Risk management and assurance (Board policy)

Policy statement

At Goodstart, our vision is for Australia's children to have the best possible start in life. Our purpose drives everything we do — to ensure children have the learning, development, and wellbeing outcomes they need for school and life. Having a practical approach to risk management and assurance supports us to deliver these outcomes and ensure that children are central to our decisions and actions.

This risk management and assurance policy (Policy) defines our approach to risk management and the mechanisms we must provide assurance that risks are appropriately identified, assessed, managed, and monitored. The policy will help risk management and assurance within Goodstart to become:

Key elements of our governance and management practices.

Part of the day-to-day work of everyone in Goodstart.

Pivotal to promoting accountability, transparency, and innovation.

Central to empowering Goodstarters and driving continuous improvement.

This policy outlines our overarching approach to risk management and assurance and will satisfy the requirements of the International Standard on Risk Management - Guidelines ISO 31000:2018. The policy is supported by a suite of related requirements, procedures, and appendices.

What does this policy apply to?

- **Benefits of risk management and assurance**
- **Goodstart's approach to risk management**
    - o **Risk appetite**
- **Goodstart's approach to assurance**
    - o **Integrated assurance**
- **Accountabilities and responsibilities**
    - o **Continuous improvement**

Benefits of risk management and assurance

Managing risk is part of every decision and activity within Goodstart. Effective risk management is a core component of delivering Goodstart's purpose and strategic objectives and is a key driver of good decision-making and operational effectiveness.

Goodstart recognises that effective risk management and assurance are central to our delivery of objectives and form a key element of our commitment to continuous improvement. There are many benefits from successfully implementing risk management and assurance including:

- Improved identification of opportunities and threats.
- Increased focus on the quality, efficiency, and effectiveness of our services.
- Increased awareness of individual responsibilities and accountabilities.
- Assured compliance with legal and regulatory requirements.
- Improved mandatory and voluntary reporting.
- evidenced-based decision-making and planning
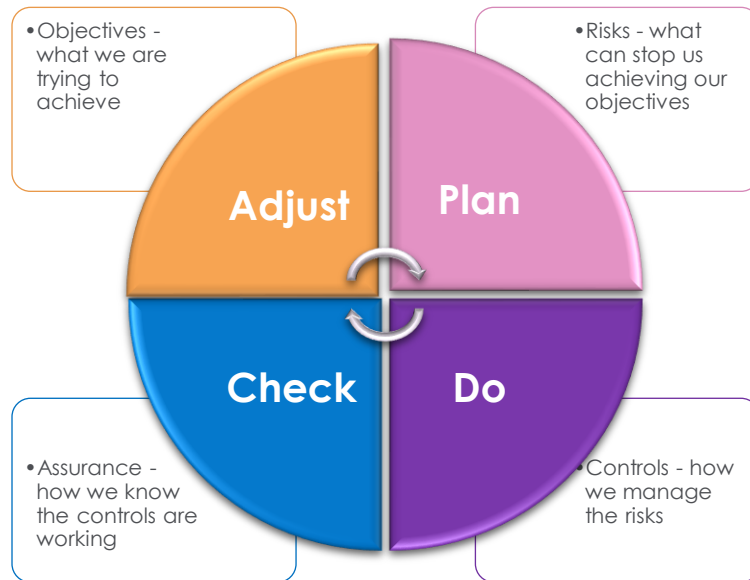- improved stakeholder confidence and trust.

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Goodstart's approach to risk management

Goodstart is committed to a common approach to risk management to ensure that the likelihood and severity of risk are considered equally across the organisation and activities. To achieve this consistency, Goodstart has developed a risk management approach aligned with the International Standard on Risk Management - Guidelines ISO 31000:2018.

Our approach to risk management is built around the identification and management of enterprise risks — those risks that impact Goodstart as a whole and our ability to achieve our strategic objectives. These risks can originate from sources either internal or external to Goodstart, and include operational, regulatory, financial, safety and compliance risks. Generally, these risks remain relatively stable over time, although the controls used to manage the risks may change. These risks and key controls are included in the enterprise risk register and are report to the Goodstart Leadership Team (GLT), Audit and Risk Committee (ARC) and the Board on a quarterly basis.

Enterprise risks are supported by operational risks aligned to service delivery. We have commenced identifying and managing operational risks and will continue to embed operational risk management across Goodstart.

- Objectives - what we are trying to achieve
- Risks - what can stop us achieving our objectives
- Assurance - how we know the controls are working
- Controls - how we manage the risks

Adjust — **Plan** — **Check** — **Do**

Some specialist risks such as workplace health and safety and regulatory compliance have their own legislation and reporting obligations. Goodstart may implement customised risk management processes to assist in the management of specialist risks. It is expected that these customised risk management processes will align with this policy and any additional guidance.
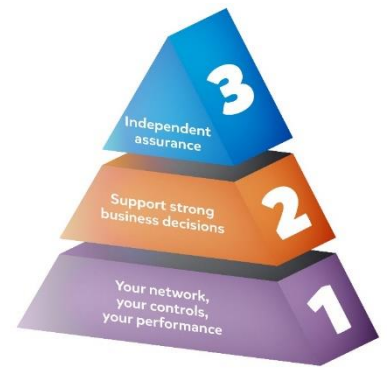
Risk appetite

Risk appetite and risk tolerance set the boundaries for how much risk Goodstart is willing to accept. Our risk appetite is the level of risk that the Board have deemed as broadly acceptable, while our risk tolerance is the amount of risk related to a specific objective.

To achieve our objectives, Goodstart engages with risk and manages it accordingly. This means that, while some risks are acceptable, others are not. Where the level of risk is deemed unacceptable, Goodstart invests additional resources to manage the risk, and undertakes assurance activities to confirm that risk management is adequate and effective.

Goodstart's approach to assurance

Goodstart is committed to ensuring the actions and activities designed to support Goodstarters to in turn support children, operate as intended. However, we also recognise the challenges of maintaining a child-centric environment and are committed to reducing unnecessary administrative burden wherever possible. To this end, we are focused on ensuring that the key controls necessary to deliver quality outcomes exist, are correctly designed, and operate efficiently and effectively.

Line	Who is responsible	Responsibilities	Who oversees
First Line	Centres, State/Business units and operational functions	Manage the day-to-day risks and compliance obligations associated with activities within the approved risk appetite, policy, and process. Provide assurance (check) that centre-based activities to manage risks are working as intended and participate in Goodstart-wide activities. Identify, own, escalate and remediate issues. Understand and comply with laws and regulations.	Board oversees all aspects of risk management and assurance and sets the tone for Goodstart's risk aware culture. ARC monitors and advises on the development and design of risk appetite statements, risk and compliance governance frameworks and policies, for approval by the Board. GLT develops Goodstart's risk aware culture, undertakes business decision-making in line with established frameworks and embeds the risk management and assurance frameworks.
Second Line	Internal advisors and subject matter experts This includes Safety and wellbeing, Legal counsel, Risk and Insurance, Quality, People Matters, Property and ICT.	Establish and maintain the risk management framework and provide advice to the first line on the management of risk. Oversee the first line to ensure that risks are being monitored and managed against agreed processes and controls. Undertake assurance activities in line with established frameworks and plans in respect of all aspects of risk and compliance. Provide transparent reporting on the management of risk and conduct of assurance activities.	
Third Line	External advisory This includes internal/external audit programs and reviews	Provide independent assurance regarding enterprise risk management and internal controls. Provide independent verification of compliance with internal and external frameworks or requirements.	

		Independent evaluation of the design, adequacy and effectiveness of the risk management framework, assurance framework and internal control framework.	

Integrated assurance

Assurance is not a centralised function but is woven throughout and around everything we do at Goodstart. By mapping the assurance provided across the first, second and third lines, we can develop a holistic view of the effectiveness of our risk management activities, and the likelihood that we will achieve our strategic and operational objectives. We can identify areas with adequate assurance as well as any requiring additional assurance and use data analytics to interrogate this assurance.

Using integrated assurance helps us to:
- link assurance to risk materiality to focus on critical controls.
- reduce impacts on child-facing services by minimising duplicative assurance.
- increase Goodstarters trust and confidence in the assurance processes.
- leverage subject matter expertise, automation, and data analytics across Goodstart.
- increase transparency to key stakeholders including the GLT, ARC and Board.
- leverage assurance for continuous improvement.

Accountabilities and responsibilities

All Goodstarters have a responsibility to understand the risks in their area and actively manage and monitor these risks as part of day-to-day activities. Additional accountabilities for risk management are assigned to senior staff and specialist areas, and oversight roles are assigned to key governance committees. As such, it is important that all Goodstarters are familiar with our expectations for managing risk and contributing to a positive risk culture.

Role	Responsibilities
Board	Approval of the enterprise risks and the risk appetite. Oversight of risk management and assurance at Goodstart including the risk management and assurance framework, financial reporting, internal controls framework, legal and regulatory compliance framework and executive appointment and performance. Provide strategic direction and set the tone for a risk aware culture within Goodstart.
Audit and Risk Committee (ARC)	Monitors and advises the Board on the development and design of risk management and assurance frameworks and policies, including risk appetite statements. Advise the Board on the adequacy of assurance over risks and controls through the work of internal and external audit and internal assurance mechanisms. Have oversight of risk appetite and risk tolerance appropriate to Goodstart business lines.

Goodstart Leadership Team (GLT)	Implementation of this policy.
	Develop and maintaining of the risk profiles.
	Providing regular reporting on risk and assurance to the ARC and the Board.
Chief Executive Officer (CEO)	The CEO is responsible for facilitating an environment that actively supports risk management and assurance.
Chief Corporate Services Officer (CCSO)	Championing risk management and assurance within Goodstart.
	Guiding the GLT in following the requirements of this policy.
	Specific accountability for the enterprise risk register, quarterly risk reporting and the Goodstart assurance map.
Risk and Assurance Steering Committee	Endorsing the appropriate policies and procedures relating to Goodstart-wide risk management and assurance.
	Establishing processes and systems for identifying and reporting Goodstart-wide risks and risk-management deficiencies, including emerging risks.
	Monitoring of compliance with Goodstart's risk management and assurance processes and systems.
	Effective and timely implementation of corrective actions to address risk management deficiencies.
	Specification of management and employees' authority and independence to carry out risk management and assurance responsibilities.
	Integration of risk management, control and assurance and control objectives in management goals and Goodstart's the company's compensation structure.
Risk Manager	Provide specialist risk management advice and assistance to the Chief Corporate Services Officer and GLT.
	Direct responsibility for maintaining the enterprise risk register and preparing quarterly risk reports.
Assurance Manager	Provides specialist assurance advice and assistance to the CCSO and GLT.
	Direct responsibility for maintaining the Goodstart Assurance Map and preparing quarterly integrated assurance reports.
Internal specialists and advisors For example Legal, Safety, Quality, Property etc.	Undertake specialist risk management activities in accordance with the Risk Management REQUIREMENT and specialist requirements and procedures.
	Support the development of organisation-wide control and assurance processes.
	Support Goodstarters to undertake and implement operational risk management and assurance activities.

Centre Directors, centre and State Support teams	Identifying and managing risks within their centre including any related assurance activities.
	Promoting a risk-aware culture amongst their staff.
All Goodstarters	Managing risks associated within their role and function.
	Daily complying with their legal and regulatory obligations.
	Participating in assurance activities and supporting a risk-aware culture.

Continuous improvement

Goodstart accepts that, despite best efforts and robust risk management practices, things will go wrong. Goodstart is focused on a positive risk culture based on the premise that we will review the reasons for failure, and use our learnings to further strengthen our systems, processes, and controls, reducing the likelihood of recurrence. Achieving this positive risk culture will rely on the contribution of all Goodstarters.

Related documents

- BM3 Risk Management Framework Requirement
- BM3 Compliance Governance Framework Requirement
- BM3 Business Continuity Management Framework Requirement
- BM3 Integrated Assurance Framework Requirement
- Board Charter
- ARC Charter
- Standards**:**
  - o International ISO 31000:2018 Risk Management: Guidelines

Responsibilities

This policy is to be implemented by: all staff.

Definitions

- **ARC** – Audit and Risk Committee - a subcommittee of the Board, responsible for reviewing and overseeing effectiveness and performance against the risk management policy, framework, and systems.

- **Assurance** – An examination of evidence to assess the adequacy and effectiveness of controls designed to manage risks or broader activities and operations. This could occur at the:
  - o First line - for example, daily playground checks by centres
  - o Second line - for example, annual playground audits by the Property team
  - o Third line - for example, council inspections of playground and facilities.

- **Assurance map** – A tool which visually presents all assurance activities of the organisation, both internal and external, as they apply to the management of Goodstart's risks.

- **Control** – Any action taken to manage risks and increase the likelihood that objectives and goals will be achieved. These can include:
  - o Preventive controls – that reduce the likelihood of the wrong things from happening. For example, locks on doors.

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- o Detective controls – that reduce the impact potentially of when things go wrong. For example, checklists and audits.
- o Recovery controls – that reduce the impact of when things materialise. For example business continuity plans.

- **Enterprise risk** – risks which can impact the achievement of Goodstart's strategic objectives. The enterprise risks are set, agreed by management and the Board, and reviewed [annually].

- **GLT** – Goodstart Leadership Team.

- **Goodstarters** – Includes all officers, employees, contractors, subcontractors, employees of contractors or subcontractors, employees of labour-hire companies, outworkers, apprentices, trainees, work experience students and volunteers, employed or engaged by Goodstart.

- **Risk** – The possibility of an event occurring that will have an impact on the achievement of objectives. Risk may be positive, negative or both, and may address, create, or result in opportunities and threats. Risk is measured in terms of consequence and likelihood.

- **Risk appetite** – The level of risk that Goodstart is willing to accept.

- **Risk management** – The process used to identify, assess, and manage potential events or situations that could impact the achievement of Goodstart's objectives.