



**ASBA**

\*Association of School  
Business Administrators  
Strategic Partner

# **Aon's 2017 Independent Schools' Risk Report**



**AON**  
Empower Results®



**Today's volatile and uncertain global environment is affecting every industry and sector, and schools are by no means immune from the knock on effects that ripple across society.**

# Aon's 2017 Independent Schools' Risk Report **key findings**

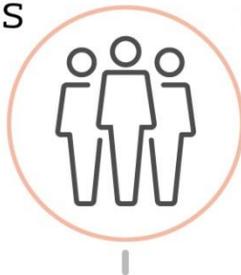
## **5** TOP RISK CONCERNS

1. Increasing competition/ decreasing enrolment numbers
2. Brand and reputation
3. Access to funding
4. Student safety
5. Ability to attract and retain talented teachers



**70%** of school boards are engaged around risk management, however **only 17%** of schools use a formal governance assessment tool to ensure governance effectiveness

**Confidence** in procedures has doubled, and yet attracting and **retaining talent remains a top risk** concern



**60%** of schools are unsure what the new mandatory data breach notification laws mean for them



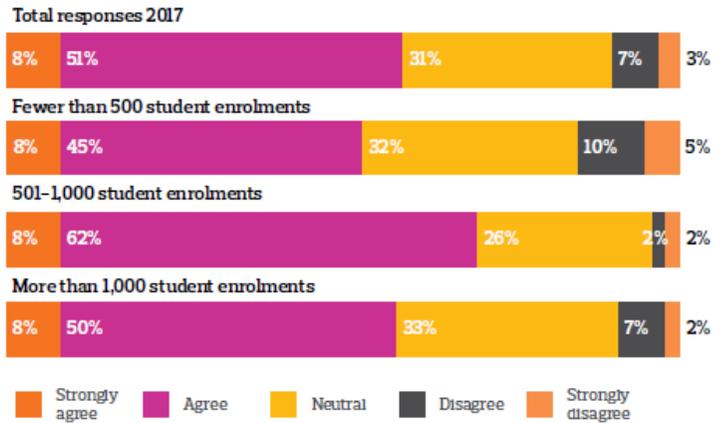
**More than 50%** of schools do not have a formal mental health awareness program

**Only 34%** of schools have a formal plan in place for all 3 of the following:

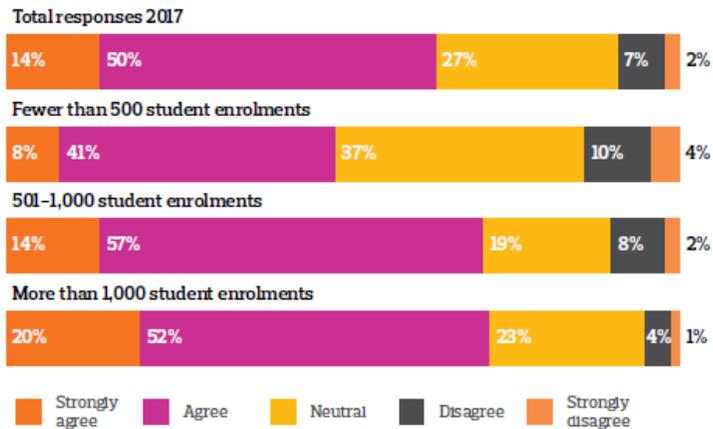


# Managing Risk

## Q. Our school needs to do more to mitigate future risks



## Q. Our school is increasing its investment in risk management



## Risk management progress steady

Almost 80% of schools have a formal risk management plan

## Turn preparation into practice

Schools need to instill a day-to-day focus on continuous improvement and a culture that values ongoing risk mitigation

## Risk and strategy

Aligning risk management to the strategic goals of the school, with an engaged and supportive board, allows schools to demonstrate commitment to making school a safe, inclusive and resilient learning environment

## Preparedness to act

A clearly communicated approach to risk, and preparedness to act swiftly and effectively when required, can help build a risk-aware and rapid-response culture

# Brand and Reputation

---

## Highly ranked

This year's second most pressing risk concern

## Fresh issues each year

Cyber bullying, terror attacks, allegations of child abuse, allergic reactions

## Instantaneous nature of communication

Ease of publishing to social media decreases control of an event

## Not set and forget

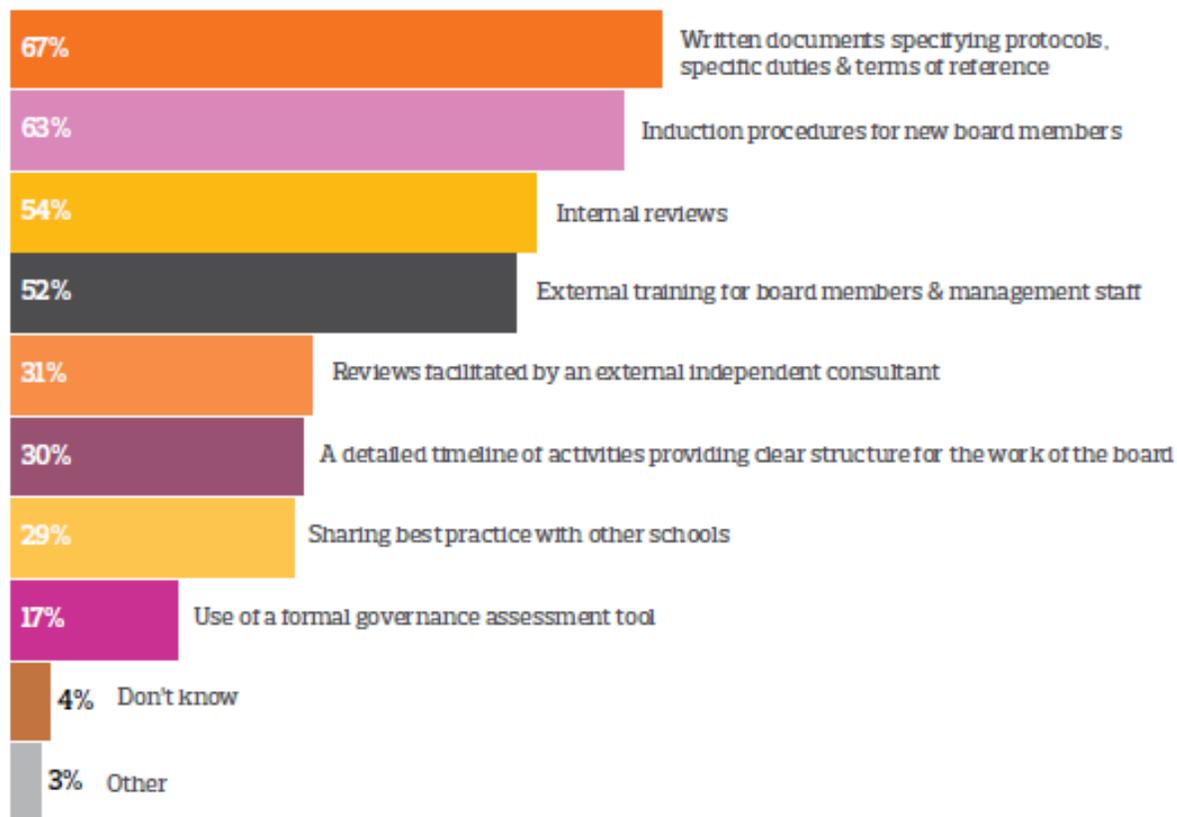
It is important to acknowledge the difference between having a plan in place, and being able to execute it



# School Governance

---

## Q. How does the board ensure governance effectiveness at your school?



# School Governance

---

## **Best practice**

Means continually reviewing and refreshing how the board operates

## **Governance effectiveness**

Wide and varied techniques used by school boards to ensure governance effectiveness in their schools

## **Popular techniques**

Written protocol documents, inductions, internal reviews and external training are the most popular ways to achieve governance effectiveness

## **Developing techniques**

External consultants, sharing best practice and using a formal assessment tool are all areas that could be worth exploring further, to move towards ensuring board governance effectiveness



*The best boards recognise they never reach best practice and are constantly renewing and refreshing themselves.*

**– Jennifer Dean, Head of the Aon Master Trust**



# Cyber Risk

---

## Fluidity of school IT networks

Remote access for students and parents opens up additional cyber risk exposure

## Rise in ransomware attacks

The most prevalent form of attack in other areas of the economy, and must be considered as a potential risk exposure in schools

## Social and cyber bullying

Protection can come from awareness-raising campaigns coupled with cyber and social network policies linked to enrolment terms

## Mandatory Data Breach Regulation

Many schools remain unaware of the new rules. Only about a third of respondents had heard of the new legislation and had plans in place to comply.



.....

From early 2018 many independent schools will face an additional data breach challenge when the Government's mandated data breach legislation takes effect. From that time schools with revenues of more than \$3 million will be obliged to report eligible data breaches to both the Office of the Australian Information Commissioner, and any affected individuals – which could extend to staff, students, parents and alumni.

.....

# Business Continuity

---

## Resilience is key

It's about building a resilient school

## Critical incident planning

Majority of schools have a critical incident plan in place to help deal with the immediate impacts of an event

## Business continuity planning

Picks up where the critical incident plan ends. For example, the business continuity plan (BCP) gets students back in front of a teacher, as soon as possible, after a natural disaster damages school buildings. Roughly half of schools surveyed have no BCP in place

## BCP testing

On the increase among schools, it is key to test any plans that you have in place

### *Q. Our school has a documented Business Continuity Plan*

Total responses 2017



Yes No Don't know

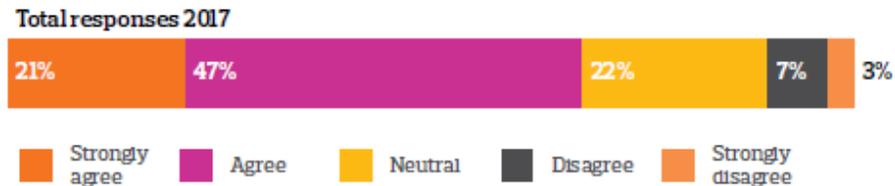
# Student Travel

## International travel

Schools show no sign of limiting their overseas excursions and student travel, however a more holistic approach to risk is being taken, including:

- Comprehensive risk assessments
- Local knowledge of destination
- Purchasing group travel insurance for any overseas school excursion

### *Q. Our school has a formal travel risk management plan in place*



# Student and Staff Wellbeing

---

## **Correlation exists**

Between student safety and wellbeing, and a school's sustainability

## **Spread of information or misinformation is accelerated**

Safety or wellbeing incidents can easily turn into media hype

## **Psycho-social challenges**

Supporting teaching staff is key as jobs become more stressful – psycho-social challenges require more than just a written policy

## **Mental health programmes**

Mitigate risks of mental health which include a decline in productivity, increase in absences, and greater incidence of claims by employees

## **Consider the environment both physically and online**

A safe working environment that extends beyond school walls into the online social realm should be a priority for schools



# Talent and Engagement

---

## War for talent

Access to skills and experience can impact on a school's performance and reputation – could threaten long term viability

## Reward

Not just about quantum of salary, but perceived fairness by staff

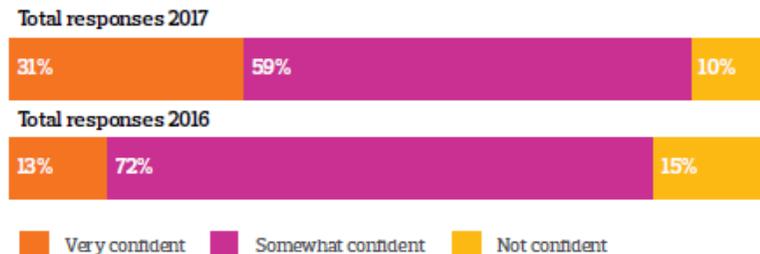
## Measurement of staff engagement varies

Schools are slightly behind the curve compared to industry in general

## Effective talent management and succession planning

The result of an intentional, well thought out and executed strategy requiring executive leadership, ownership and drive. Succession planning should be a part of any robust talent management strategy

*Q. How confident are you, that your school has the right procedures in place to hire and retain great talent?*



# Compliance

---

## Staying compliant

Imperative for all staff to have valid and current skills for a school to deliver quality education and a safe environment, including appropriate and current qualifications and registrations

## Record keeping is manual

Most schools surveyed keep manual records, managed by an administrator. Reliance on manual processes exposes schools to risks

## Technology can assist

Increased usage of central system to store qualifications, and send automatic renewal reminders and rebook courses

### *Q. How does your school ensure all staff are compliant with the qualification requirements for their roles?*

Total responses 2017



## Small print

---

The statistics in this document are based on the results of a survey conducted by Aon between 13 March – 7 April 2017, of 317 representatives from independent schools across Australia and NZ.

### **General disclaimer**

While Aon has taken care in the production of this document and the information contained in it has been obtained from sources that Aon believes to be reliable, Aon does not make any representation as to the accuracy of the information contained therein (including information received from third parties) and is unable to accept liability for any loss incurred by anyone who relies on it to the extent permitted by law. The report is provided for general information purposes only and the recipient of this document is responsible for their use of it.

In particular, given that the information contained in this report is general in nature it should not be relied on as advice (personal, legal, financial or otherwise) because the recipient's personal needs, objectives and situation have not been considered. So before deciding whether a particular product is right for you, please consider the relevant Product Disclosure Statement (where applicable) or contact us if you would like any further information.

Please otherwise note that any reference in this report to the coverage benefits of a particular insurance policy is subject to the relevant terms and conditions of such a policy. Further information can be provided upon request.

Please feel free to contact us if you would like any further information.

© Aon Risk Services Australia Limited

ABN 17 000 434 720 | AFSL No. 241141

Written and published by Aon Risk Services Australia Limited, May 2017. This work is copyright and confidential. Other than as permitted by law, no part of it may in any form or by any means be reproduced, stored or transmitted without permission of the copyright owner, Aon Risk Services Australia Limited.