

Risk Management

In church communities there are many activities where participants are involved from within the congregation and the wider community. Therefore a priority needs to be in place for the management of any risks to participants of the varied activities from corporate worship to outreach and ministry activities.

Definitions

Risk A situation involving exposure to danger

Risk Assessment A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking.

Risk Management the forecasting and evaluation of risks together with the identification of procedures to avoid or minimise their impact

Principles and guidelines

The following principles outline the elements of risk management according to the “Australian Standard of Risk Management” (Australian Government 2010).

Identify Risks

Identify where, when, why and how events could prevent, delay or degrade the main outcome of the event/activity/meeting.

Analyse Risks

Determine the likelihood of the risks to occur and the potential consequences related to the risks and how these could occur.

Evaluate Risks

Compare the level of risk against the potential adverse outcomes to enable decisions to be made on how to manage the priorities.

Control Risks

Develop and implement strategies and action plans which are cost effective and beneficial to all involved.

Monitor and Review Risks

Monitor the effectiveness of the processes put in place and provide feedback for improvement, taking into consideration any follow up required from incidences.

ALL NEW ACTIVITIES WITHIN CHURCHES SHOULD BE SUBJECT TO A FORMAL RISK ASSESSMENT PRIOR TO COMMENCEMENT.

ALL RISK ASSESSMENTS SHOULD BE UPDATED ON A REGULAR BASIS.

SCTA RECOMMENDATION IS TO UPDATE ANNUALLY AND WHENEVER THERE IS A CHANGE OF PROGRAM AND LEADERSHIP.

1. Identify risks

Risks can be identified by preventative and reactive measures. Prevention measures are usually recognised by observation and foresight whereas reactive is based from a response of an incident(s).

When identifying risks the following questions could be considered

- What is the worst thing that could happen?
- What has happened in the past?
- What has happened elsewhere (similar environments e.g. in other churches)?
- What are we unsure of?
- What if an incident actually occurred?
- What would the community expect of us?

It would be worthwhile also noting incident records maintained by the church and any advice and assistance offered by church insurance agencies.

2. Analyse Risks

Analysis of risk includes looking at the likelihood of risks and the consequences of such risks.

The following table defines the occurrence measures

Factors	Value	Occurrence
Almost certain	Expected to occur in most circumstances	Almost certainly more than twice per year
Likely	Expected to occur occasionally (more than 50% of the time)	Once or twice per year
Possible	Expected sometimes (less than 50% of the time)	Once every 2-3 years
Unlikely	Occurs only in unusual circumstances	Once every 5-10 years
Rare	Possible but not expected to occur	Less than once every 10 years

The consequence of risk factors consider the impact of the adverse outcomes should they occur.

Below is an outline of consequences:

FACTORS	Extreme	Major	Moderate	Minor	Insignificant
RESULTS	Death OR Critical reputation OR Critical financial loss	Permanent injuries OR Significant damage to reputation and/ or funds	Medical treatment OR Once off incident of scandal or distrust	First aid OR Local issues impacting individuals or isolated incidences	No treatments required OR No impact on reputation and/or finances

3. Evaluate Risk

Each church will need to determine the actions required for the different risk ratings and the potential escalation of risk and subsequent communication needs.

The following is based off the Australian Standard of Risk Management Matrix and examples/suggestions of communication sourced from Baptist Insurance Services.

Consequence

		Insignificant	Minor	Moderate	Major	Extreme
Likelihood	Almost certain	Medium	Medium	High	High	High
	Likely	Low	Medium	Medium	High	High
	Possible	Low	Medium	Medium	High	High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Medium	Medium

Risk Rating	Escalation and Communication
High	Immediate escalation to the church governing body (Board); active remediation activities in place; regular frequent (weekly) monitoring
Medium	Church management team advised; active remediation plans in place; regular (monthly) monitoring as part of existing meetings
Low	Local management team or workgroup monitoring; lower priority remediation activities

4. Control Risk

Using the following hierarchy of control can help determine what measures might be utilised for the managing of potential risks.

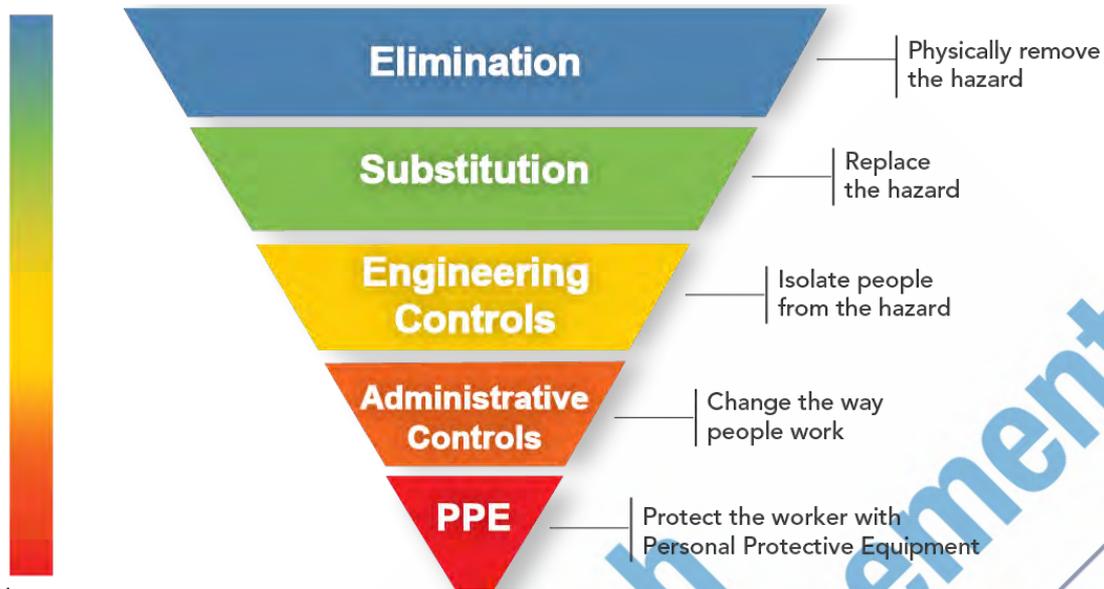


Image source: e-hazard.com accessed April 2016

5. Monitor and review risk

Churches must review and update their risk assessments on an annual basis and whenever changes or new programs/activities/events take place.

Churches must document any changes and progress of risk assessments and management plans.

Churches are also monitor the effectiveness of their current risk assessments

References

AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines August 2010
“Australian Standard of Risk Management” (Australian Government ComCover)

Risk Information – Churches (Church Risk Management) Baptist Insurance Services April 2015

e-hazard Training www.e-hazard.com accessed 5th April 2016