ANGLICAN DIOCESE OF GRAFTON
POLICIES AND PROCEDURES

SUBJECT: **RISK MANAGEMENT**		REFERENCE NUMBER MUP-008
DATE APPROVED 1 May 2025 by Bishop-in-Council		**VERSION** 2.0
IMPLEMENTATION DATE Immediate	**REVIEW DATE AND FREQUENCY** As required but at least 3 yearly	**RESPONSIBLE FOR REVIEW** Bishop-in-Council

1.   PURPOSE

The purpose of this policy is to define and document the approach the Diocese has taken for the management of risk.

2.   SCOPE

2.1   This policy applies to the activities of all clergy, church workers and volunteers, as well as to Diocesan and ministry unit activities in the Anglican Diocese of Grafton.

2.2   This policy does not apply to the bodies corporate of the Diocese (i.e. Schools, Lismore Parish Centre Pre-school and Anglicare North Coast).

3.   DEFINITIONS

"Diocese" – the Anglican Diocese of Grafton.

"Residual Risk" –the remaining level of risk after risk mitigation measures have been implemented.

"Risk" – the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood.

"Risk analysis" – a systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.

"Risk assessment" – the overall process of risk analysis and risk evaluation.

"Risk control" – the part of risk management which involves the implementation of policies, protocols, standards, procedures and physical changes to eliminate or minimise adverse risks.

"Risk evaluation" – the process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels or other criteria.

"Risk identification" – the process of determining what can happen, why and how.

"Risk management" – the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.

"Risk management process" – the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluation, treating, monitoring and communicating risk.

"Risk Register" – the record of identified risks within the organisation and the management of those risks.

"Risk treatment" – selection and implementation of appropriate options for dealing with risk.

"Work Health and Safety (WHS)" – the system for ensuring the health and safety of workers, contractors, volunteers and visitors at a place of employment.

4. PRINCIPLES

4.1 The Diocese is committed to effective and efficient identification, treatment and monitoring of risks and has developed this policy to:

4.1.1 formalise our commitment to the principles of risk management by incorporating these into all ministry areas;

4.1.2 promote a risk aware culture where risk management is seen as a positive attribute of decision making rather than as a corrective measure;

4.1.3 align and integrate ministry unit planning, quality and risk management systems;

4.1.4 ensure robust corporate governance practices effectively manage risk while allowing innovation and development;

4.1.5 ensure all significant risks are identified, evaluated, managed and reported in a timely manner;

4.1.6 ensure confidence in decision making, planning and the management of uncertainty and variability; and

4.1.7 manage risk in accordance with the Australian and New Zealand Risk Management Standard - ISO 31000:2018 Risk Management Guidelines.

4.2 The management of risk shall prioritise those actions that provide the best and most durable mitigation of the risk. This shall be achieved by prioritising actions in the following descending order, as practicable:

4.2.1 Elimination – where the hazard is physically removed or the activity ceased;

4.2.2 Substitution – where the hazard or hazardous activity is replaced by another substance or action that is less risky;

4.2.3 Engineering controls – where a barrier, guard or other form of separation is introduced;

4.2.4 Administrative controls – signs, instructions, procedures, training and other means designed to encourage different behaviours;

4.2.5 Personal Protective Equipment (PPE) – special protective clothing to be worn by a person exposed to a risk

5. REQUIREMENTS

5.1 RESPONSIBILITIES

The following table provides an overview of the roles and responsibilities relating to risk within the Diocese:

Bishop-in-Council (BiC)	Has primary responsibility for risk management within the Diocese and have delegated the responsibility for the establishment, implementation and maintenance of the risk management framework to the Risk and Insurance Committee.
Risk and Insurance Committee	The Risk and Insurance Committee is responsible for oversight of the risk management system, reviewing internal control frameworks, reviewing the system for monitoring legislative, regulatory and policy compliance and reporting on the work of the Committee to each meeting of the Bishop-in-Council.
Registrar	Drives culture of risk management. Continuously improving risk management policy, strategy and supporting frameworks.
Wider leadership group	Diocesan leaders are responsible for the implementation of this policy and ensuring all workers within their ministry unit comply with the risk management policy and foster a culture where risks can be identified and managed.
All other personnel	Comply with risk management policies and procedures and identify, analyse, evaluate, treat, monitor and communicate risks associated with activities undertaken (during both planning and implementation).

5.2 RISK PROFILE

The risk profile of the Diocese will be considered in the following groupings:
- Strategic Environment
- People
- Reputation
- Operational
- Financial (loss/impact before insurance and other compensations are taken into account); and
- Governance

5.3 MANAGEMENT OF RISK

Risk will be managed wherever it occurs within the operational parameters of the Diocese. The risk management process will entail the following, adapted from Australian Standard ISO31000:2018:

1. Communication and consultation with relevant stakeholders;

2. Establishing the context of the risk;

3. Risk assessment:
    a. Identify the risk – what, why and how things can arise as the basis for further analysis;
    b. Analyse the risk – determine the existing controls and analyse risks in terms of consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence and likelihood may be combined to produce an estimated level of risk (Diocesan Risk Assessment Matrix);

c. Evaluate the risk – compare estimated levels of risk against the pre-established criteria. Enables risks to be ranked so they can be prioritised. If the level of risk is low, then risks may fall into an acceptable category and treatment may not be required;

4. Treat the risk – implement a management plan where required;

5. Monitoring and review which includes determining whether the risk profile has changed and whether new risks have emerged. Checking control effectiveness and progress of treatment plans; and
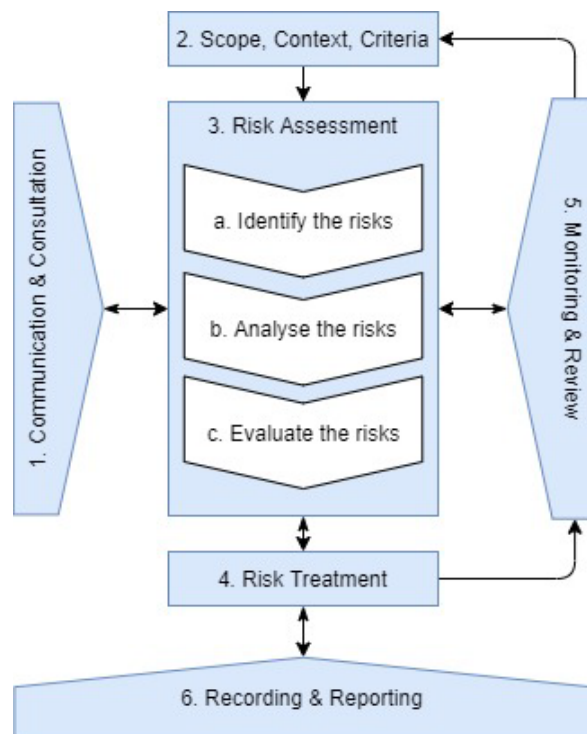
6. Recording and reporting the risk.

Figure 1: Risk management process adapted from AS ISO31000:2018

5.4   DIOCESAN RISK ASSESSMENT MATRIX AND RISK REGISTERS

The Diocese applies a five-point risk assessment scale to determine the seriousness of the resulting consequence if the risk does occur and how likely it is that any given risk will occur. These two assessments are brought together in the **Diocesan Risk Assessment Matrix** and their interactions determine the rating of each assessed risk as Very Low, Low, Medium, High or Extreme.

Each governance body and ministry unit within the Diocese is required to develop a Risk Register that identifies all risks that may impact on organisation activities. These risks are then assessed against the Diocesan Risk Matrix to determine the risk rating. Current and potential treatment and control actions and options are reviewed. A Residual risk rating is then applied by taking into consideration the current risk rating and related current treatment and control action(s). A **Risk Register** template is provided.

5.5   RISK APPETITE

The Diocese has no appetite for risks which have a residual risk rating of Extreme. Risks which have a residual risk rating of High may be tolerated for a short period of time until Bishop-in-Council can determine whether the risk can be mitigated to an acceptable level. Risks with a residual risk rating of Medium or below are tolerable, provided they are managed appropriately and regularly reviewed.

The following table details how risks at various ratings are to be managed.

Extreme	*Urgent and immediate action required.* Report to the Registrar and Bishop-in-Council immediately. Close monitoring by management. Where an Extreme WHS risk is identified, the activity must be ceased or not proceed. Plans must be developed immediately to reduce this risk to a lower level. Responsibility for the risk must be allocated to a manager and be monitored daily by the Registrar. The Registrar must brief BiC and maintain regular updates.
High	*Urgent attention required.* Report to the Registrar and Risk and Insurance Committee immediately Risks must have strategies to reduce them to a lower level which are monitored by a senior officer to report monthly to the Registrar for consideration by the Risk and Insurance Committee. Any risk which maintains a High rating for longer than three months is to be reviewed by the Registrar to consider recommending to BiC that the activity cease.
Medium	*Attention required prior to activity.* Monitor and report to management on effectiveness of strategies to reduce risk. These risks are tolerable provided they are monitored on a regular 6 monthly basis.
Low	*Watching brief required.* These risks are tolerable provided they are monitored on a regular 6 monthly basis.
Very Low	*No management action required.* These risks are tolerable provided they are monitored on a regular 12 monthly basis.

5.6   RISK MANAGEMENT PERFORMANCE

The Diocese uses various indicators to measure risk management performance. These indicators may include:
- The reduction in the number of High or Extreme risks in the risk register;
- The reduction in the number of High or Extreme risk incidents reported per annum;
- The number of internal and external audits completed per annum;
- The number of internal and external audit findings accepted by management;
- The timeliness of remediating internal audit findings; and
- The results of the risk review, monitoring and reporting process.

5.7   AWARENESS AND TRAINING

Appropriate and adequate training to promote and support this Risk Management Policy will be provided. The Registrar will make available general training on Risk Management.

Where specific training is required, the person responsible for the relevant activity shall organise the training or request the training in accordance with their delegations.

6.   SUPPORTING DOCUMENTS

6.1   The below documents are available for download on the Diocese website:

- Diocesan Risk Assessment Matrix
- Risk Register Template