



TEREA Culture & Capability Review

Catholic Education Commission of Victoria Limited

September 2022

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Inherent Limitations

This report has been prepared as outlined with Catholic Education Commission Victoria “CECV” in the Scope Section of the engagement letter dated 5th May and updated on 27th July 2022. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a qualitative study and the reported results reflect a perception of the Trustees of Edmund Rice Education Australia “TEREA” but only to the extent of the sample surveyed, being CECV’s approved representative sample of stakeholders. Any projection to wider stakeholders is subject to the level of bias in the method of sample selection.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, CECV, TERE, or other stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

This report is solely for the purpose set out in the Scope Section and for CECV’s information, and is not to be used for any purpose not contemplated in the engagement letter or to be distributed to any third party without KPMG’s prior written consent.

This report has been prepared at the request of CECV in accordance with the terms of KPMG’s engagement letter dated 5th May and updated on 27th July 2022. Other than our responsibility to CECV, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party’s sole responsibility.

Executive Summary



Background

Catholic Education Commission of Victoria Limited (CECV) is the approved school system and funding authority for Victorian Catholic schools. CECV has been approved by the Victorian Registration and Qualifications Authority (VRQA) as a review body under section 4.3.2(c) of the Education and Training Reform Act 2006 (Vic) to monitor, conduct reviews and evaluations, and report on compliance of Victorian Catholic schools with the minimum standards for registration.

Trustees of Edmund Rice Education Australia (TEREA) is the proprietor and operator of educational entities and services across Australia, with a National Board, a National Office and 55 schools across Australia including seven Victorian schools (referred to herein as the “TEREA Network”) registered with VRQA that are part of the CECV system of schools.

TEREA was subject to a review by VRQA in early 2020 in respect of events at St Kevin’s College (St Kevin’s). VRQA’s assessment identified significant organisational non-compliances with the minimum standards on governance and care, safety and welfare including the Ministerial Order 870 on Child Safe Standards.

It was found by VRQA that there was:

- confusion within the TERE Network as to who is the governing body;
- lack of oversight and enquiry from the Board as to the operation of the Victorian Schools;
- lack of reporting to the Board regarding the Victorian Schools;
- concerns around the policy review cycles and the content currency; and
- procedural advice was lacking.

(The full findings can be found in the Enforceable Undertaking).

TEREA entered into an Enforceable Undertaking (EU) to VRQA on 28 May 2020 to resolve the non-compliances. The EU was not discharged by TERE in the timeline anticipated in the EU.

The tone set at the highest levels of organisations denotes the cultural foundations for forming and perpetuating an ethical, robust, and resilient culture. However, concerns have been noted in this review regarding the tone set by the oversight and management levels of the TERE Network.

In its submission to VRQA through CECV in May 2021, TEREa proposed, and the CECV supported, a program of reform based upon three elements, being structural, cultural and capability, in order to discharge the EU. To this end, TEREa intends to enact a corporate restructure, and apply to VRQA for registration of its new registered proprietor(s) of schools in late 2022. This Culture and Capability Review forms the remaining two components required to resolve the non-compliances in the May 2020 EU.

With ongoing focus on the Enforceable Undertaking for over 24 months, some core business focusses such as Strategy, and Learning & Development, have been put aside. These core business activities should remain a primary focus for the organisation in parallel to activities such as addressing the Enforceable Undertaking.

The National Office have undertaken numerous reviews including structural, capability and remuneration issues, and there is a commitment to address recommendations from the various reports over the coming 6-12 months.

Regarding the appointment processes of the TEREa Network:

- The President of the Trustees is elected from among the Trustees by the Trustees, and the Congregational Leader (Rome) is advised of this election;
- The five Trustees are appointed by the Congregational Leader of the Christian Brothers based in Rome, following an external Expression of Interest and Referee Process however this is not demonstrated to be consistently applied;

- The Board Chair is appointed by the Council of Trustees as an entity, after an external recruitment process;
- The Board Directors are appointed by the Board Chair, following an external recruitment and panel selection process;
- The Executive Director of EREA is appointed by the Board following an appointment committee process which may include a Trustee, and the Trustees give final approval; and
- Principals of Schools are appointed by the EREA Executive Director following a selection panel process.

The structure of the TEREa Network is outlined in the diagram on Page 7.

Scope

CECV engaged KPMG to undertake a culture and organisational capability review of Trustees of Edmund Rice Education Australia (TEREA), as it relates specifically to the Victorian schools. The review specifically excludes the approach to the Board governing structure, and the proposed subsidiary structure going forward.

Objective

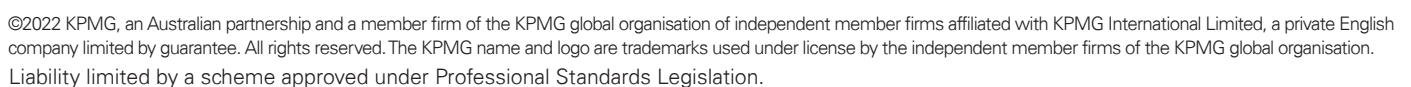
The objective of the Culture and Capability Review was to:

1. Undertake an assessment of the existing governance practice, structure and operation of TERE as it related specifically to the Victorian schools and to the extent it will apply to their proposed new proprietors, to determine to what extent TERE has the necessary culture and organisational capability to respond to an environment of growing complexity and emerging risks for operation of its Victorian schools; and
2. Make recommendations to support and enhance the future governance structure and practice of TERE and ensure its organisational capability and cultural setting are well equipped to respond to the regulatory environment, including expectations in relation to child safeguarding matters in the operation of its Victorian schools.

Approach

In order to deliver against the scope, the review:

- Drew from past reviews and best practice approaches;
- Undertook consultations with relevant personnel, including any former personnel as relevant, of TERE Trustees, TERE Board, Management, Victorian schools Principals and other key stakeholders as considered helpful to the review, including CECV and VRQA, through interviews, discussions and other relevant means; and
- Considered documents relevant to the Scope of this review.



Methodology

The review was underpinned by a Capability Framework (see page 9) specifically designed to consider the capabilities relevant to TERE's environment. This is adapted from the Australian Public Services Capability Review model¹ and the KPMG Child Safety Governance framework.

The core elements of the Capability Framework were explored through documentation review and stakeholder consultation, with a deep dive focus on whether TERE has the culture and organisational capability to respond to an environment of growing complexity and emerging risks for operation of its Victorian schools. A phased approach was taken in performing the review:

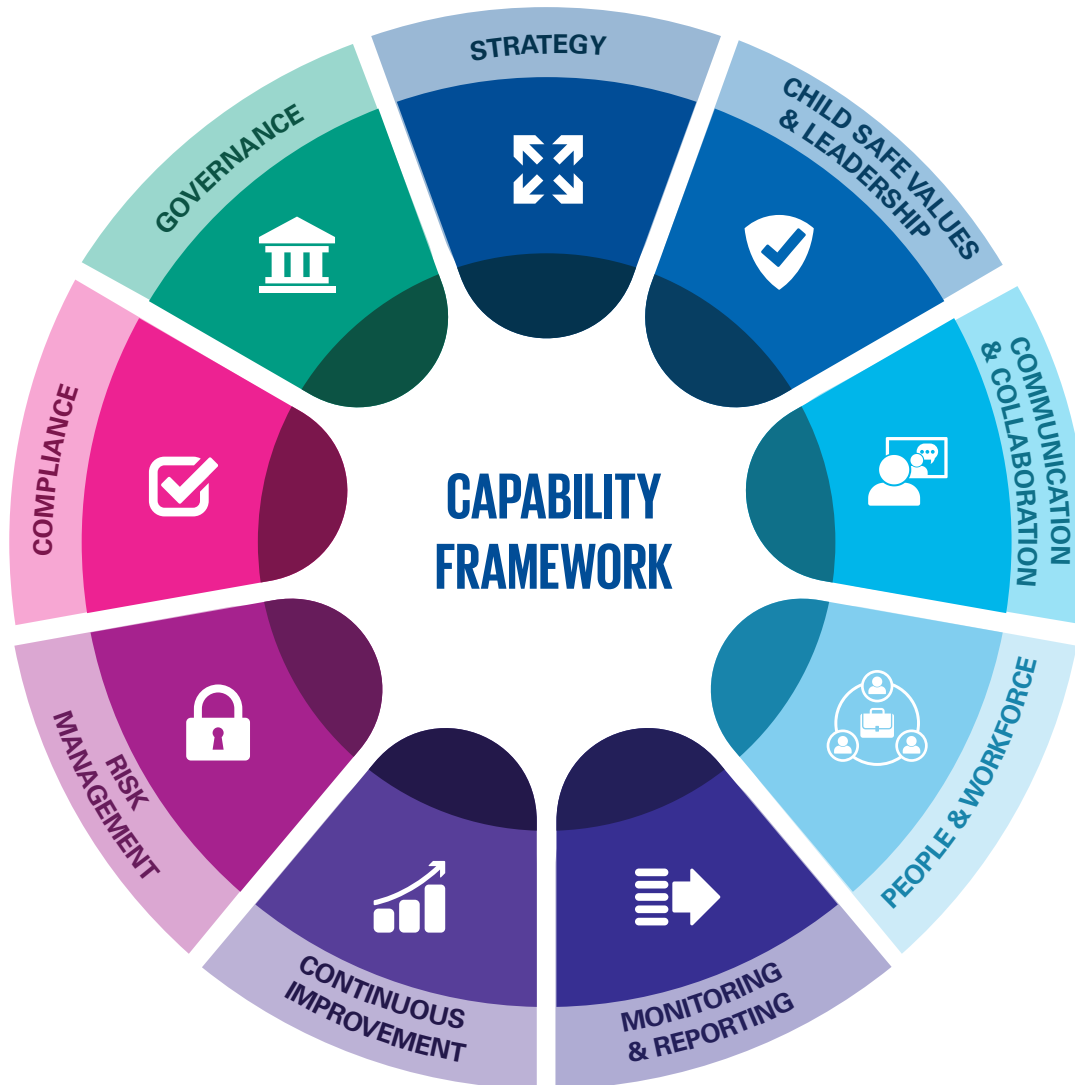
- Phase 1 consisted of review of key documents to establish an initial baseline of current state, analysis of insights from our document review to inform a stakeholder engagement and communication plan, and development of interview guides.
- Based on the interview guides, Phase 2 consisted of stakeholder consultation in the form of 41 targeted interviews to gain perspectives on current organisational maturity levels against the nine capabilities. Interviews were supplemented by continued documentation reviews based on the outcomes of conversations and additional requests made to TERE.
- This report forms part of Phase 3 which includes;
 - Identification of cultural drivers for key gaps and deficiencies by applying KPMG's Behavioural Root Cause Framework (Appendix 1) for root cause analysis; and
 - Assessment of the nine capabilities against a Capability Framework maturity model (Appendix 2) to outline strengths and opportunities for improvement.

The desired maturity for each capability was identified based on;

- The maturity required to underpin the strategic direction for TERE as a Catholic national education provider;
- Insights from stakeholder consultation, including personnel from VRQA, schools (chair/principal insights), CECV and TERE; and
- Relative importance of the capability to deliver against regulatory requirements.

¹ Australian Government, Australian Public Services Commission, Capability Review Program (3 June 2021) <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-program>

KPMG has utilised the below capability assessment framework and relevant methodologies to gain better insight into the current state and recommended future state.



The key components of the Capability Framework are underpinned by a Cultural Root Cause Analysis

Where key capability gaps were identified, a Behavioural Root Cause assessment was undertaken. This is based on KPMG's Behavioural Root Cause Framework (refer to Appendix 1) and is based on scientific research, that helps understand, identify, measure and monitor organisational culture and its impact on organisational effectiveness.

Key findings

The findings in this report are separated into two sections; the capability and operational governance, and the underpinning cultural root cause observations across the TEREA Network. Whilst the cultural root causes underpin the capability findings, the recommendations are focused on the capability uplift, and awareness of the cultural root cause findings should be kept front of mind when addressing reform throughout the TEREA Network.

Key themes: capability and operational governance

Key themes relating to capability and operational governance have been identified:

1. Deficiencies in accountability and delegation of authority
2. Core capability gaps in governance related roles
3. Child Safeguarding is a clear focus, but compliance requires greater transparency and clarity
4. Collaboration and communication of key information, including progress against the EU requires improvement
5. Tightening of core Human Resource (HR) processes will enable ongoing improvement in capability
6. Risk management, legal and general compliance processes require improvement

These have been underpinned by cultural challenges in the TEREA Network including a slow pace of change, lack of transparency and accountability, inefficient processes, concerns around compliance and a breakdown in trust. This breakdown in trust extends beyond the TEREA Network, and across into the relationship with both CECV and VRQA.

In the following section, detailed insights outline these core issues along with recommendations for uplift in each capability area. It is strongly recommended that a structured implementation plan is put in place (see Recommendations & Next Steps, page 36).

1. Deficiencies in accountability and delegation of authority

Across the TEREA Network roles, responsibilities and accountabilities, and management expectations lack clarity. The TEREA Network is comprised of many experienced principals who are deployed into a variety of core roles.

Firstly, it is unclear as to the remit of the EREA National Office. If their role is to provide operational governance and guidance to the school on operational matters, there have been instances of significant failures contributing to the Enforceable Undertaking, and key roles within the management team have been appointed without alignment to a core skill capability matrix.

Secondly, there is a lack of accountability and ownership of key processes, policies and procedures. Where delegations are issued – often coupled with an explanation of subsidiarity - the associated processes are unclear, and it is unknown, at time of writing if a Delegations of Authority register is kept. However, there is still a requirement that ongoing reporting is provided back to the National Office regardless of delegation, losing the sense of responsibility and accountability that is coupled with the delegation.

2. Core capability gaps in governance related roles

There has been acknowledgement of some core capability gaps as a result of a prior consultant review, which considered the National Office structure and the resources required to serve the needs of EREA schools in line with the Board's Strategic Directions.

Some improvement has commenced, with recruitment of some key roles bringing skills based, external appointments to the TEREA Network. These changes in personnel may challenge the current culture and accepted behaviours, methods and attitudes that are present in the TEREA Network presently. However, there is also a requirement to address the redundant skillsets; appointments that are not appropriately matched to the uplifted requirements of the organisation into the future.

The shift in the operating model of EREA presents an opportunity to reshape the culture, governance and accountability across the organisation. Presently there is a window to appoint key, skills-based roles that will influence good governance, culture and accountability and embed this into the foundations of the new structure.

3. Child Safeguarding is a clear focus, but compliance requires greater transparency and clarity

Child Safeguarding has been a core focus area for the organisation. When discussing the reporting processes and requirements for child safeguarding, the process was outlined by users of the process with consistency.

Policies and processes are managed and distributed through CompliSpace, an outsourced solution that assists to manage compliance to training and distributes policy updates to users. The system is used for incident reporting and management, however compliance in line with this reporting has not been provided to KPMG as at the time of writing. The Victorian schools report that there has been much work to uplift their policies and processes to align to the new Ministerial Order 1359.

There is misalignment between the responsibilities for the setting of Child Safety policies and the leadership accountability for child safeguarding. National Director Liberating Education is responsible for communication, support and roll out of Ministerial Order 1359; the National Director of Governance provides the content and training; the National Director of School Engagement is responsible for victims of child sexual assault matters; and the Director of Safeguarding is responsible for Child Safeguarding Policy.

4. Collaboration and communication of key information, including progress against the EU requires improvement

Communication around key issues such as the Enforceable Undertaking, and the associated responsibilities and accountabilities that were attached to the resolution of the same has been a weakness for the TERE Network and specifically for the National Office.

Information is gathered and distributed in a variety of ways and, as per the commentary around the governance capability, uplift is required regarding the information reporting mechanisms to ensure integrity, auditability and accuracy in the information that flows between the Schools and the National Office.

In addition to receiving information from the National Office, the Schools utilise a collaborative network; Melbourne Archdiocese Catholic Schools (MACS), Principals Association of Victorian Catholic Secondary Schools, the MACS Principal Networking Group and Schools have a strong advisory relationship with the School Advisory Council (SAC).

5. Tightening of core HR processes will enable ongoing improvement in capability

The approach to People and Workforce is decentralised. There is some support provided from the National Office, however most Schools in the Network have a dedicated HR Role. Industrial Relations (IR) advice is sought at discretion

and from external providers from locally held budgets. Senior role appointments within the school currently require oversight and approval from the National Office, withholding clarity from the schools as to where this accountability sits. Hiring processes have seen recent uplift, with external personnel being appointed into the Chief Risk Officer and National Director Stewardship roles. The Board Appointment process utilised a Skills Based hiring process and external recruitment support. Core and senior roles within TERE Network should be assessed against market capability matrix comparable to size and salary of similar roles.

6. Risk management, legal and general compliance processes require improvement

Risks are consistently reported through CompliSpace, however this has not been able to be validated at the time of writing. No robust proactive risk management processes could be evidenced, and retrospective reporting is provided to the Board on a quarterly basis. The new Chief Risk Officer appointment discussed a broad plan and understanding of what complex risk reporting should look like.

Legal advice is outsourced. The National Office provides a base of services through a retainer model, which is not consistently used, nor are all schools aware of this base service. Not all who use this service find it relevant for the Victorian jurisdiction. Consequently, Schools will seek independent legal advice and there is no policy to support this process.

Compliance intentions are strong where processes are clear to follow. If there is deviation from compliance, no clear performance management processes are in place across the TERE Network, however the Schools note their own performance management processes supported by their HR resource and reported to the National Office. It has not been possible to validate compliance to processes at the time of writing.

Cultural root cause observations

Using KPMG's Behavioural Root Cause Framework (refer Appendix 1), a root cause analysis was performed on the cultural and capability observations identified. Outlined below is an overview of the key root causes identified. The recommendations outlined in the Recommendation & Next Steps section of this report have been developed to address both the observations identified as well as their associated root causes.

Overall, with the proposed distributed governance model an uplift in clarity and commitment to accountability will require an even sharper focus for capability across the TERE Network.

Clarity and commitment to accountability across the TERE Network

Over the past two years, a significant focus of the TERE organisation has been shifted toward the enforceable undertaking, however the progress is slow reflecting lack of commitment, transparency of ownership, and unclear responsibilities and achievability.

There is lack of strategic direction from the Trustees, Board and the TERE National Office. Consequently, employee expectations are not clear across the TERE Network.

There have also been examples of deferred decisions within the TERE Network leading to a breakdown in trust. This extends also across to CECV and VRQA, seeing frustration in processes due to lack of clarity of decision making and understanding of governance processes.

One example raised consistently in interviews was that during 2020, a challenging year for St Kevin's College, the Trustees, Board and National Office Executive kept the College at arms length, and by being absent evaded accountability regarding the issues that occurred. Steps have been taken towards reparation of these relationships, however there is still a disconnect for St Kevin's College and the TERE Network on some matters, and work is ongoing in relation to remediating relationships. In parallel, there are key personnel, system and structural changes happening without clarity on control methods, or a strategic view on the final goal. Accountability and ownership for key processes and business priorities need to be clearly defined. In doing so this will gain clarity and achievability between the Schools, National Office, Board and Trustees.

Staff capability and capacity – Achievability, Call someone to account, Openness to discuss

There are insufficient skills required to successfully perform key roles in the National Office and historically on the Board of Directors. This relates to deficiencies in the Achievability of tasks by the management team against skills and capabilities of individuals currently in roles.

Recent Board appointments have addressed the skill deficiency at this level, however it will take some time to uplift the strategy and planning capability and cascade this through the TERE Network. Learning and development is deficient, with a heavy reliance on the CompliSpace system rather than a clear strategy on training requirements and the supporting structure.

Management communication and challenge - Call someone to account, Transparency and Openness to discuss

A number of concerns around communication exists for EREA, in particular two-way communication across the TERE Network, creating a barrier for discussion of risks and issues, as well as with external support such as CECV and VRQA.

In addition, Board reporting lacks structure and supporting information is not succinct enough to provide actionable insight. Lack of appropriate reporting up to the Board level limits the ability to govern, and reduced oversight may mean that undesired behaviour will go unaddressed.

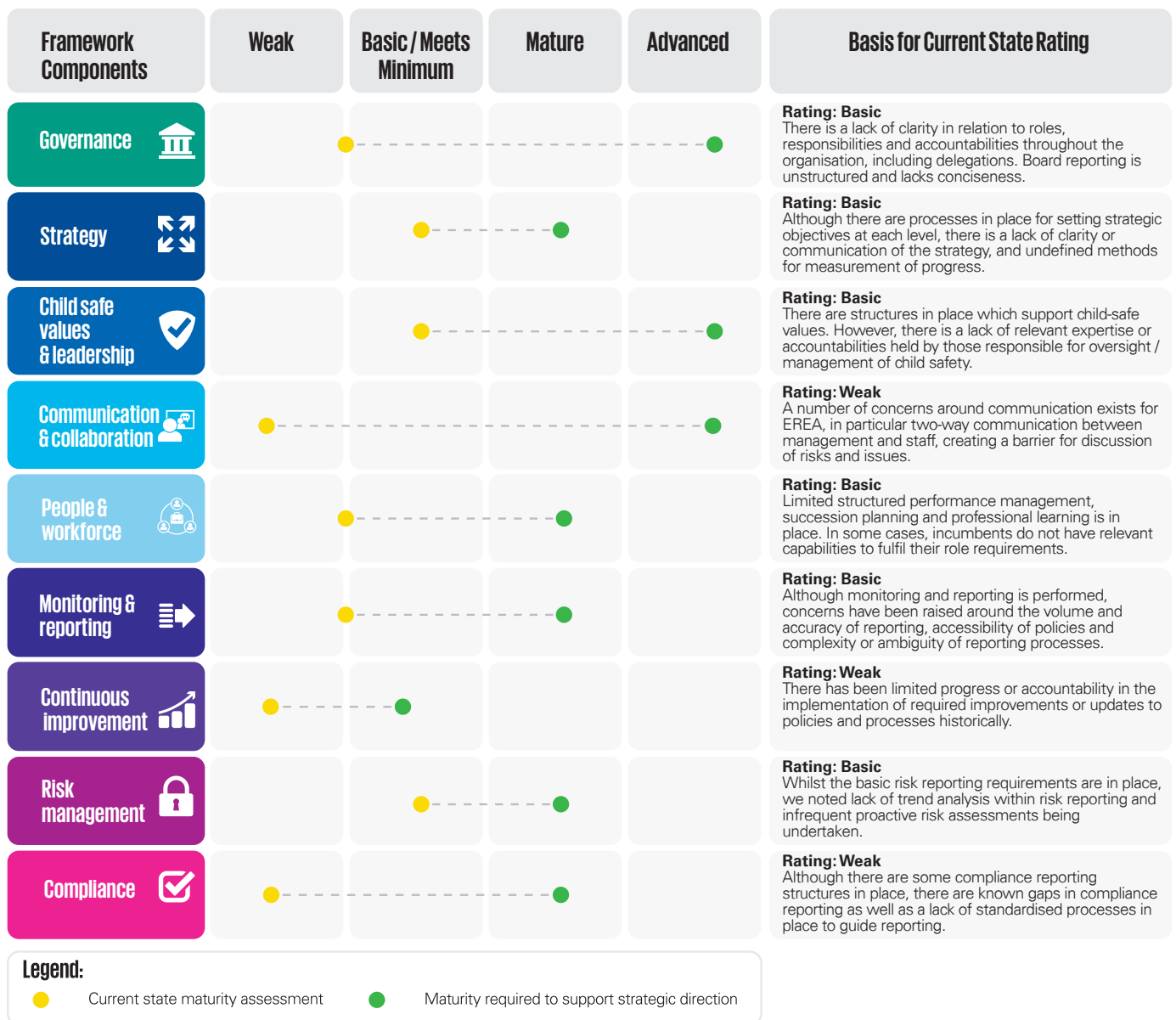
Transparency is required, along with a culture that supports a trusted environment that enables people being called to account. Effective monitoring and reporting will assist in promoting transparency, making adjustment and correction possible. It is also an enabler to discuss identified risks/ issues and incidents through appropriate channels.

These tools provide a method to assist the Board to gain insight and understanding, the shift is required at a cultural level, addressing the underlying behaviours to ensure that change is perpetuated throughout the TERE Network.

Current State Maturity Assessment










The diagram below depicts the current state maturity of TERE against the components of the Capability Framework. The current maturity for each framework component is assessed on a four point rating scale based on our observations and findings whilst also having regard to the maturity required to support the strategic direction for TERE, the relative importance of the capability to delivering TERE's regulatory requirements and meeting the requirements of the Enforceable Undertaking.

It is important to note that not all (in fact, very few) organisations need to be at the most advanced levels of maturity. Given the risks most organisations face, the costs of obtaining this level of maturity would outweigh the benefits realised.



Roadmap & Next Steps

The roadmap below outlines the next steps to advance the recommendations outlined in this report. Recommendations are further explained in the Detailed Insights, and Recommendations & Next Steps sections of this report.

Framework Components	Short Term (0-3 Months)	Medium Term (4 - 12 months)	Long Term (12+ months)
Governance 	G1: Significantly enhance the clarity of governance and oversight accountability across the organisation.		G2: Re-design policies, procedures, and communications to provide clarity on performance requirements and measures.
Strategy 	S1: The Board should clearly define their vision, goals and aligned strategy to the whole organisation.		
Child safe values & leadership 	CS1: Increase the clarity of accountabilities between the roles of EREA Board and EREA National Office for Child Safe policies and procedures. CS3: Embed an assurance process over the Safeguarding function.	CS2: Review the experience and expertise of the Director of Safeguarding in the context of child safety. CS4: Enhance training and processes around child safety	
Communication & collaboration 	CC2: Develop a Board approved template to capture the minutes of fortnightly meetings held by the National Director of School Engagement.	CC1: Develop policies and plans which will enhance the clarity of accountabilities for information gathering, handling media issues, and stakeholder engagement.	
People & workforce 	PW2: External appointment of individuals to key roles requiring specialised skills and capabilities. PW3: Implement a recruitment and termination policy which incorporates additional recommended processes.	PW1: Establish formal performance management, monitoring and feedback mechanisms along with minimum professional development standards. PW4: All Board members should undertake an appropriate Company Director course or refresher.	
Monitoring & reporting 	MR1: Create a risk register to improve transparency and accountability for management of risks and complaints.	MR3: Develop, agree and implement reporting frameworks to deliver clear and concise reports to the Board of Directors with relevant information.	MR2: Develop a system requirements document outlining system improvements to be developed by CompliSpace to address feedback regarding usability and optimise reporting outputs.
Continuous improvement 	CI3: Perform trend analysis in addition standard CompliSpace reporting to provide better insights to the Board and better inform decision making.	CI1: Implement a requirement for all policies to include a minimum review frequency, included in the CompliSpace policy register for tracking, reported to the Board.	CI2: Implement an audit and root cause analysis of policies to identify areas where improvement is required.
Risk management 	RM2: Risk registers should be reviewed and made available for the organisation. RM3: Clearly define the three lines of defence and the roles and responsibilities for risk management. RM5: Implement advanced analytic reporting and dashboards for risk reporting, and to the Board.	RM1: Clearly define all inherent risks, related mitigation activities to be taken and associated accountabilities. RM4: Establish a draft crisis management plan which defines clear escalations and action plans.	
Compliance 	C3: Integrate risk and compliance monitoring into risk reporting to ensure that risks associated with legislation changes are managed effectively. C4: Complete an audit of the CompliSpace processes and records to ensure compliance with requirements.	C1: Establish a key compliance framework which details clear roles and responsibilities aligned to the compliance environment within EREA.	C2: Define the role of the Governance Committee in facilitating Board oversight, including reporting requirements and lines of communication within the new governance structure.

Detailed Insights



Governance

BASIC

In reviewing the governance capabilities of TERE, we have taken into account the better practice governance that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted in Appendix 2:

- There should be uniformity, and clear lines of reporting to enable efficient operational management, clear accountabilities, collaboration and knowledge sharing.
- Roles, responsibilities and accountabilities should be clearly defined and enable independence and authority for decision-making to be maintained.
- Appropriate governance structures should be put in place to drive accountability for performance. The Board should receive and consider measures which evaluate performance against the strategy, and oversee appropriate reporting to stakeholders about the organisation's performance and financial position.
- There should be open communication forums for stakeholders. Members should have the opportunity to ask questions about how the organisation is run and to hold the Board to account for their decisions, thereby promoting greater connection to the organisation and openness to sharing ideas.

Observations

Based on interviews and document review conducted, we noted the following:

- There appears to be a lack of clarity in relation to roles, responsibilities and accountabilities across a number of functions throughout the organisation. This appears to be driven by a lack of HR capability and organisational design planning in combination with appropriate governance to determine the appropriate roles, responsibilities and accountabilities, as well as a lack of clarity in delegations. Specifically:
 - There is a lack of clarity over the accountability for processes, policies and procedures resulting in deficiencies across the organisation. Policies are delivered to schools from the EREA National Office, and are localised in some instances at the discretion of schools. Furthermore, the limited transfer of knowledge between the National Office, the Board, the Trustees and then onto the Congregation Leader in Rome contributes to a sense of "diluted accountability" amongst stakeholders.
 - There is a lack of clarity over the overarching responsibility and operational control in relation to the National Office review and associated organisational changes. As such, there appears to be a lack of understanding of the future structure and accountabilities to be adopted.
 - There is a lack of clarity over accountabilities for governance activities due to the sharing of responsibilities between functions and personnel across the organisation.
 - While the Board has some oversight over school performance, accountability/responsibility for management of individual performance issues has not been documented.
- There is a lack of clarity as to which role in the TERE Network is responsible for resolving and/or monitoring achievement of the Enforceable Undertaking requirements.
- Although Head of Entity is delegated to the relevant Principals by the Executive Director, the delegation documents do not clearly articulate the exact responsibilities being delegated. We also noted that specific delegations are mentioned as having been kept at a National Office level in oversight of these delegations. These delegations are often coupled with the explanation of Subsidiarity.
- Although a Delegations of Authority has been established, there is a perception that authority has not been delegated where reporting to the National Office is required.
- Although interviewees stated that Delegations of Authority are expected to be fulfilled within the EREA Flexi Schools Ltd subsidiary board structure, there appears to be limited alignment of governance structure for Flexi settings in the EREA school network.
- Concerns are raised over EREA's ability to adopt governance in a complex future structure where additional subsidiary boards are proposed.
- Policies and processes for reporting or escalation are unclear throughout the organisation, thereby limiting transparency and timeliness of risk matters.
- Whilst there has been a high degree of Board turnover recently, new appointments have been made against a skills matrix with the assistance of an external recruiter.
- Board reporting lacks structure and supporting information is not succinct enough to provide actionable insights.



Governance

BASIC

Impact

A lack of accountability and clearly defined roles and responsibilities inhibits the ability of the organisation to discharge its obligations efficiently and effectively. This is further inhibited by the complexity of the organisational structure, unstructured and lengthy Board reporting, and inaccessibility of policies and procedures. Enabling decision-making, performance monitoring and performance management is required to uplift the governance, increasing clarity and productivity and reducing risk.

Recommendations

In order to elevate governance capability within the TERE Network, it is recommended that the organisation:

- **G1:** Significantly enhance the clarity of governance and oversight accountability across the organisation. To enable this, we recommend that TERE:
 - **G1.1:** A clear organisational chart should be developed and distributed that details each role and line of oversight throughout the organisation, including within each TERE organisational level, including Principals; Subsidiary Boards; National Office; EREA Board and The Trustees. In developing the organisational chart, each role should have a line of oversight for direct reporting and supervision purposes.
 - **G1.2:** Develop a summary of responsibilities for each role within the organisation. Once developed, individuals should be required to acknowledge their understanding and acceptance of the responsibilities associated with their role on an annual basis.
 - **G1.3:** Implement escalation processes and reporting policies to be distributed to stakeholders through a range of workshops, visual representations (e.g. flowcharts) and quizzes. Workshops should include verbal, visual and written components to ensure all learning preferences are met and thereby enhance understanding.
 - **G1.4:** The Chief Risk Officer should implement a proactive risk assessment framework. This should include development or maintenance of policies and procedures to support escalation of issues and timely reporting of risks, and progress in implementation should be reported to the Board.
 - **G1.5:** Where significant, bespoke projects are identified, project-specific roles and responsibilities should be established with dedicated oversight roles and timelines assigned to ensure delivery within agreed reporting standards to the Board.

- **G2:** Re-design policies, procedures, and communications to provide clarity on performance requirements and measures. In doing so, TERE should consider updating policies and board reporting guidelines to include reporting metrics, definition of the required frequency/timelines and responsibilities/accountabilities.



Strategy

BASIC

In reviewing the strategic capabilities of TEREa, we have taken into account the better practice strategic enablers that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted above:

- The organisation's purpose should be clear, recorded in its governing documents, embedded in processes and decision-making, understood by the Board and communicated broadly to ensure clear understanding across the organisation.
- The short, medium and long term strategies should be developed by the National Office. These should be periodically reviewed and approved by the Board. The approved strategy should then be cascaded through the local strategies to ensure that the core themes are shared and delivered at the local level.
- Scenario planning should occur in relation to the strategy. Strategic risks should be considered in the development and monitoring of the strategy, communicated to the organisation and continuously assessed and monitored by the Board.
- Strategic initiatives should be used to determine Key Performance Indicators for management. The Board should receive and consider measures which enable it to effectively evaluate performance against the strategy on an annual basis.
- Organisational strategies should embed a culture of child safety.

Observations

Based on the interviews and document review conducted, we note the following:

- The strategy of EREA's National Office either lacks clarity or has not been clearly and consistently communicated to Victorian Schools to provide direction on key priorities.
- Schools are required to submit strategic plans to the National Office for approval as part of the regular school renewal process. However, the frequency with which school strategies are re-evaluated is inconsistent and the basis on which the National Office measures progress against the organisational strategy has not been defined.
- Interviewees consistently noted that the Enforceable Undertaking and related issues have consumed the functional capacity of the National Office, and the focus of the Board meetings, for the past two years, limiting the ability of EREA to focus on strategic development of the organisation and effectively placing it on hold over this period.
- There is a focus on Liberating Education within the National Office. Representatives from schools have consistently acknowledged that when guidance is needed on the touchstones, mission or charism, strong direction is provided by the National Office.

Impact

- A lack of clarity or communication of the strategy, and undefined methods or frequencies for measurement of strategic progress, limits the delivery of strategic objectives by reducing the consistency of themes

or objectives throughout the organisation and the transparency over strategic progress. In conversations with Board members it was noted that tracking against strategic objectives, and reporting on Strategy was deficient.

Recommendations:

- **S1:** The Board should clearly define their vision, goals and aligned strategy to the whole organisation. This strategy should become a strategic framework for all levels within the TEREa Network with corresponding responsibilities to ensure alignment and accountability throughout the organisation. To support these outcomes, TEREa should:
 - **S1.1:** Conduct an annual strategy roadshow to facilitate cascaded strategic objectives and increase stakeholder engagement, accountability and clarity.
 - **S1.2:** Strategies should be set against explicit timeframes at both an EREA and school level to enable review, accountability and alignment.
 - **S1.3:** The Board and National Office should establish performance metrics and goals against which schools' progress in achieving their strategy is monitored.
 - **S1.4:** The Board should establish performance metrics and goals against which the National Office's progress in achieving their strategy is monitored.



Child-Safe Values & Leadership

In reviewing the child-safe values of TERE, we have taken into account the KPMG Child Safeguarding Framework. The following expectations have guided our interviews and document review, informed by the frameworks noted above:

- The values and Code of Conduct Policy, Child Protection Policy, and Compliance Policy should be reviewed and refreshed annually, communicated throughout the organisation and supported by relevant training annually.
- Embedded in the core values and daily operations of the TERE Network should be the focus on protection of vulnerable people to both meet and exceed requirements.
- There should be documented workplace behaviours, whistle-blower, anti-bribery and corruption policies which are easily/ publicly accessible, implemented, and well-known.
 - Annual training and assessments should be conducted in relation to these policies with completion to be tracked and escalated if not completed.
 - All complaints/incidents should be handled in line with these policies and reported in a confidential manner to the Executive/Board.
- Incident reporting should be encouraged in line with the aforementioned policies and any learnings captured. The resulting cultural considerations should be built into all aspects of the business including recruitment, performance management and exit interviews with outcomes recorded, analysed and reported.
- Cultural assessments with a focus on child safety should occur through staff engagement surveys, forums and consultation with students, parents and the community.
- Decision making aligns with the values / child safety as a consideration in all decision making processes.
- Audits of culture, ethics and integrity should be conducted or included in broader audits.

Observations

Based on the interviews and document review conducted, we note the following:

- We observed consistent approaches with regard to child-safe values and leadership by the Schools across Victoria. Reporting of child-safe matters by these Schools occurred with consistency and the appropriate urgency.
- Significant attention has been focused by the Schools on the shift of the minimum requirements of Ministerial Order 870 to the minimum requirements of Ministerial Order 1359.
- Child-safe values and support structures appear to be well embedded in some instances as follows:
 - The Head of Safeguarding is supported by the newly appointed Manager of Safeguarding to implement safeguarding standards into schools; and work with CompliSpace and schools on various safeguarding programs, policies and procedures.
 - Safeguarding conferences are held to discuss trending significant topics of concern, and collaboratively discuss and address remediation approaches.
 - Child safeguarding issues are reported to the Board of Directors on a quarterly basis. The report is compiled as a single report which isolates school matters from other matters. Red flag issues are extracted to assess issues for the Flexi Schools. Non-school related matters reported are referred to appropriate external organisations.
- We were advised that a national reporting framework for incidents is used for reporting purposes, however this framework has not been supplied as at the date of writing.
- In some cases, however, relevant expertise or prior commensurable experience in responsibilities for child safeguarding has not been a required attribute when appointing key roles, or discharging key child safeguarding activities. Specifically, we noted that:
 - The Director of Safeguarding brings significant EREA experience after previously working in Staff Services and Education Services in the National Office. Prior to this they held positions as Principal of schools. However, these prior roles do not clearly demonstrate breadth or depth of experience or expertise in child safeguarding.
 - EREA's work in providing support to victims of child abuse is led by the National Director of School Engagement, supported by the Manager of Safeguarding.

- A Legal Retainer with a Queensland based legal firm is provided through EREA National Office for advice to Schools on Child Safeguarding related issues. However, we were advised that the advice received is not always relevant in the Victorian jurisdiction; instead, MACS or independent legal advice is relied upon.
- The current policies were advised to have been updated in line with Ministerial Order 1359 (New Child Safe Standards) and embedded with the support of CompliSpace. However, we were advised that the Director of Liberating Education and his team were only being fully equipped to support schools in the implementation after the compliance date (1 July 2022).
- There is a clear understanding on the importance of child safety matters, and policies and frameworks exist for child safeguarding. However, role modelling of the values and leader-led communication of how child safety risks are managed is inconsistent. Structured training and awareness programmes are not coordinated to build a culture of high quality, child-centric outcomes. In some instances child safeguarding is seen as an obligation rather than a method for maintaining visibility and risk management.
- Child Safeguarding processes are both delivered and monitored by the Director of Safeguarding, creating a lack of independent oversight and assurance.

Impact

- A lack of relevant expertise or assigned accountabilities held by those responsible for the oversight and management of child safety increases the risk that child-safe values are not adequately embedded in the organisation to enable incident reporting, management and prevention.
- Inadequate role modelling, leader-led communication and training limit the awareness and focus of the organisation on protecting vulnerable individuals, thereby increasing the risk that incidents are not reported and managed appropriately.
- Accountability for Child Safeguarding is distributed between the National Office Directorates; the National Director of Liberating Education is responsible for communication and support of implementation of MO1359, the National Director of Education is responsible for victims of child sexual assault matters, and Director of Safeguarding is responsible for Child Safeguarding Policy.

Recommendations

In order to elevate the child-safe values within TERE, it is recommended that the organisation:

- **CS1:** Increase the clarity of accountabilities between the roles of EREA Board and EREA National Office for Child Safe policies and procedures. This will strengthen the transparency and accountability, and limit confusion of responsibilities.
- **CS2:** Review the experience and expertise of the Director of Safeguarding in the context of child safety. A skills matrix should be developed for future recruitment in the role and, if required following review of the incumbent's experience, seek applications for a replacement with more child safeguarding expertise.
 - **CS2.1:** Review the Position Description for the Director of Safeguarding to ensure it is in line with best practice, and accountabilities are clear.
- **CS3:** Embed an assurance process over the Safeguarding function. The oversight role should sit outside the Governance Team to assess the adequacy of core deliverables.
- **CS4:** Enhance training and processes surrounding child safety which impact the understanding, awareness and monitoring of child-safe values. Activities to consider include:
 - **CS4.1:** Conducting child safety refresher workshops to be held by EREA to ensure compliance understanding and expectations amongst school Principals.
 - **CS4.2:** Reviewing the mandatory reporting triage process currently in place to ensure accuracy and efficiency of triaging processes.
 - **CS4.3:** Reviewing all Child Safeguarding policies and procedures to ensure currency and communicated throughout the organisation to improve awareness.
 - **CS4.4:** Engaging external subject matter experts for advice on trends in the area of Child Safeguarding, including training, facilitation, policy uplift and implementation.



Communication & Collaboration

In reviewing the communication and collaboration capabilities of TERE, we have taken into account the better governance practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted above:

- Clear communication, notification and escalation channels should exist and be clearly documented. These should be frequently reinforced through onboarding, training and communication processes.
- Public disclosure / media policy compliance should be continuously tested and learning actioned. There should be a plan in place to proactively manage issues or concerns.
- Board members should receive copies of material public announcements immediately or, at a minimum, within 48 hours. Compliance with this obligation should be tracked.
- Lessons learned and insights gained should be continuously and openly shared across the network and into the sector, and used to influence continuous improvement.
- There should be a sustainable communication strategy, and plan in place to enhance and maintain public and community trust.
- Executive and Board training on public disclosure / media should occur on an ongoing basis, with a clear policy on when to engage external support for media related issues.
- A stakeholder engagement plan should be in place and aligned to the Global Accountability Standard on Stakeholder Engagement. Key stakeholders should be identified.
- Stakeholder sentiment/feedback/opinions sought in order to inform and uplift policy. Feedback should be communicated to the Board where necessary and incorporated into corporate strategy as applicable. As an extension to traditional forums, social media monitoring should be implemented.

Observations

Based on the interviews and document review conducted, we note the following:

- Information is gathered from the Schools in two main ways:
 1. Verbally, through the Regional Directors of Schools who attend principal meetings and School Advisory Council (SAC) meetings who then communicate insights to the National Director of School Engagement via minuted fortnightly meetings. Minutes of the meeting are compiled into a report which is tabled to the Board for oversight.
 2. National Office operational reporting (including finance, risk and compliance) is provided to the National Director of Governance.
- Information is distributed to schools in a variety of ways:
 1. The National Office shares information periodically with schools through bulletins and memos.
 2. A global engagement program is underway to connect charisms worldwide and a new learning statement aims to align each school as they undergo transformation.
 3. Communication from the National Office is cascaded unilaterally with bilateral communication only being conducted through formalised channels, formal invitation or through the Regional Directors of Schools.
 4. Schools also obtain information from MACS weekly communications, Principals Association of Victorian Catholic Secondary Schools communications, School Advisory Councils, and the MACS Principal Networking Group.
- There are still areas of unresolved conflict in the TERE Network, particularly when addressing long standing matters. Interviewees indicated that they felt this was caused by a communication barrier that had formed as a result of differences in communication styles and approaches to conflict resolution.
- Some training around handling media issues has been provided to schools however this is inconsistent. A lack of policies or procedure which detail the steps in providing media responses has resulted in perceived ambiguity over accountabilities and differences in approach across the organisation.
- A lack of clearly defined escalation channels have resulted in ineffective communication of staff concerns to the Board and limited Board visibility of material public announcements within a suitable timeframe.
- Collaboration and policy customisation is permitted at a local level. However, customisation requires EREA National Office approval to ensure alignment to national policies.
- The National Office appear to only share detailed information when a query is raised in relation to a specific process or framework. Conversely, where a question was asked of a more general organisational nature a general answer or comment was provided, highlighting a lack of willingness to engage in further reviews following recent history.

Impact

A lack of clarity regarding the responsibilities and escalation processes associated with information gathering, handling media issues, and stakeholder engagement increase the risk of reputational damage to the organisation. As the ultimate oversight body, the Board should receive adequate reporting to enable risk assessment and understanding of emerging organisational issues in order to adequately discharge its responsibilities. This can be seen in the handling of media facing issues such as the St Kevin's media responses where, had clarity over roles, responsibilities and accountability been available regarding the handling media issues, stakeholder engagement between St Kevin's, the National Office and the Board would have been uplifted.

Recommendations

In order to elevate the communication and collaboration capabilities within the TERE Network, it is recommended that the organisation:

- **CC1:** Develop policies and plans which will assist in enhancing the clarity of accountabilities and responsibilities for information gathering, handling media issues, and stakeholder engagement. Specifically, EREA should consider documenting and publishing:
 - **CC1.1:** A stakeholder engagement plan should be developed which details:
 - stakeholder engagement responsibilities, communication channels and Board reporting standards throughout the organisation. This will assist the organisation to meet its objectives under the proposed future model by enhancing the clarity of responsibilities and thereby increasing the timeliness, efficiency and useability of Board reporting and stakeholder feedback.
 - how information is to be received by EREA from relevant stakeholders, including the documentary requirements for the receipt of information by each of the Director of Schools from each of their respective schools.
 - the avenues available to schools and other relevant stakeholders for the provision of feedback and reporting of concerns to EREA.

- **CC1.2:** A media policy detailing the responsibilities, accountabilities and escalation protocols (including Board reporting) for handling media issues/enquiries and public announcements throughout the organisation.
- **CC2:** Develop a Board approved template to capture the minutes of fortnightly meetings held by the National Director of School Engagement. The approved template should align to the strategic objectives and Board oversight areas to enable clear reporting linked to the organisational strategy and risks.
- **CC3:** Collaborative communication should be encouraged throughout the TERE Network. This could be achieved by bringing together a range of people from the TERE Network to engage in understanding the strategy, mission, charism and touchstones of EREA, and to encourage open communication and collaboration for the purposes of embedding the culture of EREA into the Network.



People and Workforce

In reviewing the people and workforce capabilities of TERE, we have taken into account the better governance practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted above:

- Roles, responsibilities and expectations should be clearly articulated leading to an understanding of the capabilities required to fulfil role requirements.
- Individuals are expected to be informed of, set and understand their goals and performance metrics, and the organisational vision, values and acceptable behaviours.
- Role expectations should be clearly articulated through job descriptions. Recruitment and succession planning activities should consider skills against job requirements.
- Personnel should be provided with appropriate formal induction programs, training pathways and professional development to embed a culture of continuous improvement.
- Performance evaluations should be periodically undertaken for both the Board and National Office employees. Performance management plans should be utilised where performance is not meeting required standards.
- Succession planning and talent management processes should be in place to enable upskilling of existing employees and retention of organisational knowledge.

Observations

Based on the interviews and document review conducted, we note the following:

- There has been a high turnover of key personnel across the TERE Network. In the past 24 months, of the five Trustees there has been a 60% turnover, the eight Board Members there has been a 75% turnover, the National Office appointed a new Executive Director, and of the National Directors there has been a 25% turnover. Succession planning activities have not been sufficiently implemented to prevent loss of organisational knowledge when a person leaves their position.
- Historically, the Board has operated with an educational and social services skillset, rather than a skills based Board with experience in areas such as risk, legal, HR and child safety however this has been addressed with the appointment of the new Board Members. As of 1 July 2022 there has been a refresh of the Board with six new appointments and two continuations. New appointees were identified by an external recruiter and their capability assessed against a Board skills matrix
- In some instances, incumbents within the National Office have been hired from educational backgrounds which is a mismatch to the core capability and experience required for their roles. It was noted that there is a hesitance to hire external capabilities into the TERE Network and there is a preference for retaining internal people who may not otherwise meet the a skills matrix approach to the requirements of their role. We have seen that core roles requiring specific expertise such as HR, Governance and Child Safety are filled by Principals from the EREA network rather than bringing in specific core capabilities into these roles.
- There are limited performance management processes to address underperformance or behaviour which does not meet the requirements of the code of conduct and surrounding policies. Additionally, performance goals and expectations have not been formally established and periodically revisited for staff until recently.
- Where HR support is required, external resources are engaged. Where the requirement is more complex the schools may utilise their own HR capability, though there was consensus amongst interviewees that MACS is most commonly engaged for advice on the areas of HR, Industrial Relations or Legal advice.
- Inconsistencies in child-safety related training have been observed. Induction processes are informal, and training obligations require clarity, structure and rigour in their implementation.
- The focus on the discharge of the Enforceable Undertaking has diminished the promotion and support of professional learning development opportunities and training.

Impact

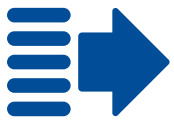
A lack of structured performance management, succession planning and professional learning and development increases the risk that EREA is unable to retain organisational knowledge, increase internal capabilities and therefore meet its objectives and obligations. These risks are further exacerbated by hesitance in hiring external capabilities, managing performance issues and a lack of focus on identifying and recruiting against specific role requirements and skills.

Some core organisational functions within the National Office, such as HR capabilities and Legal support, are underrepresented for the size and complexity of its Network.

Recommendations

In order to elevate the people and workforce capabilities within TERE, it is recommended that the organisation:

- **PW1:** Establish formal performance management, monitoring and feedback mechanisms along with minimum professional development standards. These should include:
 - **PW1.1:** Implementation of a performance management process within the National Office to instil a performance based culture. To support this, individuals should be assessed against key performance indicators and performance metrics aligned to their roles and responsibilities. Underperformance should result in the development of individual performance management plans to set clear expectations for corrective actions against timelines and ultimately conclude the plan.
 - **PW1.2:** Establishment of feedback mechanisms which should be embedded into performance management processes and include the requirement for individuals to seek feedback from their colleagues and direct supervisors.
 - **PW1.3:** Minimum professional development standards and training requirements should be established for employees within the National Office and compliance monitored on an annual basis.
- **PW2:** External appointment of individuals to key roles requiring specialised skills and capabilities (to be identified through a skills matrix) to be implemented. Specifically:
 - **PW2.1:** Appoint a suitably qualified HR expert into the HR Director role to support the school network and enhance the EREA National Office's HR capability and advice.
 - **PW2.2:** Ensure the appropriate skills, capability and experience in the external appointment of future state organisational appointments.
- **PW3:** Implement a recruitment and termination policy which incorporates the requirement for inductions, exit checklists and handover meetings to be acknowledged and approved by the employee's direct supervisor as having been completed.
- **PW4:** All Board members should undertake an appropriate Company Director course and either undertake refresher courses or appropriate aligned professional development on a regular basis to ensure skills are relevant and up to date.



Monitoring & Reporting

BASIC

In reviewing the monitoring and reporting capabilities of TERE, we have taken into account the better governance practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted in Appendix 2:

- Reporting and Incident Management Policies (or equivalent) should be understood and implemented by personal at all levels of the organisation.
- There should be a complaints process which is reported to the Board with actions to address. Root cause analysis should be performed to identify systematic issues.
- Continuous monitoring and reporting processes should be in place and cover key risk indicators/measures of success, including incidents, complaints and child safety risks.
- System reports should be downloadable and manipulated to create a range of management reports. Templates should be established to drive consistency in output.
- Dashboards and advanced analytical reporting should be used to provide concise insights into performance and specific risks areas of interest to the Board.

Observations

Based on the interviews and document review conducted, we note the following:

- CompliSpace is used to uplift policies and create automated reminders to ensure completion of training and enable monitoring by the National Office's Governance Team.
- Interviewees indicated that the TERE Network relies heavily on CompliSpace to aid their reporting and policy compliance responsibilities. CompliSpace are a third party vendor that provides expertise on education related legislation matters and amendments. However, CompliSpace has been reported at a school level as not being 'user-friendly'. CompliSpace is used to distribute updated policies and training for the EREA Network.
- The CompliSpace Assurance program is used by Principals and National Office to report reportable conduct and mandatory reporting incidents.
- There is a lack of documented processes to retrieve and analyse qualitative data by the National Office. Information is typically relayed verbally without a formal record.
- Child Safety reporting is the responsibility of the school Principal. Reporting processes vary from school to school. However, the base understanding of the obligations appear to be consistent across the Network.
- Interviewees reported a lack of clarity regarding whether to use MACS or the National Office for advice.

- Victorian schools report all Child Safeguarding issues. However, interviewees stated that the volume of reporting creates a sense of overwhelm within the National Office.
- Interviewees indicated that reporting provided to the Board is lengthy, without logical structure and concise communication. Performance data within the Board reporting is basic.

N.B. Information sought to validate the compliance with the CompliSpace training and policies, Assurance and Reporting systems was not provided to KPMG at the time of writing.

Impact

Inaccessible policies with complex or ambiguous processes and inaccurate or overwhelming reporting increase the risk of inefficient operations and non-compliance with reporting obligations.

Recommendations

In order to elevate the monitoring and reporting capabilities within the TERE Network, it is recommended that the organisation:

- **MR1:** Create a risk register to improve transparency and accountability for management of risks and complaints.
- **MR2:** Develop a system requirements document outlining system improvements to be developed by CompliSpace to address feedback regarding usability and also optimise outputs for decision making and monitoring (e.g., the system should allow for the integration of management report templates to streamline Board reporting).
- **MR3:** Develop, agree and implement reporting frameworks to deliver clear and concise reports to the Board of Directors with relevant information. The inclusion of trend reporting may assist to provide insights to the Board.



Continuous Improvement

WEAK

In reviewing the continuous improvement capabilities of TERE, we have taken into account the better governance practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted in Appendix 2:

- Formalised mechanisms should be in place to facilitate continuous improvement and quality improvement plans.
- Systematic analysis of trends, patterns, themes and associated root causes should be undertaken to identify systemic issues and improvement opportunities.

Observations

Based on the interviews and document review conducted, we note the following:

- Interviewees made consistent reference to policy uplift prioritisation to the Child Safeguarding Policy in order to align to recent legislative changes (Ministerial Order 870 to 1359). The policy uplift was supported by an external party. However, changes to the organisation's other policies requiring amendment, outside of the scope of the Ministerial Order or Enforceable Undertaking appear to have been to be drawn-out or remain pending subject to resources gaining capacity to attend to outstanding actions.
- Overall, progression on the resolution of requirements under the Enforceable Undertaking appear to be relatively stagnant. There is a lack of clarity regarding lessons learnt from this process, including ownership and process uplift.
- Key documents such as policies, training and guidelines are not consistently reviewed in a structured manner. Staff have access to CompliSpace which informs personnel of new policy changes, however, no plan for policy uplift is currently slated within the Governance Directorate.
- Interviewees have indicated that CompliSpace is cumbersome, but is consistently used. There appears to be a lack of trend reporting available from CompliSpace, although trend reporting has been requested by Board members to establish better insights for their decision making.
- Prior external reviews have been undertaken and delivered to the organisation. However, recommendations do not appear to have been consistently implemented as a result of a lack of clarity over ownership and authority.
- Consensus amongst interviewees was that continuous improvement is the responsibility of the Governance Directorate.

Impact

A lack of progress or accountability in the implementation of required improvements, undertakings, or updates to policies and processes (either as a result of legislative changes, shifting organisational requirements or reviews) increase the risk of TERE to meet its legislative, compliance and performance obligations or objectives.

Recommendations

In order to elevate the continuous improvement capabilities within TERE, it is recommended that the organisation:

- **CI1:** Implement a requirement for all policies to include a minimum review frequency and include frequency details in the CompliSpace policy register for tracking. To enable commencement and progressive updates to be made over an agreed timeframe, TERE should undertake a policy improvement plan detailing policies to be addressed in each year as well as minimum uplift and update requirements. Legislative policy changes should be factored into the same plan.
- **CI2:** Implement an audit and root cause analysis of policies to identify areas where improvement and uplift is required.
- **CI3:** Utilise trend analysis in addition to (or as a result of manipulation of) standard CompliSpace reporting to provide better insights to the Board and better inform decision making. Such reporting may be further enhanced by the use of analytics software or drilldown functionality.



Risk Management

BASIC

In reviewing the risk management capabilities of TERE, we have taken into account the better risk management practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted in Appendix 2:

- Risk management should be integrated into business strategy and governance across the enterprise.
- The risk management framework should be developed and incorporated into most decisions made in the organisation.
- The Board should have a clear view and definition of risk appetite, and formal established requirements for key risks and their remediation or mitigation.
- The Board should clearly outline inherent risks and a detailed crisis management plan which is understood throughout the organisation.
- The Board should have oversight of the Risk Register and receive regular Risk and Incident Reporting data.

Observations

Based on the interviews and document review conducted, we note the following:

- Basic risk management processes and controls are in place within EREA as evidenced by the following observations:
 - Basic risk management principles can be evidenced in EREA's management activities. Risk is a focus for the organisation which is supported by the recent creation and appointment to the Chief Risk Officer role. A risk management framework exists which is supported by a risk appetite statement.
 - The National Director of Governance sits on the Risk and Governance Sub-Committee of the Board. Through this sub-committee, the National Office provide a quarterly, retrospective, consolidated view of risk matters submitted by each school. This reporting is basic in its nature and limited trend reporting and insights are provided.
 - Schools have a risk and compliance role which assists in managing their obligations, and provides reporting through CompliSpace to the National Office. Operational risks at the school level appear to be managed appropriately.
- Limitations in reporting and the frequency or proactive risk assessments reduce the ability for preventative measure to be identified and implemented. Specifically:
 - Risk monitoring is the responsibility of National Director of Governance and the Chief Risk Officer. Whilst consolidated risk reporting is currently extracted from CompliSpace, there are challenges with managing emerging risks as information provided through the current reporting method is insufficient for insights-based preventative measures to be established.
 - Limited proactive risk assessments are undertaken to mitigate potential risks. An annual risk assessment questionnaire is distributed by the Governance Directorate. However, limited capability is embedded

with the organisation to assess risk profiles and apply mitigation strategies. Risks are managed as they are identified.

- There have been significant delays in addressing the Enforceable Undertaking (EU) that is in place between EREA and VRQA. There is lack of clarity regarding accountability for the delivery and resolution of the EU. The delays in addressing the EU may result in VRQA taking action to address the non-compliances

Impact

A lack of trend analysis within risk reporting and infrequent proactive risk assessments may result in an inability to identify and mitigate emerging risks by implementing preventative measures, thereby increasing the likelihood of risks to the organisation.

Recommendations

In order to elevate the risk management capabilities within TERE, it is recommended that the organisation:

- **RM1:** Clearly define all inherent risks, related mitigation activities to be taken and associated accountabilities within the organisation to create a sustainable residual risk.
- **RM2:** Risk registers should be reviewed on a published date and made available for the organisation to understand the risk universe and mitigating actions being taken.
- **RM3:** Clearly define the three lines of defence and the roles and responsibilities of those involved in risk management.
- **RM4:** Establish a draft crisis management plan which should define a clear escalation and action plans in various scenarios. This will provide clarity to Principals in responding to certain situations, especially in relation to media issues.
- **RM5:** Implement advanced analytics/dashboards in reporting to better equip the Board to make informed decisions, including providing insights into emerging risks.



Compliance

WEAK

In reviewing the compliance capabilities of TERE, we have taken into account the better compliance practices that we would expect from an organisation of a similar nature and size. The following expectations have guided our interviews and document review, informed by the frameworks noted in Appendix 2:

- Policies and standards should be created with consideration given to an organisation wide requirement and risk appetite. These should be regularly reviewed together with procedures.
- Individual systems should be put in place with the intent to integrate and optimise operations.
- Three lines of defence should be in place and exception reporting should be widely used to identify errors and risks in key processes.
- Governance Directorate should be appointed as the owner of the legislation register with sign off by the Board, ensuring visibility is provided on all compliance through updates and reports from the Governance Committee.
- Assurance processes should be put in place over key policies and procedures to understand how well they are implemented and embedded into the organisation.

Observations

Based on the interviews and document review conducted, we note the following:

- There does not appear to be strict adherence to policies and procedures, nor is there a clear performance metric or procedure around compliance obligations. Compliance management is a function of the Governance Directorate, however there is a lack of appropriate policies to support effective management of compliance.
- There are dedicated resources with regard to monitoring and reporting on compliance within the Victorian Schools, and these are evidenced through a set process map. A lack of standardised process for reporting of information through the National Office, and ultimately to the Board, limits the transparency and traceability of compliance due to reliance on verbal updates, risking loss of intent, value and meaning.
- The schools source compliance updates from a variety of sources and do not solely rely on EREA's compliance updates for information. This multiple sourcing of information highlights a risk of inconsistent roll out of localised policy across the network.
- The National Director of Governance brings EREA experience into the role, as well as experience as a deputy Principal of schools. However, the incumbent has limited demonstrated prior experience in governance. This role supervises the Director of Safeguarding, however also has limited relevant experience in the child safety domain.
- EREA has implemented a national risk, compliance and reporting system through an outsourced provider, CompliSpace, for the past five years. CompliSpace provides access to a child safeguarding expert, a team that monitor changes to legislation and provide assurance over multijurisdictional legislative changes.
- There is lack of clarity over accountability for Governance activities. Specifically:
 - Policies are set by EREA and approved by the Board. However, there is a lack of clarity regarding accountability and ownership between schools, the National Office, the Board and the Trustees.
 - There is a lack of clarity and supporting policies in relation to the process for obtaining legal advice.
 - The governance function has not had oversight over the policy content in the PolicyConnect and Assurance platforms.
 - Communication of compliance is conducted across the network through CompliSpace. However, assurance reporting is inadequate in providing clarity over compliance with obligations. As such, there is low confidence that all obligations have been met.
- The whistleblowing policy and processes were updated in June 2022 due to concerns regarding the handling of whistleblowing complaints, some of which were open for over a year.

Impact

A lack of standardised processes for compliance reporting increases the risk of inadequate oversight and reporting by limiting the traceability of compliance. Furthermore, known gaps in reporting of compliance against obligations increases the risk that non-compliances are not identified, appropriately escalated and resolved, potentially resulting in a failure of the organisation to meet its legal and other compliance obligations.

A lack of clearly defined accountabilities for governance inhibits the ability of the organisation to discharge its obligations efficiently and effectively.

A lack of assurance surrounding schools' implementation of policy amendments increases the risk of non-compliance at a school level due to potential lack of awareness or lack of training.

Recommendations

In order to elevate the compliance capabilities within the TERE Network, it is recommended that the organisation:

- **C1:** Establish a key compliance framework which details clear roles and responsibilities aligned to the compliance environment within the TERE Network. This will enhance accountability and transparency across the organisation.
- **C2:** Define the role of the Governance Committee in facilitating Board oversight, including reporting requirements and lines of communication within the proposed new governance structure.
- **C3:** Integrate risk and compliance monitoring into risk reporting to ensure that risks associated with legislation changes are managed effectively.
- **C4:** Complete an audit of the CompliSpace processes and records to ensure compliance with requirements.

Cultural Root Cause Analysis

Cultural Root Cause 1

Roles, Responsibilities & Accountabilities

Behavioural Drivers: Clarity & Commitment

Clarity is the extent to which roles, responsibilities and expectations have been clearly defined, communicated and understood by all employees.

Commitment is the extent to which employees are motivated to fulfil the role and responsibilities expected of them in relation to a specific process, control or activity.

Cultural Root Cause: Roles, responsibilities and accountabilities

Across all levels of the organisation, roles, responsibilities and accountabilities and management expectations are either undefined or non-existent.

- Accountability of governance is unclear between schools, National Office, Board and Trustees.
- There is limited guidance to how schools should approach their own strategies as the EREA strategy is not clearly and consistently communicated to the Victorian Schools.
- While child safeguarding is a core focus for the whole organisation, leadership expectations have not been communicated to principals to cascade to their schools.

Management should take care to ensure accountability and ownership for key processes and business priorities are clearly defined. Formal guidance documents will support employees with role clarity.

Over the past two years, a core focus of the organisation has been on attaining progress to meet their enforceable undertaking obligations.

- Learning and professional development has not been a focus, and the sentiment across a number of interviewees is that structured training and awareness programmes are not coordinated to build competency.

To ensure staff are engaged, motivated to deliver on expectations and actively uphold the interests of EREA, adequate incentivisation such as investment of time in people through training and clear communication of organisation values is required.

Impact

- Staff are not empowered to demonstrate expected behaviours
- Difficult for leadership expectations to be clearly expressed and consistently communicated
- Unclear KPI's may indicate to staff they are not held accountable for their actions, potentially greater demonstration of undesired behaviour
- Goals and objectives of the organisation not met as a result of blurred lines of responsibility
- Risks go undetected due to lack of performance monitoring
- Without prescribed policies and procedures, limits leadership ability to align actions and 'set a good example' to staff

Cultural Root Cause 2

Employee Capability & Capacity

Behavioural Driver: Achievability

Achievability is the extent to which employees have sufficient time, resources, capability, targets, funding, systems and information to enable them to execute on their responsibilities. It is not enough that they understand their role, responsibilities and expectations (i.e. clarity) but also have the means to execute on these.

Cultural Root Cause: Employee capability and capacity

The lack of HR governance to support the determination of roles, responsibilities and accountabilities means that there may be incorrect role assignments within the TERE Network and capability gaps relating to recruitment have been observed.

- Hiring gaps in specific functions across the organisation, and experience related to child safety is limited.
- Certain staff who do not hold the appropriate technical capability or expected qualification remain in role with no uplift expected.
- Governance activities are fluid and shared between a range of functions and role holders without clarity on accountability.
- Performance management mechanisms do not facilitate a high performing culture. Individual/school performance metrics and goals should be designed to achieve the organisational strategy.

Resources to support staff in performing in line with management expectations are also lacking which can further impact organisational culture.

- Inconsistencies have been observed between schools in relation training to specific related to child safety and media response management.
- Informal on-boarding/induction process occur across the TERE Network.
- Unclear channels for staff to obtain independent advice related to Legal and Industrial Relations matters.
- Unclear escalation process and channels for staff to report risks leading to delays in response to incidents/issues.

Impact

- Not enough resources to support the effective management of key obligations
- Individuals capacity is stretched between a number of responsibilities
- Erodes trust in organisational commitment to staff wellbeing
- Reduces engagement to achieve organisational objectives
- KPI's set may be unrealistic or targets are considerably lower than comparative to peers/industry standards

Cultural Root Cause 3

Management Communication & Challenge

Behavioural Drivers: Transparency & Openness to Discuss

Transparency is the extent to which people are able to see the effects and consequences of their own behaviour as well as the behaviour of others.

Openness to discuss is the extent to which people feel comfortable and supported to raise issues and dilemmas, discuss their opinions and provide challenge.

Cultural Root Cause: Management communication and challenge

A number of concerns around communication exists for EREA, in particular two-way communication between management and staff, creating a barrier for discussion of risks and issues. In addition to unclear escalation channels, Board reporting lacks structure and supporting information is not succinct enough to provide actionable insight. Interviews with stakeholders have resulted in the following monitoring and reporting observations:

- Child safety data reporting processes seem to differ from school to school.
- Reporting other than child safeguarding, financial and risk is conducted verbally.

Lack of appropriate reporting up to the Board level limits their ability to govern and reduced oversight may mean that undesired behaviour will go unaddressed.

Effective monitoring and reporting promotes transparency, making adjustment and correction possible. It is also an enabler to discuss identified risks/issues and incidents although appropriate channels and platforms need to be set up to foster a speak up culture.

- The current communication, notification and escalation channels are not defined or clearly documented.
- Lack of clarity regarding lessons learnt from EU resolution requirements.
- Formalised mechanisms to facilitate continuous improvement are not evident.

The Board/management team should seek out stakeholder sentiment/feedback to inform and uplift policy. In the absence of a feedback loop, this communicates to staff that their opinions are not valuable or that they are not easily accessible by staff to discuss issues openly.

Impact

- Limits reporting to management or potential underreporting
- Management may fail to detect and address risks/incidents/issues
- If risks/incidents/issues are not raised, management may fail to meet obligations on agreed initiatives.
- Immature risk culture where staff do not feel comfortable to raise issues, advocate for root cause analysis and promote effective action planning.
- Lack of stakeholder/staff involvement in the development of policies and processes or decision-making can reduce engagement to achieve organisational objectives as sufficient buy-in is not obtained

Recommendations & Next Steps



Summary of Recommendations

Recommendations have been raised on the basis of the insights obtained throughout the review. The table below summarises the recommendation made throughout the report for ease of reference and tracking. The recommendations have been prioritised (in the form of the indicative timeline) in terms of value and effort to implement.

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
G1: Significantly enhance the clarity of governance and oversight accountability across the organisation.	Strategic	High	Short-Medium term
G1.1: A clear organisational chart should be developed and distributed that details each role and line of oversight throughout the organisation, including within each TEREAs organisational level, including Principals; Subsidiary Boards; National Office; EREA Board and The Trustees. In developing the organisational chart, each role should have a line of oversight for direct reporting and supervision purposes.	Tactical	Low	Short term
G1.2: Develop a summary of responsibilities for each role within the organisation. Once developed, individuals should be required to acknowledge their understanding and acceptance of the responsibilities associated with their role on an annual basis.	Tactical	Medium	Medium term
G1.3: Implement escalation processes and reporting policies to be distributed to stakeholders through a range of workshops, visual representations (e.g. flowcharts) and quizzes. Workshops should include verbal, visual and written components to ensure all learning preferences are met and thereby enhance understanding.	Tactical	Low	Medium term
G1.4: The Chief Risk Officer should implement a proactive risk assessment framework. This should include development or maintenance of policies and procedures to support escalation of issues and timely reporting of risks, and progress in implementation should be reported to the Board.	Strategic	Medium	Medium term
G1.5: Where significant, bespoke projects are identified, project-specific roles and responsibilities should be established with dedicated oversight roles and timelines assigned to ensure delivery within agreed reporting standards to the Board.	Tactical	Low	Short term
G2: Re-design policies, procedures, and communications to provide clarity on performance requirements and measures. In doing so, TEREAs should consider updating policies and board reporting guidelines to include reporting metrics, definition of the required frequency/timelines and responsibilities/accountabilities.	Tactical	Medium	Long Term

Summary of Recommendations

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
S1: The Board should clearly define their vision, goals and aligned strategy to the whole organisation. This strategy should become a strategic framework for all levels within the TERE Network with corresponding responsibilities to ensure alignment and accountability throughout the organisation.	Strategic	Low	Short term
S1.1: Conduct an annual strategy roadshow to facilitate cascaded strategic objectives and increase stakeholder engagement, accountability and clarity.	Strategic	Low	Short term
S1.2: Strategies should be set against explicit timeframes at both an EREA and school level to enable review, accountability and alignment.	Strategic	Low	Short term
S1.3: The Board and National Office should establish performance metrics and goals against which schools' progress in achieving their strategy is monitored.	Tactical	Low	Medium term
S1.4: The Board should establish performance metrics and goals against which the National Office's progress in achieving their strategy is monitored.	Tactical	Low	Short term
CS1: Increase the clarity of accountabilities between the roles of EREA Board and EREA National Office for Child Safe policies and procedures. This will strengthen the transparency and accountability, and limit confusion of responsibilities.	Tactical	Low	Short term
CS2: Review the experience and expertise of the Director of Safeguarding in the context of child safety. A skills matrix should be developed for future recruitment in the role and, if required following review of the incumbent's experience, seek applications for a replacement with more child safeguarding expertise.	Tactical	Low	Medium term
CS2.1: Review the Position Description for the Director of Safeguarding to ensure it is in line with best practice, and accountabilities are clear.	Tactical	Low	Short term
CS3: Embed an assurance process over the Safeguarding function. The oversight role should sit outside the Governance Team to assess the adequacy of core deliverables.	Tactical	Low	Short term
CS4: Enhance training and processes surrounding child safety which impact the understanding, awareness and monitoring of child-safe values.	Tactical	Medium	Medium term
CS4.1: Conduct child safety refresher workshops to be held by EREA to ensure compliance understanding and expectations amongst school Principals.	Tactical	Low	Short-Medium term

Summary of Recommendations

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
CS4.2: Review the mandatory reporting triage process currently in place to ensure accuracy and efficiency of triaging processes.	Tactical	Low	Short term
CS4.3: All Child Safeguarding policies and procedures should be reviewed to ensure currency and communicated throughout the organisation to improve awareness.	Tactical	Low	Short term
CS4.4: Engage external subject matter experts for advice on trends in the area of Child Safeguarding, including training, facilitation, policy uplift and implementation.	Tactical	Low	Medium term
CC1: Develop policies and plans which will assist in enhancing the clarity of accountabilities and responsibilities for information gathering, handling media issues, and stakeholder engagement.	Tactical	Medium	Medium term
CC1.1: A stakeholder engagement plan should be developed which details: <ul style="list-style-type: none"> stakeholder engagement responsibilities, communication channels and Board reporting standards throughout the organisation. This will assist the organisation to meet its objectives under the proposed future model by enhancing the clarity of responsibilities and thereby increasing the timeliness, efficiency and useability of Board reporting and stakeholder feedback. how information is to be received by EREA from relevant stakeholders, including the documentary requirements for the receipt of information by each of the Director of Schools from each of their respective schools. the avenues available to schools and other relevant stakeholders for the provision of feedback and reporting of concerns to EREA. 	Strategic	Medium	Medium term
CC1.2: A media policy detailing the responsibilities, accountabilities and escalation protocols (including Board reporting) for handling media issues/enquiries and public announcements throughout the organisation.	Tactical	Low	Short term
CC2: Develop a Board approved template to capture the minutes of fortnightly meetings held by the National Director of School Engagement. The template should align to the strategic objectives and Board oversight areas to enable clear reporting linked to the organisational strategy and risks.	Tactical	Low	Short Term
CC3: Collaborative communication should be encouraged throughout the TERE Network. This could be achieved by bringing together a mix of people from the Network to engage in the strategy, mission, charism and touchstones of EREA, and to encourage open communication and collaboration for the purposes of embedding the culture of EREA into the Network.	Strategic	Low	Medium Term

Summary of Recommendations

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
PW1: Establish formal performance management, monitoring and feedback mechanisms along with minimum professional development standards.	Strategic	Medium	Medium term
PW1.1: Implement of a performance management process within the National Office to instil a performance based culture. To support this, individuals should be assessed against key performance indicators and performance metrics aligned to their roles and responsibilities. Underperformance should result in the development of individual performance management plans to set clear expectations for corrective actions against timelines.	Tactical	Medium	Medium Term
PW1.2: Establish feedback mechanisms which should be embedded into performance management processes and include the requirement for individuals to seek feedback from their colleagues and direct supervisors.	Tactical	Low	Short Term
PW1.3: Minimum professional development standards and training requirements should be established for employees within the National Office and compliance monitored on an annual basis.	Tactical	Low	Short Term
PW2: External appointment of individuals to key roles requiring specialised skills and capabilities (to be identified through a skills matrix) to be implemented	Strategic	Low	Short Term
PW2.1: Appoint a suitably qualified HR expert into the HR Director role to support the school network and robust the EREA National Office's HR capability and advice.	Strategic	Low	Short Term
PW2.2: Ensure the appropriate skills, capability and experience in the external appointment of future state organisational appointments.	Strategic	Low	Short term
PW3: Implement a recruitment and termination policy which incorporates the requirement for inductions, exit checklists and handover meetings to be acknowledged and approved as having been complete by the employee's direct supervisor.	Tactical	Low	Short Term
PW4: All Board members should undertake an appropriate Company Director course and either undertake refresher courses or appropriate aligned professional development on a regular basis to ensure skills are relevant and up to date.	Strategic	Medium	Medium Term
MR1: Create a risk register to improve transparency and accountability for management of risks and complaints.	Strategic	Medium	Medium term

Summary of Recommendations

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
MR2: Develop a system requirements document outlining system improvements to be developed by CompliSpace to address feedback regarding usability and also optimise outputs for decision making and monitoring (e.g., the system should allow for the integration of management report templates to streamline Board reporting.	Tactical	High	Long Term
MR3: Develop, agree and implement reporting frameworks to deliver clear and concise reports to the Board of Directors with relevant information. The inclusion of trend reporting may assist to provide insights to the Board.	Tactical	Medium	Medium term
CI1: Implement a requirement for all policies to include a minimum review frequency and include frequency details in the CompliSpace policy register for tracking. To enable commencement and progressive updates to be made over an agreed timeframe. TERE to undertake a policy improvement plan detailing policies to be addressed in each year minimum uplift and update requirements. Legislative policy changes should be factored into the same plan.	Tactical	Medium	Medium term
CI2: Implement an audit and root cause analysis of policies to identify areas where improvement is required.	Strategic	Medium	Long term
CI3: Utilise trend analysis in addition to (or as a result of manipulation of) standard CompliSpace reporting to provide better insights to the Board and better inform decision making. Such reporting may be further enhanced by the use of analytics software or drilldown functionality.	Tactical	Low	Short term
RM1: Clearly define all inherent risks, related mitigation activities to be taken and associated accountabilities within the organisation to create a sustainable residual risk.	Strategic	Medium	Medium Term
RM2: Risk registers should be reviewed on a published date and made available for the organisation to understand the risk universe and mitigating actions being taken.	Strategic	Low	Short Term
RM3: Clearly define the three lines of defence and the roles and responsibilities of those involved in risk management.	Strategic	Low	Short Term
RM4: Establish a draft crisis management plan which should define a clear escalation and action plan in various scenarios. This will provide clarity to Principals in responding to certain situations, especially in relation to media issues.	Strategic	Medium	Medium Term

Summary of Recommendations

Summary of recommendations	Strategic or tactical	Estimated effort required (i.e. low, medium or high)	Indicative timeframe
RM5: Implement advanced analytics/dashboards in reporting to better equip the Board to make informed decisions, including providing insights into emerging risks.	Tactical	Low	Short Term
C1: Establish a key compliance framework which details clear roles and responsibilities aligned to the compliance environment within EREA. This will enhance accountability and transparency across the organisation.	Tactical	Medium	Medium Term
C2: Define the role of the Governance Committee in facilitating Board oversight, including reporting requirements and lines of communication within the new governance structure.	Tactical	Low	Long Term
C3: Integrate risk and compliance monitoring into risk reporting to ensure that risks associated with legislation changes are managed effectively.	Tactical	Low	Short Term
C4: Complete an audit of the CompliSpace processes and records to ensure compliance with requirements.	Tactical	Medium	Short term

Appendices




Appendix 1 – Behavioural Root Cause Framework

We have applied KPMG's Behavioural Drivers Model to assess how TERE's behavioural controls impact the ability to respond to an environment of growing complexity and emerging risks for operation of it's Victorian schools. The key principles of the behavioural drivers model are showcased below:



KPMG's Behavioural Drivers and Controls Model, developed by Prof. Muel Kaptein, KPMG Netherlands Partner

Appendix 2 – Capability Framework



Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: Governance			
<p>There is no established board charter outlining the roles of the board.</p> <p>There are outdated written agreements with executives and board members on record.</p> <p>A majority of the board is not independent, and the attendance of the committee meetings is not recorded or disclosed.</p> <p>Decisions occur in silos and business cases do not require consultation.</p> <p>The Board only oversee the performance of the Chief Executive Officer (CEO).</p> <p>Board does not endorse key safeguarding policies</p>	<p>There is a board charter but it provides limited information on the roles of management and the board and is not regularly revisited.</p> <p>A Delegation of Authority and/or Matters reserved for the Board is in place and reviewed from time to time.</p> <p>Consultation occurs but sign off is not required. Working groups may be set up to work through larger issues/decisions but there is no guidance as to how these should work and they only have the power to recommend decisions.</p> <p>The Board oversees the performance of the CEO and key management personnel/executives.</p>	<p>The board charter exists and clearly sets out the roles of the board and management.</p> <p>A Delegation of Authority and/or Matters reserved for the Board is in place and reviewed at least annually.</p> <p>Business cases require impacted areas to sign off, working groups are empowered by the CEO to make decisions but the same people often sit on many groups.</p> <p>The remuneration model and key decisions are made by the Board.</p> <p>Dedicated Child Safeguarding (or equivalent) Board subcommittee</p>	<p>In addition to RACI. Appropriate management governance committees are in place to facilitate collaborative decision making. These are appropriately structured so that they have decision making authority. RACI in place for decision making/ Business cases.</p> <p>Oversight from the Board is mature and the remuneration model is consistently used by the Board/Committee.</p> <p>Dedicated Child Safeguarding (or equivalent) subcommittee</p> <p>Appointed Safeguarding Board Member</p>
Capability: Strategy			
<p>The organisation's purpose has been defined but not revisited on a regular basis.</p> <p>The board develops strategy without management or conversely accepts management's proposed strategy without appropriate engagement.</p> <p>The Board does not receive and consider measures which evaluate performance against the strategy.</p>	<p>Purpose is identified but has not been linked to decision making tool (business cases etc).</p> <p>The strategy is developed by management and worked through with the board. Key stakeholders are engaged with to test strategy including service users/consumers.</p> <p>No/limited assessment and/or ongoing monitoring of strategic risks and mitigations occurs at a Board Level.</p> <p>The Board receives and considers measures to evaluate performance against the strategy once a year.</p>	<p>The purpose is embedded in processes and is well understood.</p> <p>Short, medium and long term strategy is defined and regularly discussed to identify need for revisiting.</p> <p>Scenario planning occurs in relation to the strategy and strategic risk consideration is incorporated into corporate strategy and communicates this to the organisation.</p> <p>Strategic initiatives are used to determine KPIs for management.</p>	<p>Purpose is clearly 'lived' to the centre of the way the organisation is run. Zero tolerance for activities misaligned with purpose.</p> <p>Risk and Strategy are intertwined such that strategy setting also considers how emerging risks can be addressed.</p> <p>Strategy aligned KPIs are cascaded through the business as performance metrics.</p> <p>Participation/feedback from CYP and families at a Board level to help inform strategy.</p>

Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: Leadership & Culture			
<p>The values and code of conduct are not developed or have not been revisited for 3 or more years.</p> <p>There are no current workplace behaviours, Whistle-blower, anti-bribery and/or corruption policies, and incidents which are not safety related are not reported/escalated.</p> <p>There are no performance management processes in place to measure behaviours and minimal processes and guidance around facing ethical dilemmas.</p> <p>Staff KPIs include mechanisms to encourage zero reported incidents, zero audit findings and similar.</p> <p>No consideration of culture setting and/or measurement occurs.</p> <p>Steps taken regarding protection of vulnerable people do not meet requirements.</p> <p>No publicly available Safeguarding Children and Young People (or equivalent) Policy/ Safeguarding Commitment Statement</p>	<p>The values and code of conduct, and Safeguarding Children and Young People (or equivalent) policy and Reporting Policy have been developed but training occurs at induction only/not at all.</p> <p>There are written workplace behaviours, Whistle-blower, anti-bribery and corruption policies, but they are not easily accessible by the organisation as a whole.</p> <p>There is clear performance management processes in place to measure results and how they are achieved (behaviours).</p> <p>Cultural assessments occur through staff engagement surveys and organisational culture is discussed. Incident reporting (beyond safety) is encouraged and learnings are captured.</p> <p>Steps taken regarding protection of vulnerable people are meeting requirements.</p>	<p>The values and code of conduct and Safeguarding Children and Young People (or equivalent) policy and Reporting policy are well developed and adopted by the organisation.</p> <p>There are written workplace behaviours, Whistle-blower, anti-bribery and corruption policies, which are easily accessible and well-known by the organisation and use of these to lodge complaints/incidents is observed and is reported to the Exec and Board.</p> <p>Breaches are seen as an opportunity to learn and adapt behaviour rather than something punishable.</p> <p>There are performance management processes in place to measure results and how they are achieved. This allows material change and analysis with results incorporated in future corporate strategy / culture.</p> <p>Cultural considerations are built into all aspects of the business from recruitment to performance management to exit interviews with outcomes recorded, analysed and reported on.</p> <p>Steps taken regarding protection of vulnerable people exceed average requirements.</p>	<p>The same as Mature with the addition of the following:</p> <p>How decisions align with the values / child safety is a consideration in decision making and business cases.</p> <p>Annual training (including assessment) is conducted on workplace behaviours, ethics and integrity and compliance with this is tracked with appropriate escalation and disciplinary processes.</p> <p>Audits of culture and ethics and integrity are conducted separately or included in broader audits.</p> <p>Accountability is seen as something positive rather than “someone taking the blame”</p> <p>ESG reporting aligned with culture and values is in place.</p> <p>Steps taken regarding protection of vulnerable people are exceeding requirements.</p> <p>Evaluation of culture includes consultation with students, parents and the community.</p>

Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: Communication & Collaboration			
<p>There is no defined communication, notification or escalation channels or there is lack of understanding / clarity of these available channels</p> <p>No to little cross-sector collaboration / lessons learned insights take place</p> <p>Communications are reactive and may not be aligned to strategy.</p> <p>Public disclosure/media policy is not in place or has not been reviewed for three/ more years.</p> <p>There is no process in place to ensure that board members receive copies of material public announcements and/or this is often overlooked.</p> <p>There is no stakeholder engagement process in place.</p>	<p>Communication, notification or escalation channels are defined, however there is inconsistency of understanding / clarity of available channels, especially for complaints, concerns and grievances</p> <p>Some cross-sector collaboration / lessons learned insights take place on an ad hoc basis</p> <p>Communications / responses to issues are reactive and may not be aligned to strategy.</p> <p>Public disclosure/media policy is in place and has been reviewed in the last three years but compliance against it has not been tested.</p> <p>There is a process in place to ensure that board members receive copies of material public announcements promptly however this is not always within 48 hours and adherence is not tracked.</p> <p>A stakeholder engagement process is in place, but communication is largely one directional with feedback not built into the process.</p> <p>Stakeholder feedback and engagement information is not communicated to the board unless requested.</p>	<p>Clear communication, notification and escalation channels exist, which are documented clearly.</p> <p>Lessons learned and insights are shared on an ad hoc across sector / similar organisations</p> <p>Public disclosure/media policy compliance has been tested and learning actioned. There is a plan in place to proactively manage issues/concerns.</p> <p>Board members receive copies of material public announcements within 48 hours and adherence is tracked.</p> <p>A stakeholder engagement process is in place and material stakeholders have been identified.</p> <p>Stakeholder feedback and engagement information is communicated to the board where it is deemed necessary.</p>	<p>Clear communication, notification and escalation channels exist, and these are frequently reinforced through onboarding, training and communication processes.</p> <p>Lessons learned and insights are openly shared across sector / similar organisations, and are used to inform continuous improvement opportunities</p> <p>There is a sustainable strategy / plan in place to enhance and maintain public and community trust.</p> <p>Exec and Board training on public disclosure/media has occurred in the last three years.</p> <p>Board members receive copies of material public announcements immediately when these occur.</p> <p>A stakeholder engagement process is in place which aligns to the Global Accountability Standard on Stakeholder engagement.</p> <p>Stakeholder sentiment/ feedback/opinions is incorporated into corporate strategy.</p> <p>Social media monitoring is in place.</p> <p>Consultation with key community members is sought for feedback and expertise to inform policy</p>

Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: People & Workforce			
<p>No formal employment checks completed for members of the board or other key roles</p> <p>Induction programs do not occur for new directors / key roles or are ad-hoc</p> <p>Professional development is left with the Directors and key individuals to arrange individually based on their own needs.</p> <p>No skills matrix.</p> <p>No talent management, succession planning occurs.</p> <p>No code of conduct which outlines appropriate and inappropriate behaviours (including online environment).</p>	<p>Appropriate checks are conducted before appointing directors/key roles, but this is not consistent in approach.</p> <p>A periodic evaluation is completed on the performance of the board and personnel, but is more tick a box in approach (e.g. learnings not applied and revisited together with recommendations).</p> <p>The composition of the board is satisfactory and majority of board is independent, however there is limited diversity in tenure.</p> <p>Induction programs are in place for personnel, but not always completed.</p> <p>Professional development is left with the Directors and key individuals to arrange individually based on their own needs or is provided ad hoc.</p> <p>Basic skills matrices not aligned to strategy (generic) but are used for succession planning (short term).</p> <p>Succession planning discussions happen as part of performance management process. As capability and capacity needs are understood and merged actively.</p>	<p>Appropriate checks are done for all directors, and these records are kept on file accessible for security holders.</p> <p>Written agreements are on record with each director outlining clearly the terms of their appointment.</p> <p>The diversity policy is disclosed and objectives on the composition of the board are being reported against for each reporting period.</p> <p>Periodic evaluations occur on the performance of the board and personnel. Feedback is also included. Recommendations are followed up to ensure they are addressed.</p> <p>Induction programs are in place.</p> <p>Professional development is organised by the organisation including Safeguarding Children and Young People Training for Board members</p> <p>Basic skills matrices are aligned to strategy (generic) and regularly updated. These are also used for active succession planning.</p> <p>Talent management and pipeline/ succession management plans are in place for key roles.</p> <p>Board Members confirm adherence to safeguarding policies</p>	<p>Appropriate checks are done for all members of the board.</p> <p>Periodic evaluations of performance include consideration of succession planning and continuous professional development (CPD).</p> <p>An annual CPD plan is created and applied as an outcome. Board protocols cover directors access to exec outside of the Board meetings.</p> <p>The Delegation of Authority and/or Matters reserved for the Board is linked to the defined risk appetite and updated accordingly. Further, a framework is in place which describes how decisions should be made.</p> <p>Induction programs for personnel are well developed and occur consistently</p> <p>CPD is arranged by the organisation and tailored for the Board / key roles.</p> <p>There is regular training for all staff to raise awareness and promote a child safe and ethical culture.</p> <p>Skill matrices are disclosed and aligned to strategy. They include behavioural components and are used to identify CPD needs. It is also a tool in succession planning.</p> <p>Talent management and succession plans are in place for management.</p>

Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: Monitoring & Reporting			
<p>No formal complaints process or channels. fragmented across key governance bodies.</p> <p>Reporting is produced manually.</p> <p>There is no document management system.</p> <p>No Safeguarding Reporting Policy and Incident Management Policy in place</p>	<p>Reporting Policy and Incident Management Policy (or equivalent) is inconsistently understood and applied</p> <p>Only Mandatory reporting responsibilities are fulfilled and low level breaches are not identified or recorded</p> <p>There is a complaints process and escalation/reporting to the Board however the process is unclear / inconsistently understood by staff.</p> <p>Registers are mainly manually maintained however key priority registers e.g. risk, compliance are in a SharePoint or a database.</p> <p>Reports are downloaded from the system and manipulated to create management reports, no templates/guidance/consistency. Complaint and incident reporting represents a point in time only and does not include benchmarked performance data; analysis into trends; reoccurring issues and root causes to clearly highlight systemic issues; or assign ownership and accountability to address these issues.</p> <p>There is a document management system but it is outdated/not user friendly so documents are usually downloaded/printed off.</p>	<p>Reporting Policy and Incident Management (or equivalent) Policies are understood and implemented by all levels of personnel</p> <p>There is a complaints process and is reported to the Board with actions to address.</p> <p>Reports are downloaded from the system and manipulated to create management reports, templates are in place to drive consistency in output.</p> <p>Document management system supports online usage.</p>	<p>There is a complaints process and is reported to the Board with actions to address. There is also a root cause analysis to identify systematic issues over time.</p> <p>Continuous monitoring and reporting processes including coverage of key risk indicators / measures of success including incidents, complaints and child safety risks.</p> <p>Dashboard reporting, Power BI, Drilldown functionality all used in reporting.</p> <p>Advanced trend reporting is conducted to enable identification of emerging risks.</p>
Capability: Compliance			
<p>Policies and standards have been created as required without an organisation wide assessment being performed, these are not proactively reviewed. Procedures are outdated.</p> <p>Registers are manually maintained.</p> <p>Only regulator driven assurance is obtained.</p>	<p>Policies and standards have been created as required without an organisation wide assessment being performed, these are reviewed but not against strategy/risk appetite. Procedures are updated as required. Internal audits and reviews occur.</p> <p>Exception reporting is used to identify errors in key processes.</p>	<p>Policies and standards have been created with an organisation wide requirement being considered, these are regularly reviewed together with procedures.</p> <p>Individual systems in place but not integrated.</p> <p>3LOD are in place. Exception reporting widely used.</p> <p>Board has appointed an owner of the legislation register and ensures compliance through updates and reports</p>	<p>As for mature plus are linked to risk appetite and KRIs. Assurance requirements and RACI included. Continuous Business Improvement embedded.</p> <p>Integrated GRC.</p> <p>Combined assurance across the business is understood and outcomes used in assessing risk and control framework. CACM in place.</p> <p>Board has appointed an owner of the legislation register and ensures compliance through updates and reports</p>

Appendix 2 – Capability Framework

Weak	Basic / Meets Minimum Standards	Mature	Advanced
Capability: Continuous Improvement			
<p>No structured process in place for quality assurance / continuous improvement.</p> <p>Manual, reactive and ad hoc analysis of issues and incidents.</p> <p>Focus is on compliance and meeting minimum regulatory requirements.</p>	<p>Some processes in place, with a predominant focus on compliance</p> <p>Systems, reporting and analysis conducted in silos.</p>	<p>Formalised mechanisms of continuous improvements and quality improvement plans.</p> <p>Systematic analysis of trends, patterns or themes to identify systemic issues and improvement opportunities.</p>	<p>In addition to Mature, there is also a root cause analysis to identify systematic issues over time.</p>
Capability: Risk Management			
<p>No formal consideration of risk in strategic planning, hence no risk management framework developed.</p> <p>No definition or understanding of the overall risk appetite exists.</p> <p>No crisis management plans have been established.</p>	<p>Risk is considered when setting new strategies and risk management framework is drafted and in progress.</p> <p>Risk appetite is defined, but requires further development. Inherent risks of the entity are acknowledged, however minimal internal audit functions supporting the mitigation of these risks.</p> <p>Draft crisis management plan developed and board / key roles are aware of protocols.</p> <p>Board and Directors have oversight of Risk Register</p>	<p>Risk management is integrated into business strategy and governance across the enterprise.</p> <p>The risk management framework is developed and incorporated into most decisions made for the majority of the company.</p> <p>The board has a clear view and definition of risk appetite, and formal requirements are established for key risks and their remediation.</p> <p>The board clearly outlines inherent risks, including the physical and online safety of children and young people and a detailed crisis management plan, which is understood throughout the organisation.</p> <p>Board and Directors have oversight of Risk Register and are provided with regular Risk and Incident Reporting data</p>	<p>Risk Management is used directly in conjunction with strategic planning, including use of risk scenario analysis for business and qualitative analysis.</p> <p>Risk strategy is formally developed, thoroughly defined and understood by the entire organisation.</p> <p>Risk appetite and strategy (including risk tolerances) has been extensively developed and risk limits are well established and used in business processes.</p> <p>The board understands the inherent risks of the organisation including the physical and online safety of children and young people and has controls and procedures in place for crisis management.</p> <p>Board and Directors have oversight of Risk Register and are provided with regular Risk and Incident Reporting data, including reports of low level breaches to policy</p>

Contact

KPMG Melbourne

Level 36, Tower 2 Collins Square,
727 Collins St, Melbourne Vic 3008

Jes Stone-Herbert
Senior Director

T +61 2 9245 4805
jes1@kpmg.com.au

Richard Cassidy
Partner

T +61 3 9288 6432
rcassidy@kpmg.com.au

www.kpmg.com



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