

Port Phillip East Presbytery Risk Framework & Register December 2021



The Standing Committee's governance responsibilities include assessment of risk and proactive mitigation of risk significant aspect of governance. In 2021 the Port Phillip East Presbytery Standing Committee added risk management to the brief for the Presbytery Finance Committee.

Presbytery Chair Tom Spurling and Presbytery Minister Duncan Macleod developed a framework that could be used by the Finance and Risk Committee. Each of the Presbytery's committees were invited to contribute to the resulting risk register.

We designed a register with sections related to strategic opportunities, operational risks, financial risks, and compliance, legal and regulatory risks. We considered the work of the Presbytery alongside ways in which the Presbytery might support congregations in their risk management.

The Presbytery's draft register is now being developed in an ongoing process of establishing our context, identifying potential risks, analysing the likelihood and seriousness of those risks, and then working on ways to address these matters. In many cases we have already put measures in place, but we need to be careful not to take existing measures for granted.

We've analysed our risk profile in terms of impact (from negligible to critical) and likelihood (rare to certain), using a colour code to indicate risk rating.

We've included two appendices: one referencing the International Standards Organisation document on risk management (2018), the other from the Synod of Victoria Tasmania Synod Risk Management Strategy and Framework, (2010).

Risk Score	Rating		
1-3	Very Low		No action or monitoring
4-6	Low		
8-12	Medium		Action Required
15-16	High		
20-25	Very High		Urgent Action Required

IMPACT	RISK RATING				
	Critical 5	5	10	15	20
Significant 4	4	8	12	16	20
Moderate 3	3	6	9	12	15
Disruptive 2	2	4	6	8	10
Negligible 1	1	3	3	4	5
LIKELIHOOD	Rare 1	Unlikely 2	Occasional 3	Likely 4	Certain 5

STRATEGIC OPPORTUNITIES

Strategic Area	Threat	Consequence	Controls	Likelihood	Impact	Risk Rating	Owner
Faith formation and leadership development	Congregations unable or unwilling to disciple and retain younger members	Loss of generation to Christian faith Loss of leaders to other denominations Demise of congregations through aging (natural attrition)	Presbytery providing training and support for faith formation work in congregations, with attention to nurturing emerging generations	Likely	Critical		MLDC
Building communication lines between Presbytery and congregations	Leaders and Members unaware of critical events, advice	Congregations losing connection with the wider Uniting Church	Weekly email Website maintained Contacts kept up to date Employment of Secretary & Communications Officer	Occasional	Moderate	Requires Action	

Development of an effective Presbytery ministry team, including Presbytery Ministers, Secretary & Communication Officer	Loss of key personnel through burnout, moving to other roles	Overload of remaining members Loss of continuity Decrease in effectiveness of Presbytery committees	Adequate team supervision of Presbytery Ministers Regular consultation with Chair & Standing Committee	Occasional	Critical	Requires Action	Chairperson Standing
Effective deployment of ministry agents	Shortage of ministry agents		Encouragement of potential ministry agents Encourage lay ministry Education opportunities for ministry	Likely	significant		Neil Peters PRC MF MLDC
Strong connections between Presbytery, congregations and schools	Failure to connect well with schools	Religious Ed no longer welcome in state schools. Loss of connection with UCA families	Encourage congregational relationships with local schools				

	Failure to connect well with UCA schools	Disappointing- lost opportunities. Loss of connection with UCA families	Involvement in placement process for chaplains. Encourage congregational relationships with local schools		Significant		PRC Duncan Standing
Effective partnership between Presbytery, congregations and Uniting Church agencies	Failure to connect well with Uniting and Uniting Agewell.	Loss of contact with residents & their families. Flow on effect.	Involvement in placement process for chaplains Encourage and support congregational relationships with local Uniting and UA centres.		Critical		PRC Duncan Standing

COMPLIANCE, LEGAL, REGULATORY

Strategic Area	Threat	Consequence	Controls	Likelihood	Impact	Risk Rating	Owner
	Failure of congregations to comply with Safe Church regulations	Risk of child abuse Risk of abuse of vulnerable adults	Support congregations and ministry agents with compliance, including for vulnerable adults.	Unllkely	Critical		Secretary PRC Standing
	COVID safe non-compliance by congregations	Infection for members	Weekly emails with latest conditions Zoom Cafe	Unlikely	Critical		Duncan Standing
	Failure of congregations to comply with essential safety measures	Risk of harm to staff, congregation members and members of the public in the event of a fire	ESM Schedules arranged in partnership with Synod Persuading congregations to arrange yearly reporting, copy to Presbytery Property committee	Unlikely	critical		Gavin Property

Occupational Health & Safety	Congregations and other groups (e.g. MLG) expose members to injury because of risky practices and inadequate facilities	Injury and potentially death	Working with Synod to help congregations to implement Synod policies relating to: Building codes Volunteers Contractors		Critical		Property
Churches accessible for people with disabilities	Church buildings not compliant with the Disability Discrimination Act	Exclusion of people with disability People with disability endangered in cases of emergency	Audits of disability access Access consultants used in major renovation				Property
	Employment law violations			Unlikely	critical		Jay & James PRC
Buildings safe from spread of infection	Congregation buildings exposure to asbestos & other toxic materials	Members and visitors exposed to illness	Asbestos audit? Addressing ventilation through audits				Property

	Congregations with Inadequate ventilation						
	Congregations ill prepared for health emergencies occurring on church sites, including public events	Serious illness and death	<p>Encouraging congregations to install defibrillators, first aid kits</p> <p>Encourage congregations to have people trained in First aid</p>				Property
	Congregations experiencing breaking & entering	<p>Theft, defacing of church property</p> <p>Threat to safety of staff and volunteers</p> <p>Loss of records</p>	<p>Encouraging congregations to develop security systems</p> <ul style="list-style-type: none"> - Alarm systems (include remote monitoring) - Security monitors <p>Lighting (motion sensors)</p>				

Ethical Ministry	Unethical behaviour by ministry agents	<p>Damage to congregation members, members of public</p> <p>Loss of trust and respect</p> <p>Fallout among members</p> <p>Reputational damage in community</p>	<p>Ethical Ministry Refreshers held twice yearly</p> <p>Orientation to Code of Ethics for new ministry agents</p> <p>Oversight of supervision & mentoring</p> <p>Counselling of ministry agents by PRC Chair, Presbytery Chair, Synod Counselling Committee</p>	Occasional	Moderate to Critical		<p>PRC</p> <p>PRC Chair</p>
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OPERATIONS

Strategic Area	Threat	Consequence	Controls	Likelihood	Impact	Risk Rating	Owner
Presbytery office as a base for staff and members of Presbytery	Noble Park office unavailable		Alternative offices to be found. Working from home	Unlikely	disruptive		Duncan Standing
Secure office space for Presbytery	Security Breach - physical	Physical danger to staff Loss of vital information etc.	Use of alarm system Locked doors Locked cabinets	Unlikely Unlikely	Disruptive Disruptive		Duncan Standing
Reliable online systems for Presbytery	Extensive Internet Outage in Office	Loss of data access Extensive Internet Outage in Office	Use of 5G hotspots Staff work from home	Rare	Negligible		Jeff Standing
Online security for Presbytery	Security Breach – cyber attacks on email system, website, Dropbox & Google Drive	Exposure of private information Interruption of access and use of online platforms	Secure passwords Brute Force protection on website				

FINANCE

Strategic Area	Threat	Consequence	Controls	Likelihood	Impact	Risk Rating	Owner
Financial backing of staffing arrangements	Income from Synod reduces- unable to fund key positions,	Loss of staff and opportunity for growth etc	Creation of reserves to enable Presbytery funding Money for Mission	Occasional	significant		Treasurer Finance
Financial sustainability of congregations	Congregational income fails to recover from pandemic: <ul style="list-style-type: none"> • Tenants • Members 	Congregations unable to support ministry agents. Church mergers/closures	Review congregational reporting to expose problems Liaise with determine solutions	Occasional Moderate Moderate, especially open plate donations	Significant		Treasurer Finance
Sound financial governance of congregations	Congregational treasurer's lack of knowledge	Failure to comply with rules & regulations	Mentoring by experienced treasurers	Occasional	Significant		Treasurer Finance

Risk Management principles

These pages provide excerpts from the International Standards Organisation (ISO) document 31000:2018

Eight Principles

1. Framework and processes should be customised and proportionate.
2. Appropriate and timely involvement of stakeholders is necessary.
3. Structured and comprehensive approach is required.
4. Risk management is an integral part of all organisational activities.
5. Risk management anticipates, detects, acknowledges and responds to changes.
6. Risk management explicitly considers any limitations of available information.
7. Human and cultural factors influence all aspects of risk management.
8. Risk management is continually improved through learning and experience.

1. Principles

The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives. Principles include the requirement for the risk management initiative to be

- (1) customised;
- (2) inclusive;
- (3) structured and comprehensive;
- (4) integrated; and
- (5) dynamic.

2. Framework

The purpose of the risk management framework is to assist with integrating risk management into all activities and functions. The effectiveness of risk management will depend on integration into governance and all other activities of the organisation, including decision-making.

1. Leadership and commitment, including:

- aligning risk management with the strategy, objectives and culture of the organisation;
- issuing a statement or policy that establishes a RM approach, plan or course of action;
- making necessary resources available for managing risk; and
- establishing the amount and type of risk that may or may not be taken (risk appetite).

2. Integration, including:

- determining management accountability and oversight roles and responsibilities; and
- ensuring risk management is part of, and not separate from, all aspects of the organisation.

3. Design, including:

- understanding the organisation and its internal and external context;
- articulating risk management commitment and allocating resources; and
- establishing communication and consultation arrangements.

4. Implementation, including:

- developing an appropriate implementation plan including deadlines;
- identifying where, when and how different types of decisions are made, and by whom; and
- modifying the applicable decision-making processes where necessary.

5. Evaluation, including:

- measuring framework performance against its purpose, implementation and behaviours; and
- determining whether it remains suitable to support achievement of objectives.

6. Improvement, including:

- continually monitoring and adapting the framework to address external and internal changes;
- taking actions to improve the value of risk management; and
- improving the suitability, adequacy and effectiveness of the RM framework.

3. Process

The risk management process involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

1. Communication and consultation, including:

- bringing different areas of expertise together for each step of the RM process;
- ensuring different views are considered when defining risk criteria and evaluating risks;
- providing sufficient information to facilitate risk oversight and decision-making; and
- building a sense of inclusiveness and ownership among those affected by risk.

2. Scope, context and criteria, including:

- defining the purpose and scope of risk management activities;
- identifying the external and internal context for the organisation;
- defining risk criteria by specifying the acceptable amount and type of risk; and
- defining criteria to evaluate the significance of risk and to support decision-making;

3. Risk assessment, including:

- risk identification to find, recognise and describe risks that might help or prevent achievement of objectives and the variety of tangible or intangible consequences;
- risk analysis of the nature and characteristics of risk, including the level of risk, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness; and
- risk evaluation to support decisions by comparing the results of the risk analysis with the established risk criteria to determine the significance of risk.

4. Risk treatment, including:

- selecting the most appropriate risk treatment option(s); and
- designing risk treatment plans specifying how the treatment options will be implemented.

5. Monitoring and review, including:

- improving the quality and effectiveness of process design, implementation and outcomes;
- monitoring the RM process and its outcomes, with responsibilities clearly defined;
- planning, gathering and analysing information, recording results and providing feedback; and
- incorporating the results in performance management, measurement and reporting activities.

6. Recording and reporting, including:

- communicating risk management activities and outcomes across the organisation;
- providing information for decision-making;
- improving risk management activities; and
- providing risk information and interacting with stakeholders.

Risk Management & the Synod of Victoria and Tasmania

These pages provide excerpts from the Synod of Victoria and Tasmania Risk Management Strategy and Framework: 2010.

Our Theological Basis

Risk management within the Synod is a problematic area as it is often perceived as a process made in deference to secular values and corporate structures. The reality is that the Church exists within a society that has quite specific expectations in these areas. However, it is important to acknowledge at the outset that the Synod's involvement in risk management is primarily undertaken out of theological awareness and necessity rather than out of any societal expectation.

In the first instance, our awareness of risk management and our commitment to the processes set out in this document relate to our historical and traditional understanding of STEWARDSHIP. The Church acts as steward of its resources which are to be used for the mission of God and the continuation of the Church into future generations (in whatever shape or form). Caring for those resources is a duty that we accept as the Synod and as individual members of the Church.

Secondly, however, risk management is part of the ongoing conversation within the Church about "rendering to Caesar that which is Caesar's". As Church we operate in a society that has certain legal expectations that we must uphold if we wish to continue to operate within that society.

We may choose to withdraw from certain areas of the life of our society but until we make that deliberate choice it is incumbent upon us to live within the legal rules and guidelines of our 21st century society.

Risk Management within the Church

Risk management is part of our life as Church in two important ways.

First, since its very beginnings, the Church as the community of followers of Jesus has been called to take risks.

In the Uniting Church, for many years part of our public face (our branding, it would be said today) was the slogan: "Risking the Way of Jesus". Under that slogan we were called to radical discipleship that

ultimately put all we are as Church "at risk" as we sought to be faithful to God's call and the directions for our life that were necessitated by that call. Whilst the slogan is not as prominent as it once was, the implications are just as real for us now.

Within that context, risk management is undertaken in various ways as different bodies within the Church seek to live a lifestyle that reflects such a call to radical discipleship.

Decisions are made and directions are followed that result in a cost to the Church and to the individuals involved. The planning around those decisions is part of the risk management that is undertaken on behalf of the Church. In that context, risk management does not mean that new directions should not be followed. Rather it is decided that the risks to be confronted are worthwhile confronting for the ultimate good of the gospel or the life of the Church or individual disciple. The weighing up and ultimate acceptance of those risks is part of the Church's understanding of risk management at the broadest level.

Secondly, risk management has a more specific meaning within the Church. As the Uniting Church has increasingly found itself making decisions with implications in areas of finance, employment, insurance and property, a more formal process of risk management has developed along the lines of risk management procedures that have been followed by other organisations within our society.

Whilst this aspect of risk management is a more "business-oriented task" it is not dissimilar to what has been described above. The decisions that the Church has sought to make in these areas of its life have always been in the context of discipleship. Finance and property in the Church, for example, are not ends in themselves. They are merely tools that enable us to be the followers of Jesus within our society. They are there to support mission and to enable discipleship to be lived out in a broad sense.

Again, risk management does not imply that risks ought not to be taken but it provides procedures that ensure that the risks that are taken are taken intentionally because the missional goal is deemed to be worth the risk.

Within that broad context, risk management has three components:

1. Giving the Church and its bodies confidence to identify and pursue new opportunities for strategy and mission.
2. the management of risk at a very general level that may have an impact on the life of the Church because of the financial cost that has to be paid, or the reputational risk to the good name of the Church, which arises in situations where decisions incur a pastoral cost or where situations of abuse arise;
3. and, more specifically, the very specific necessity that is incurred by the legal compliance that we are to work within as an organisation that deals in areas of finance, property, insurance, human resources etc.

Whilst these components are separate, these have major impacts on the life of the Church. Unless they are managed appropriately the Church faces the very real risk of wasting the resources for which we are responsible for no missional benefit, of breaching pastoral responsibilities or of breaching legal and ethical expectations that could result in serious financial and structural penalties. In some cases, not only would hefty fines need to be paid for non-compliance but we could quickly be stripped of the authority to act in areas of mission, finance and property or as an employer.

