



# RISK

## MANAGEMENT

A RISK MANAGEMENT  
PROGRAM FOR PARISHES

MAXIMISING MINISTRY BY MINIMISING HARM

July 2010

# RISK MANAGEMENT

## A Risk Management Program for Parishes

The way that we care for our ministry team, our volunteers, our congregations and our visitors, is an essential expression of the Gospel of our Lord Jesus Christ.

When people come into contact with us, including coming onto our property, they need to be confident that they are in a safe and caring environment. We demonstrate our care by planning for and addressing those issues which may cause harm to them and ultimately to the ministry of the Gospel.

The term 'risk management' is widely recognised in the world around us. However as we seek to grow the Kingdom of God, we see it also as love in action.

## Risk Management Overview

**What is Risk Management?** Risk management is a management methodology we can use every day to ensure that we are providing a safe environment, that we are protecting the assets and reputation of the church and that we are complying with our legal obligations.

**What are the benefits if we do this?** Key benefits that will be realised from implementing an effective Risk Management program include:

- Reduction in the likelihood and consequence of adverse risk events such as injuries to people, property damage, breaches of law and damage to reputation
- Increased ministry effectiveness
- Reduction in insurance premiums including workers compensation, public liability, building contents and directors and officers
- Protection of individuals from personal liability/prosecution

“...we, hopefully, seek to manage the risks so that we can avoid or at least minimise any damaging consequences.”

**Why should we be concerned about it?** So that you can support Gospel ministry; indeed it is an expression of love for others.

Every day, we each encounter different types of risks. In fact life itself is risky. For example, if we drive a car, there is the risk of an accident.

## Risk Management Overview (continued)

So in driving the car, we accept that there are risks involved and we, hopefully, seek to manage the risks so that we can avoid or at least minimise any damaging consequences. We have the car in good mechanical condition; we try to be rested before we begin; we drive carefully, being aware of traffic around us. We seek to **minimise the possibility** of an accident.

We also wear a seat belt, so that if we do have an accident, we are somewhat protected against injury. We seek to **minimise the consequences** of an accident.

We insure our car so that, in the event of an accident, an insurance company will come up with the money to repair or replace it. We **transfer** all or most of the financial risk.

Or we could stay at home and avoid those risks.

## Should we apply risk management concepts to our Parish life?

Certainly we should! Why? Because good risk management supports Gospel ministry and is an expression of our love for people - poor risk management can drastically harm Gospel ministry.

As illustrated above, while we instinctively apply risk management practices in our everyday lives we must ensure these practices don't stop once we enter the parish site.

## What sort of risks are we talking about?

Things such as:

- Injury to people moving around our property
- Poor electrical wiring and appliances
- Fire
- Injury due to lifting, carrying and climbing
- Bad or unhygienic handling or keeping of food
- Financial mismanagement

These are just a few of the issues to be considered.

“Because good risk management supports Gospel ministry and is an expression of our love for people.”

## What does the Bible have to say?

While risk management makes good commercial sense, there are more fundamental reasons why we need to be intentional about identifying, assessing and managing risk in our churches.

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## What does the Bible have to say? (continued)

There are several Biblical principles which call us to action.

First, Jesus commands us to love our neighbour as ourselves (Mark 12:31). One way we show love for our neighbours is to be concerned for their safety and wellbeing. In particular, we need to ensure that people are safe when dealing with the Church and those who minister in our name. We also need to ensure that people are not exposed to injury or loss when they come onto or use our property. When injury or loss occurs on church property, it can reflect a lack of love for our neighbour.

“...we are called upon to be wise stewards of that which God has given us.”

Secondly, we are called upon to be wise stewards of that which God has given us (Matthew 25:14 – 30). Our stewardship responsibilities mean we need to ensure, for example, the protection of the property of the Church from damage, destruction, theft or other loss.

Thirdly, we are called on to submit to authorities instituted among men (1 Peter 2:13-14). One way we can submit to this authority is to comply with the laws of our country. So, for example, we need to be vigilant in ensuring that we comply with laws that apply to the Church. A failure to so do can reflect a lack of willingness to submit to authority.

These examples are not a comprehensive statement of the Biblical principles relevant to the issue of risk in the Church. However, they illustrate that if we are not intentional about identifying, assessing and managing risk, we are open to the accusation that we merely listen to God's word but do not do what it says (James 1:22).

Such an accusation inevitably impacts on our mission.

## Isn't risk management an interruption to ministry?

It is easy to think of this whole subject of risk management being an interruption to parish ministry. It involves energy, thought, procedures, time and paperwork.

“In reality, the lack of proper risk management can result in a far greater interruption and threat to ministry.”



## WHAT DOES THE BIBLE HAVE TO SAY?

- Love our neighbour
- Be wise stewards
- Submit to authorities

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## Isn't risk management an interruption to ministry? (continued)

Yet, in reality, the lack of proper risk management can result in a far greater interruption and threat to ministry. To give a simple example: suppose a child slips on muddy and slippery pavement around the church or hall and suffers a severe head injury. Suppose also that the parents of the child are non-Christians who you have been trying to reach. Consider the trauma to the family; the concern in the congregation; the fires of anger that will need to be put out; the pastoral energies exercised; the potential legal claim to be faced by the Church. How can we demonstrate that we care for these people when it seems we do not care enough to properly clean our pathways?

Of course, the Holy Spirit can use negative circumstances for the glory of God, but all of us would surely agree that this is not an excuse for poor stewardship.

In the long run, good risk management can save a huge amount of time and effort.

## How does risk management support ministry?

Good risk management shows that we care for people! It is necessary that when people encounter us or come onto our property they are safe and they know they are safe. When people work with us in a paid or voluntary capacity, they need to have confidence that they are in a safe, caring environment.

“...people need to have confidence that they are in a safe, caring environment.”

We need to look after the hidden things, as well as the obvious things.

Keeping the grounds neat and tidy takes time and effort, but supports our impact on people. In the same way, managing the natural risks that are inevitably part of community life supports our impact and underpins our integrity.

## Isn't this more work for us?

Yes and No. By putting systems in place to prevent adverse risk events occurring your time will be spent on preventing problems rather than trying to fix them once they have occurred. After a while you will find that you will have more time to focus on ministry.

In addition, Parish Services are trying to make it as simple and easy as possible for you to develop and implement an effective Risk Management program by including some practical tools and checklists in the material.

**So, what do we actually have to do now?**



“Managing the natural risks that are inevitably part of community life supports our impact and underpins our integrity. ”

## **Step 1 Gain active support from the Minister and Parish Council**

The minister and parish council must support your risk management program and 'lead from the front', as your program will only ever be good as the level of support and effort that it is afforded by them. This can be evidenced, for example, by the support provided to the risk management coordinator, regular communication and enforcement of safe practices to the wider parish, following through on reported risks and the provision of funding to address identified risks.

It is strongly recommended that risk management be a standing agenda item at all parish council meetings.

## **Step 2 Review the contents of the material you have received**

The next step in the process is to undertake a high level review of the Parish Risk Management Program material, get familiar with it and watch the introductory DVD.

## **Step 3 Nominate an individual or group of individuals to take responsibility for your Risk Management program**

As with any ministry program, its success will be dependent on allocating responsibility to an individual or group of individuals within the parish. They will need a thorough understanding of the contents of the Parish Risk Management Program and then be given the resources and authority to implement it. They should not be left to do all the work themselves but they should be responsible for coordinating risk management activities in the parish and reporting back to the parish council on a regular basis.

## **Step 4 Clarify any issues you don't understand**

While Parish Services has attempted to make the material in the Parish Risk Management Program self explanatory, it is likely that you may have many questions that have not been addressed directly.

As you go through the materials keep a note of your queries. If at the end of your review you have any pressing questions, Parish Services invites you to email them to:

[riskmanagement@sydney.anglican.asn.au](mailto:riskmanagement@sydney.anglican.asn.au)



## Step 5 Start developing your Parish Risk Management plan

To assist you in this process Parish Services has published another document – ‘**Developing a Risk Management Plan**’, which is in the material provided. The Plan will lead you through the risk assessment process in detail.

### Controlling Risk

#### What are some of the steps for dealing with risk?

Firstly, there is no “magic pill” for treating identified risks but the steps that can and should be taken will vary with different risks and your specific parish context. For example, your parish’s emergency evacuation plan will need to be customised to your parish situation. That is, by considering the age and mobility of those regularly attending, your physical location and the types of services and activities undertaken.

When considering risk treatment options consider “*What would a reasonable person do?*” Generally, we can do a number of things:

#### Eliminate the risk

When conducting any parish activity with risks attached look to eliminate the risk first. This may take many forms such as, ceasing the activity or as simple as removing an obstacle to ensure safe access or egress.

**Remember:** Even the most important task is not worth doing if it can’t be done safely. The higher the risk the shorter the exposure must be to the risk - **DON’T BE A HERO!**

#### Avoid or substitute alternatives

This could mean directing people another way to avoid a risk such as slippery stairs or looking for another way to carry out the task.

#### Reduce or minimise the risk

For example, there may be glass doors. By placing “presence of glass” decals across the centre of the door we can minimise the likelihood of people walking into the glass door.

As another example, we have a pathway that tends to become slippery, we can regularly clean it; we can put up warning signs; we can provide hand rails etc.

This way we can minimise the risk. However, placing a warning sign may not mean that we have fulfilled our responsibility. It does mean that we are aware of the risk and should be working towards a permanent solution.

“...placing a warning sign may not mean that we have fulfilled our responsibility.”

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Parish Services has included on the accompanying CD, a few warning sign examples together with 'soft' copies of all the module materials released. If you have any difficulty accessing the signs or other material on the CD please contact Parish Services.

In addition, there is a dedicated Parish Risk Management web site at [www.sds.asn.au](http://www.sds.asn.au). Click on 'For Wardens & Parish Councillors' then on 'Risk Management'.

## **Training and administration**

Make sure people know how to perform a task correctly and safely. This applies particularly to the use of machinery and other equipment (e.g. when undertaking working bees). Provide specific training as required.

“It is far better to eliminate, avoid and minimise.”

## **Use protective equipment**

Supply the appropriate protective equipment and ensure that it is used properly.

## **Transfer the risk**

We may be able to transfer the risk to another party (e.g. a licensed builder) through a contract. We can transfer the potential financial consequences of the risk by taking out insurance. For example, the Public Liability insurance taken out by the Diocese is intended to cover a negligence claim against ministers, staff, wardens and parish councillors. However our goal is that this situation never occurs as it is far better to eliminate, avoid and minimise.

## **Retain the risk**

We can choose to retain the risk. That is, knowing the likelihood and the potential consequences of the risk, we can decide to accept the risk. In some situations, this may be the best solution.

However, we are also retaining the risk if:

- a) we have not identified the risk
- b) we have not taken adequate steps to avoid, minimise, eliminate or transfer the risk

“Ignorance or inaction does not mean that the risk does not exist or that it has gone away.”

Ignorance or inaction does not mean that the risk does not exist or that it has gone away. Rather, it means that we have retained the risk and we are fully carrying the potential consequences.

For example, local children may use parts of the parish to ride their skateboards on late at night. While the parish may be unable to prevent access, knowing this is how the property is used the parish must still ensure the property is safe as reasonably possible.



## CONTROLLING RISK

- Eliminate
- Avoid or substitute
- Reduce or minimise
- Training
- Use protective equipment
- Transfer
- Retain

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## Who is responsible?

Responsibility, including legal responsibility varies with different types of risks. Generally speaking wardens and the parish council carry legal responsibility for the affairs of a parish. The minister also has very significant responsibilities for many risk areas. Much of this is contained in the Parish Administration Ordinance 2008, Chapter 3.

Moral responsibility is shared by all the ministry team, the wardens and the parish council. All senior members of your ministry team, the wardens and the members of parish council need to be trained in risk management. Every member of the congregation should be aware of risk and be encouraged to contribute suggestions for additional risks to be included in the risk management plan.

## Do we have legal obligations?

Parishes certainly have legal obligations. For example, Occupational Health and Safety legislation has a direct bearing on parish life. Other areas of law include:

- Discrimination / harassment / bullying
- Contract
- Tort (e.g. negligence)
- Employment
- Crime
- Financial and tax compliance
- Insurance
- Specific legislation (e.g. Heritage Act)
- Child protection

## What is our Duty of Care?

A parish has a general duty of care to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all employees of the parish, subcontractors, volunteers ministering in any way in our parish, and to take reasonable steps to avoid risks of harm to parishioners and all visitors to our site or to functions that we run. There is also a general obligation on employees to take care of others and to co-operate in matters of health and safety. The most effective way to exercise that duty of care is to integrate it into normal parish planning and ministry activities. Steps in the process are:

- Develop appropriate OH&S policies and programs
- Set up a process to consult parish employees about OH&S matters
- Establish a training strategy for OH&S, harassment and bullying, and hazard identification
- Establish a hazard identification assessment and reporting process
- Develop and implement risk control strategies
- Promote, enforce, maintain and improve these strategies:



## WHO IS RESPONSIBLE?

- Ministry team
- Wardens
- Parish council
- Everyone

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## What is Due Diligence?

This is another term, like 'duty of care' and it is important that we understand the concept.

To put it simply, due diligence means that we systematically exercise our duty of care by taking every precaution reasonable in the circumstances to protect the health, safety and welfare of all employees, subcontractors, volunteers and others who come onto our site or attend our functions.

## Conclusion

### **How will this essential work be made easier?**

Parish Services will be providing detailed support. They will answer questions such as "What should concern us most?" "What do we have to do?" and "How do we do it?" They will also research what has to be done and will provide step by step guidance on managing the various risks. Parish Services will aim to do that gradually over time, so that the work of a risk management program doesn't become overwhelming for you. They will provide check-lists that will help make these requirements easier to understand and easier to fulfil.

This is designed to help you to do the 'back room stuff' quickly and effectively, with minimal interruption to ministry.

### **How do we create an environment and culture of 'risk management'?**

Just as good companies and organisations seek to develop a safety culture among all of their management and employees, so we need to continue to develop our culture of managing risks. We need to develop a 'risk management mindset' where people will be alert to potential risks and aware of how these risks can be reported and managed by the parish.

Developing a culture of risk management in your parish begins by creating a 'new' culture. This can be achieved by adopting, demonstrating and enforcing safe practices to the next generation of parish leaders - the youth and children of the parish. Children in particular will model their own behaviour on the cues observed in adult behaviour.

**“ We need to develop a 'risk management mindset' where people will be alert to potential risks and aware of how these risks can be reported and managed...”**

## Conclusion (continued)

It is a common occurrence that safe practices that are not enforced quickly become 'optional'. For example, the parish adopts the safe practice of not allowing people to participate in working bees unless they are wearing protective clothing, like boots and long pants. Therefore, people who turn up not wearing the specified protective clothing must be turned away (gently!) and not be allowed to participate.

While ministers, wardens and parish councils carry direct responsibility for managing risk, developing and maintaining a caring environment should be the shared responsibility of each member of the congregation.

In developing this Risk Management program, Parish Services has been guided by the Australian Risk Management Standard AS/NZ 4360-2004. This standard is used by businesses, not-for-profit organisations and government bodies throughout Australia and is internationally recognised.

Should you require any further information in regards to this standard and other related safety standards, please refer to the Standards Australia website: -

<http://www.standards.org.au>

**“Good risk management supports Gospel ministry.”**

The various areas of risk management will be addressed in a series of modules which are being issued to parishes progressively so that you are able to do this task over time, rather than trying to do everything at once.

Finally, remember that good risk management supports Gospel ministry. The material that follows is designed to guide you through the process and protect your people, your visitors and your ministry.

