-of-home care **Ombudsman** Reporting allegations of child abuse and complaints in relation to quality of all services **Commission Child and Young People** Maintains register of staff with substantiated allegations **ACT Children's Advocate** Reviews policy and complains **ACT Department of Community Services** Audit standards in out-of-home care **Dept. Of Family and Community Services (Federal Government)** Child care accreditation **NSW, ACT and all Government departments nationally who fund Barnardos** Accountability for standards, objectives, outcomes, financial

Uncertainty	Treatment	Risk level	Probability	External Review
b) Fiscal Uncertainty and Management • Failure to manage financial resources both investments and budgets to safe guard the organisations future commitments • Failure to raise sufficient funds to cover investment as well as operations particularly for our work with Aboriginal clients • Failure to manage contracts, grants and donated projects • Increasing dependency on funding through productivity based contracts with clear time tenure. • Failure to provide effective IT systems • Financial compliance within funding guidelines	Barnardos manages a large budget, diverse income sources in accordance with the organisation's reserves policy. There is an increase in large contracts from government with three or four year time frames. Senior Staff are responsible for budget and performance compliance of contracts and accountability to funders via reports, data compliance or through IT or portals. • Annual budget preparation implemented by Senior Staff in collaboration with Senior Manager Administration in March each year • Annual budget endorsed by Board at meeting in ?? following thorough review of all aspects of Barnardos activities including reserves • Budgets are reviewed and reported at monthly board meetings. Variations are reported and addressed. • Compliance with all legal requirements of corporations and charities in Australia and commit to 'quality practice' in all areas of financial reporting and accountability • Financial management of contracts, grants and donated projects are the responsibility of Senior Staff, assisted by the Senior Manager Administration. These staff are provided with monthly financial statements for each of their program areas and their financial progress is reviewed and reported monthly • Commitment to review, reduce and expand programs to children with whom we have partial or short-term involvement, depending on resources. We remain committed to children in our permanent foster care programs • Development and maintenance of effective financial, IT and payroll systems is a foundation of financial planning. Ongoing monitoring and development of these systems within Barnardos reduces uncertainty	Medium	Low	**Deloitte Touche Tohmatsu** Company auditing **ASIC** Company compliance **Australian Taxation Office** Taxation reporting **Government departments nationally funding organisation activity** Financial accountability **Governing bodies nationally responsible for charity legislation** Compliance with guidelines and financial reporting **Corporate and individual donors** Receipting and financial acquittal

Uncertainty	Treatment	Risk level	Probability	External Review
c) Administrative Uncertainty and Management • Lack of clear internal communication of policies and procedures • Lack of understanding of organisation structure and levels of responsibility • Failure to maintain compliance with practice, industrial and recruitment standards • Increase in insurance claims and costs	Timely provision of information reduces staff uncertainties and guides the work. Uncertainty in Administrative expectations of staff is reduced by an effective internal communication system, ie, the *Intraweb*, which is regularly reviewed. • Maintain quality employment practices that reduce the risk of poor staff and include probity checks, personal reference checks, intensive interviewing to determine employee's motivation, attitudes and skills, probationary periods, orientation training, internal and external training, and ongoing supervision to enhance stability • Preparedness to dismiss staff for poor performance • Reviews of administration as well as practice via biannual centre audits • Publishing of clear and detailed documentation of accountability and reportability structures and processes • Maintaining sound IT systems which are user friendly and can be remotely accessed both improves communication and produces reliable management data. These systems are secured and backed-up • Workplace Health and Safety Committees and industrial issues reviewed and compliance addressed by Staff Advisory Group two times per year • Implementation of small group collaboration with common supervision by Senior Manager who manages groups of small teams • Video and telephone conferencing assist in reducing uncertainties which flow from the increasing geographic spread of programs • Holding adequate insurance to protect vulnerable areas of risk. All insurance areas are regularly reviewed with benchmarking of critical areas more frequently used such as workers compensation and car insurance regularly taking place • Monitoring of all funding contracts is both a welfare and financial concern and the administrative processes to achieve this are developed centrally as well as locally • Natural disaster plan for organisation and clients are developed locally, emergency communication is updated quarterly and held locally	Medium	Low	**Insurance companies/brokers** Benchmarking for industry standards **Government departments and funding sources** Review of insurance policy **Industrial Relations and Employment governing authorities** Compliance with employee conditions and awards Registration of Enterprise Agreement **PCI (Payment Card Industry Data Security Standards)** Compliance with international standards

Uncertainty	Treatment	Risk level	Probability	External Review
d) Marketing Uncertainty and management • Failure to raise public funds • Changing donor loyalty • Lack of brand understanding/poor recognition • Increasing government funding areas traditionally supported by donors ie foster care or residential care • Increasing number of charities competing for charity donations • Donor fatigue • Increasing tendency for corporate donors to expect significant expenditure by Barnardos in return for funds or 'special projects' not part of the current service mix • Targeting non government-funded areas of concern may be unpopular or highly complex, ie community so far appears less willing to fund services for Aboriginal children, despite the high need, and thus poses risks to Barnardos' Corporate Plan	In order to maintain non-government funded welfare programs or projects and funds for the future, Barnardos requires income based on a well-respected corporate image and the community's confidence in delivering service to vulnerable Australian children and young people. Management will make certain that regular reviews of communication and branding to ensure that Barnardos message is understood by all stakeholders, and that encouraging donor funds is undertaken in the most cost effective manner consistent with our values. • Implementing a fundraising program with a balance of traditional and non traditional fundraising activities • Researching and developing new fundraising channels and platforms to acquire new donors from non traditional sources • Analysing different groups of donors and the community to understand giving incentive and attraction • Managing donor expectations particularly in new fundraising markets ie community fundraising • Implementing and maximising new communication channels to communicate Barnardos' message and to seek new forms of fundraising • Engaging in social media and digital channels via facebook, twitter, pinterest etc for marketing and welfare messages • Mainting IT systems in order to improve the efficiency of fundraising • Develop fundraising programs that inspire donor funding when receiving substantial government funding • Recognise and accommodate economic conditions affecting individuals and corporations have an immediate effect on money available	Medium	Medium	**Government departments nationally funding organisation activity** Receipting and acquittal **Governing bodies nationally responsible for charity legislation** Compliance with guidelines **Corporate and individual donors** Receipting and financial reporting **PCI (Payment Card Industry Data Security Standards)** Compliance with international standards **Fundraising Industry of Australia** Compliance with fundraising principals **National privacy register** Compliance with policy and terms **Advertising standards board** Compliance with national standards

2. Accountability and authority in risk management

All members of the agency are responsible for identifying, analysing and treating risk however, key positions bear particular responsibility.

Welfare	•Caseworkers •Managers •Chief Executive •Board
Fiscal and administration, including insurance and contracts	• Board • Chief Executive • Senior Manager Administration • Senior Manager Marketing • Senior and Program Managers for relevant budgets • Centre Staff Advisory Group, Health and Safety and Superannuation representatives
Balancing of welfare and fiscal risk	•Board •Chief Executive •Senior Manager Administration •Senior Managers
Marketing and fundraising	•Board •Chief Executive •Director of Marketing
Monitoring and review of risk treatment	•Board •Chief Executive •Senior Managers •Program Managers
Review of Risk Management policy	•Board •Chief Executive

3. Integrating risk management with organisational processes

Risk management development and communication is occurring within existing governance and management structures.

a) For existing programs and the agency in general

- At each Board meeting, assess current risk issues (standing item)

- The Chief Executive informs the Board of any significant changes in risk

- Annually, centre Senior Managers and their program managers review risk to programs, clients and workers at their planning day

- Each centre conducts meetings to discuss concerns and address processes of consequences on clients

- Every two years, Board will consider Program Audits of individual centres and programs

- Each month, Senior Managers assess risks to the clients and organisation and the changing external environment

- Each centre will treat concerns about uncertainty of Barnardos relationship with other organisations by holding regular review meetings ie area planning meetings

- Twice annually, elected employees from each Centre will identify industrial, workplace health and safety risk and assessment of risk to staff superannuation as well as addressing motor vehicle issues, complaints about administration process and issues and they make decisions to improve staff experiences (Staff Advisory Group)

- Quarterly tabling of Senior Management Statements of Affirmation

- Each Audit Committee meeting will consider risk

- Annual preparation of Financial Audit

- Annual report to Australian Securities and Investment Commission

- Each Senior Manager will facilitate the training and allocation of staff to provide accountability to funding bodies via portals

- Three yearly, development of explicit performance goals and the internal and external publication of a Corporate Plan

- Annual review of progress towards meeting performance goals established in the Corporate Plan

- Ongoing membership of PEAK bodies to identify changes in the external environment and identify strategies

- Ongoing monitoring of media to identify changes in the external environment in relation to welfare and the economy and engagement with the media to brief on Barnardos' and welfare issues

b) In relation to significant new programs and directions

A risk assessment is undertaken of all new proposals and any unique issues considered by the Board. These considerations will be documented in Board minutes.

Chief Executive will assist the Board to identify potential uncertainties associated with new initiatives and ongoing developments via future direction papers and policy analysis.

Risk performance will be further considered annually by the Board, informed by a report prepared by the Chief Executive. This will include a review of risk management policy and its operations. This review of the policy and operations will be tabled at the first Board meeting of the year.

c) Links to other key organisational processes

Provision of a case management system (best practice standard) made available to all staff with priority on out-of-home care staff. The assessment system to focus on risks to children as well as strengthen outcome work.

Where the integration of risk management in Barnardos Australia is not detailed under a) and b) above, special consideration will be given to links which may include multiple linkages with multiple organisations.

4. Resources for risk management

The Board will make available to the Chief Executive and her staff adequate resources for risk management, including welfare and financial case management systems and databases. The Board will ensure investment in staff skills and training, and tools and methods for managing risk. Every year, resources will be available for this Risk Management Policy to be reviewed.

5. Internal communication and reporting mechanisms

This Risk Management Policy will be available on the Intraweb and available to Board and Staff.

Internal communication will occur through all organisational plans, especially Corporate and Centre Plans.

Uncertainties will be understood in relation to the agency's explicit performance goals in the Corporate Plan. All welfare, administrative and marketing staff will work on the development of the Corporate Plan approved by the Board, which is published on the Intraweb. There will be an annual review of progress against the Corporate Plan, including assessment of uncertainties and where goals have not been reached.

6. External communication and reporting mechanisms

Where appropriate strong communication channels will be developed with reporting authorities to ensure evidence of current policies being used by these reporting entities.

Barnardos will develop strong links with PEAK and other organisations to keep abreast of changes in risk in the external welfare, legal, regulatory and governance environments.

Barnardos has a number of relationships with legal and accounting firms to advise on legal and financial issues. Barnardos maintains strong academic links with universities and significant industry bodies.

Barnardos maintains strong compliance with all regulatory authorities.

7. Implementing new elements in the 2009 Standards Risk Management Policy

The development of this risk policy recognises that much of the major risk for the organisation takes place in individual interactions between staff, carers and clients. Recruitment, training and

support are recognised as critical elements to reduce risk and the role of the staff group is also important in reviewing and treating risk effective systems.

Monitoring and reviewing the effectiveness of Risk Management

Risks and the effectiveness of treatment measures need to be periodically monitored to ensure changing circumstances do not alter priorities.

This Risk Policy will be monitored by the Board on a yearly basis. The Chief Executive will report to Board on the communication and reporting strategies introduced by this policy.

The monitoring of treatment should include;

- Ensuring controls are effective
- Obtaining further information to improve risk assessment
- Analysing and learning lessons from events, changes, trends
- Detecting change in external and internal context
- Identifying emerging risks

Research and evaluation is a regular feature of Barnardos' risk management monitoring.