



DIOCESE *of*  
PARRAMATTA

# **RISK MANAGEMENT**

**Framework and Policy**

## Document Control

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## 1. Risk Management Policy

### 1.1. Background

The Catholic Diocese of Parramatta (“The Diocese”) was created in 1986 and at that time the Bishop and the Trustees became responsible for the assets, liabilities and operations of the new Diocese, which was created from part of the former Archdiocese of Sydney.

The Diocese resides in an area with a population of 1,067,000 people, with 324,000 people identifying themselves as Catholic. Furthermore, the Diocese includes 47 Parishes, 83 Schools with 45,000 students.

The present Pastoral Plan for the Diocese of Parramatta outlines two basic goals:

- To grow in faith, and
- To share in our faith.

There are five pastoral priorities as follows:

- Supporting family life
- Connecting better with the young
- Building upon our ethnic diversity
- Growing and supporting laity and clergy
- New evangelisation.

To achieve its Pastoral Plan, strategic goals and objectives the Diocese requires a sound risk management process as articulated in this Risk Management Framework and Policy (‘the Policy’).

### 1.2. Purpose

This Policy sets out the risk management framework, processes, and governance expected by the Bishop.

While risk cannot be eliminated entirely, this Policy sets the principles to enable risk to be assessed, balanced, avoided, mitigated, and shared with a third party, accepted or refused.

This Policy provides a guide to management to facilitate risk management as an integral element of the management practices and systems. The Policy ensures a consistent and focused approach to risk management.

Success will be demonstrated by the development of a culture that is proactive in its implementation of risk management. Risk processes are integral to normal operations and understood by all staff.

This Policy is consistent with the International Standard, ISO 31000:2018 Risk management –Guidelines.

### 1.3. Policy Objectives

The Policy objectives are to:

- Support the Diocese’s governance and corporate management by incorporating risk management principles and techniques into all business processes
- Provide a uniform and systematic basis for aligning the Diocese objectives to related risks
- Assist management to make proactive decisions that do not expose the Diocese to unacceptable levels of financial and other risks that may adversely impact its operations
- Safe guard the Diocese’s resources – its faith, people, financial and capital resources, knowledge and reputation
- Facilitate a culture where all staff accepts responsibility for risk.

#### 1.1. Scope and Application

The Policy applies to the Diocese and its Ministries, Agencies staff and volunteers, to the extent that they participate in the activities undertaken under relevant initiatives.

#### 1.2. Responsibility

The overall responsibility for the Policy lies with the Bishop. All staff are responsible for minimising risks and identifying opportunities within their area of responsibility.

#### 1.3. Culture

Risk management is a part of every activity and be simply “just the way we do things around here”. It is not only

about the right behaviours, but also the right mindset and values that are brought to the respective roles. Success will not only be demonstrated by a culture that readily understands risk management, but also by a culture that is proactive in its implementation of risk management to normal operational processes.

#### 1.4. Operating Environment

As a Diocese of the Roman Catholic Church, its operations and the way the Bishop exercises his authority is governed by both Canon Law and Civil Law.

In addition to nurturing the spiritual lives of the hundreds of thousands of Catholics in its care, the Diocese supports thousands more in the local community. Its Catholic education system is committed to giving every student a quality education, while CatholicCare and its other Agencies and Ministries work alongside local people from all walks of life, together with organisations committed to enhancing the way of life we enjoy in Western Sydney.

#### 1.5. Definition of Risk Related Terms

Terms	Definitions
Risk	Effect of uncertainty on objectives” where an effect represents “a deviation from the expected – being positive and/or negative
Risk management	Managing coordinated activities to direct and control an organisation with regards to risk. The process of identifying risks, assessing risks and developing strategies to manage risks
Risk Management Framework	The set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation
Risk Owner	The person or entity with the accountability and authority to manage risk
Risk Management Plan	The scheme within the risk management framework specifying the approach, management components and resources to be applied to the management of risk
Risk Management Processes	The systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk
Risk Treatment	The process to modify risk to acceptable levels
Risk profile	The Diocese’s entire risk landscape reflecting the nature and scale of its risk exposures aggregated within and across each relevant risk category
Risk appetite	The risk the Diocese is willing to take in the pursuit of its strategy
Risk appetite limit	The level of risk which, if breached by the Diocese’s risk profile, would necessitate immediate escalation and corrective action
Risk capacity	The maximum level of risk at which the Diocese can operate, while remaining within constraints implied by its capital and funding needs and its obligations to stakeholders
Risk appetite trigger	The level of risk which, if breached by the Diocese’s risk profile, would prompt (or trigger) escalation to consider corrective action
Agencies	Catholic Education Diocese of Parramatta, Diocesan Development Fund, CatholicCare Social Services
Ministries	Catholic Youth Parramatta, Office for Safeguarding & Professional Standards, Seminary, Clergy Healthcare, Family Life Office, Institute for Mission
Leadership	Bishop, Vicar General, Chief of Operations & Finance, all Agency, Ministry and Chancery Leadership roles, Diocesan Risk Coordinator, Parish Priests, Parish Finance Committees, Parish Secretaries, School Principals
The Bishop’s delegates	Vicar General, Chancellor, Episcopal Vicars, Parish Priests, Chief of Operations & Finance, Executive Director, Catholic Education
Heads of Agencies	Executive Director, Catholic Education, Chief executive Officer, Diocesan Development Fund, Executive Director, CatholicCare Social Services
Managers	All Agency, Ministry and Chancery Leadership roles, Diocesan Risk Coordinator, School Principals
Triline GRC	The Diocese’s risk management system.

## 2. The Diocese Risk Management Approach

All risks are assessed and managed on a continuing basis. Risks will be measured, escalated, and reported. The system used to support the measuring, escalating, and reporting is Triline GRC ('Triline'). The performance of the risk framework will be reviewed to continually refine towards best practice. The approach to risk management described in this Policy has been adopted from the ISO 31000:2018 Standard as below.

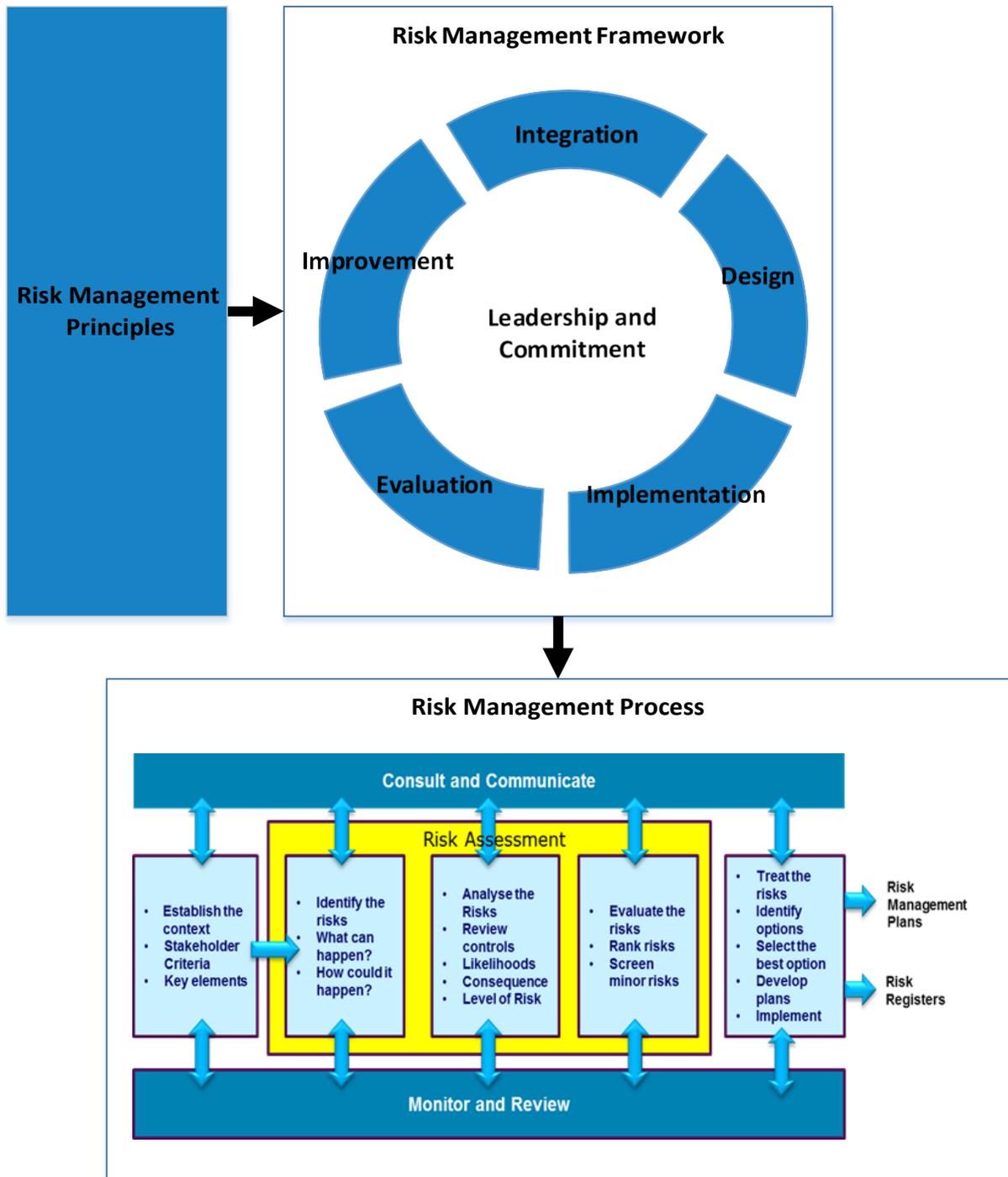


Figure 1: Risk Management Approach. Source: Adapted from ISO 31000:2018 Risk Management –Guidelines

### 3. The Diocese Risk Management Principles

The risk management approach complies with ISO31000: 2018 principles. These principles underpin this Policy and provide a guide to the efficient and effective management of risk at all levels.

The principles:

- a) *Are Integrated*. Risk Management is embedded in the Diocese activities and processes and is not treated as a stand-alone function. Staff are aware of their responsibilities and risk management is present on a strategic and operational level.
- b) *Are structured and comprehensive*. The approach leads to consistent, comparable and reliable results.
- c) *Are based on the best available information*. The Diocese's information sources for the inputs to the process of managing risk includes but is not limited to:
  - Historical data
  - Observation
  - Stakeholder feedback
  - Expert judgement
  - Experience.
- d) *Are customised*. Risk Management is aligned with the internal and external context, in addition to its risk profile.
- e) *Take human and cultural factors into account*. The Diocese recognises that the capabilities, perceptions and intentions of external and internal people can either facilitate or hinder the achievement of its objectives.
- f) *Are inclusive*. Includes involvement of decision makers and stakeholders at all levels.
- g) *Are dynamic*. As the internal and external context changes, so do its risks. Risk monitoring and reviewing will identify new emerging risks and changes in existing risks.
- h) *Facilitate continual improvement*. Processes are reviewed and modified as required. Systems, resources and capability / skills are also reviewed to ensure continuous improvement.
- i) *Enable* Ministries and Agencies to tailor risk management systems and practices to a level that is commensurate with the scale and nature of their risk profile.

### 4. The Diocese Risk Management Framework

Consistent with the Principles above the Framework shown below provides a structured and disciplined approach, aligning strategy, processes, people, technology and knowledge for managing the uncertainties that the Diocese faces.



Figure 2: Risk Management Framework. Source: Adapted from ISO 31000:2018 Risk Management –Guidelines

## 5. Risk Management Process

The risk management process is consistent with the ISO31000:2018 Standard and is summarised below:

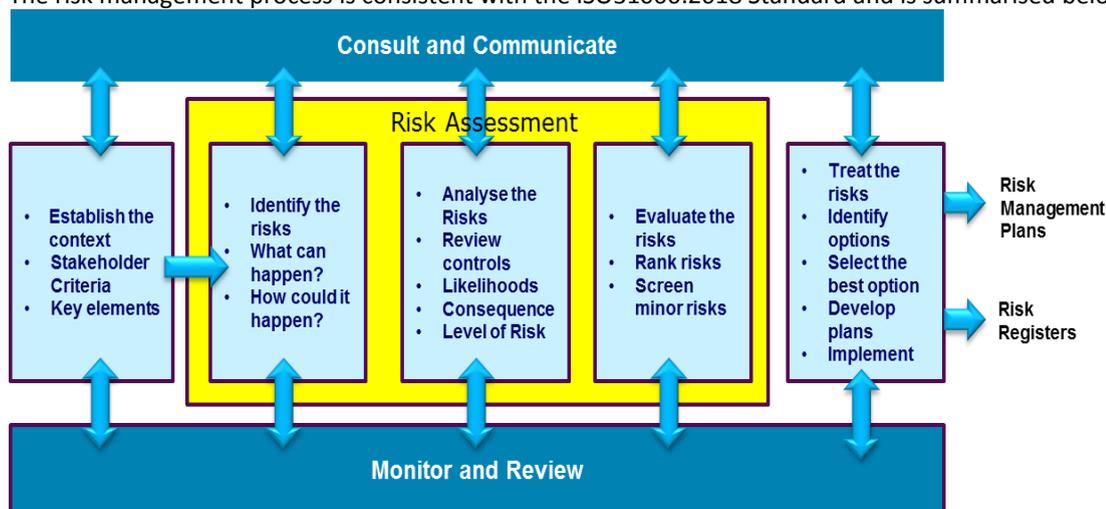


Figure 3: Risk Management Process adapted from ISO31000:2018

### 5.1. Establishing the Context

*Defining the external and internal parameters to be considered when managing risk, and setting the scope and risk criteria for the risk management policy<sup>1</sup>*

The Bishop in conjunction with the Diocesan Finance Council and DA&ERC are supported through Triline reporting that provides an enterprise wide view of the risk environment. In the light of this, they are in a position to identify priority risk areas which require action and/or ongoing monitoring.

### 5.2. Risk Identification

*Finding, recognising and describing risks<sup>2</sup>*

The group below using the Triline system have the responsibility to actively identify present and emerging risks. They are supported through Triline and Risk Appetite Statements, Risk Registers, and Incident Management held on the system.

- The Bishop
- Diocesan Finance Council
- Diocese Audit & Enterprise Risk Committee (DA&ERC)
- Chief of Operations and Finance
- Heads of Ministries and Agencies and their Delegates
- Agency and Diocesan Advisory Boards / Councils / Committees (e.g. School Councils, Advisory Boards, Finance and Physical Resources Committees, WHS, Property Council, etc.)
- Chancery Leadership Team / Agency Risk Co-ordinator
- Diocesan Risk Coordinator
- Parish Priests
- Parish Finance Committees
- School Principals, Managers, Staff and Contractors / Volunteers and Parish Secretary.

### 5.3. Risk Assessment

*The process of risk analysis and risk evaluation.<sup>3</sup>*

Once a risk is identified it is loaded in to Triline and assigned a business owner in consultation with the Risk Coordinator. The Risk Owner will conduct a risk assessment to determine its likelihood, impact/consequence, the effectiveness of existing controls, and whether the risk falls within risk appetite. To assist the risk owner a risk assessment template is attached in appendix A and B.

<sup>1</sup> ISO 31000:2018 Risk Management –Guidelines, page 10

<sup>2</sup> ISO 31000:2018 Risk Management –Guidelines, page 11

<sup>3</sup> ISO 31000:2018 Risk Management –Guidelines, page 11

#### 5.4. Risk Treatment

##### *Process of selecting and implementing options for addressing risk<sup>4</sup>*

Depending on the risk level, the risk owner will work with line management to design and implement a risk treatment plan. This plan is withheld within Triline. The treatment plan is time bound and reported and escalated through Triline as described in section 5.5 Communication and Consultation. To assist the risk owner a template of a risk treatment plan is shown in Appendix B.

#### 5.5. Communication and Consultation

An effective risk management process relies on good communication and consultation. Risks, including their nature and significance will be communicated by or through the following:

- Diocesan Finance Council Meetings
- DA&ERC Meetings
- Risk Management Team Meetings
- Workshops
- The Risk Register – Triline GRC
- The Diocese’s Intranet
- Selected Forums
- Diocesan Investment Advisory Committee
- Parramatta Diocesan Catholic Schools Council
- Any Advisory Board, Council or Committee (appointed by the Bishop)
- Parish Finance Committees

#### 5.6. Responsibilities for Risk Ownership, Management and Implementation of Controls

The following individuals and key committees have overall risk management roles and responsibilities:

##### The Bishop

The Bishop has delegated day to day ongoing responsibility for compliance with this Policy to the Moderator of the Curia, Vicars-General, Episcopal Vicars, Chief of Operations & Finance and Heads of Agencies. The Bishop remains ultimately responsible and accountable for:

- Approving this Policy
- Defining the Diocese’s appetite for risk
- Promoting a climate of risk awareness and intelligence.

##### Diocesan Finance Council

The responsibilities for the Diocesan Finance Council related to risk management is set out in Canon Law:

- To advise the Bishop on acts of administration carried out by him which, in the light of the financial situation of the Diocese, are of major importance (Can1277)

##### Diocesan Audit & Enterprise Risk Committee (DA&ERC)

The role of the DA&ERC is to provide regular oversight of how the Bishop’s delegates are managing the risks within their Agencies or Ministry. The responsibilities for the Committee are set out in its Charter and include:

- Assisting the Bishop and the Diocesan Finance Council through periodic monitoring of the operation of the Policy through review of reports from the Chief of Operations and Finance
- Maintain a risk management overview and monitoring role and compliance with the Policy
- Overseeing a sound system of internal controls based on the of a risk-based approach for the identification, assessment, monitoring and management of potential exposures that are deemed material to the fulfilment of the Diocese objectives
- Review this Policy and endorse through the Diocesan Finance Council for the Bishop’s approval.
- Regularly review the risk profile of the Diocese
- Receive risk management exception reports and make recommendations to the Diocesan Finance Council and the Bishop regarding any material management issues to be addressed or reviewed

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<sup>4</sup>ISO 31000:2018 Risk Management –Guidelines, page 13

### Chief of Operations and Finance

The Chief of Operations and Finance's role is to support the Moderator of the Curia, Vicars-General, the Diocesan Finance Council and the DA&ERC, to discharge their responsibilities with respect to their obligations under this Policy. It is the Chief of Operations and Finance's responsibility to:

- Provide the Diocesan Finance Council and DA&ERC reports and make recommendations regarding any material risk management issues to be addressed or reviewed
- Implement and maintain an effective system of internal control in line with the Policy
- Ensure that a proactive risk management culture is maintained that it is consistent with this Policy
- When a risk is rated 'HIGH' or above, take direct responsibility for the strategic assessment and treatment / management of the risk
- Ensure that the Diocesan Finance Council and DA&ERC, are consulted if risks will have a significant negative impact on the Diocese.

### Heads of Ministries and Agencies

Heads of Ministries and Agencies are responsible for operating their functional areas within the Bishop's risk appetite. They identify, assess, mitigate and report on all risks relevant to the pursuit of the Ministry / Agency objectives. It is the Heads of Ministries and Agencies' responsibility to:

- Provide relevant reports and make recommendations regarding any material risk management issues identified, emerging, assessed, and mitigated.
- Implement and maintain an effective system of internal control in line with the Policy
- Ensure that a proactive risk management and control culture is maintained across the Ministries and Agencies
- When a risk is rated 'HIGH' or above, take direct responsibility for the assessment, treatment, and reporting of the risk.

### Agency Advisory Boards / Councils / Committees

The role of the Agency Advisory Boards / Councils / Committees is to provide regular oversight over the management of risks within their areas of responsibility. The responsibilities include:

- Approve the entity's Risk Appetite Statement that is consistent with the Bishop's Diocesan Risk Appetite Statement
- Conduct a risk management overview and monitoring role, including oversight of the performance of the Policy within their functional area
- Promote a climate of risk awareness
- Oversee a sound system of internal controls

### Diocesan Risk Coordinator

The Diocesan Risk Coordinator has the responsibility for supporting, advising and assisting executive management to maintain appropriate risk management consistent with this Policy. The role of the Diocesan Risk Coordinator is to:

- Support good risk management practice as specified in this Policy.
- Provide specialist risk advice when required
- Coordinate timely risk reporting through to the Chief of Operations and Finance, DA&ERC, Diocesan Finance Council and the Bishop
- Ensure that all elements of the Policy link directly to the Pastoral Plan and relevant strategic plans of each Ministry and Agency
- Monitor that the Diocesan level risk register remains current, accurate and complete in Triline.
- Coordinate periodic reviews of the Risk Registers across the Diocese.
- Support the development of treatment plans and effective internal controls in response to unacceptable risk ratings.

**Parish Priests/Deacon/Administrator**

Parish Priests are ultimately responsible and accountable for risk management within their Parish.

It is their responsibility to:

- To maintain an effective system of internal control in line with this Policy.
- Ensure that a proactive risk management culture is maintained across the Parish, and also supporting risk management practices within their Deanery.
- When a risk is rated 'High' or above, take direct responsibility for the strategic assessment and treatment, management, reporting of the risk.

**Parish Finance Committee**

The role of the Parish Finance Committee is to support their Parish Priest/Deacon/Administrator through the oversight of risks within their Parish. The responsibilities include:

- Oversee a sound system of internal controls
- Regularly review the risk profile
- Ensure staff receive support and training to fulfil their risk responsibilities
- Promote a climate of risk awareness.

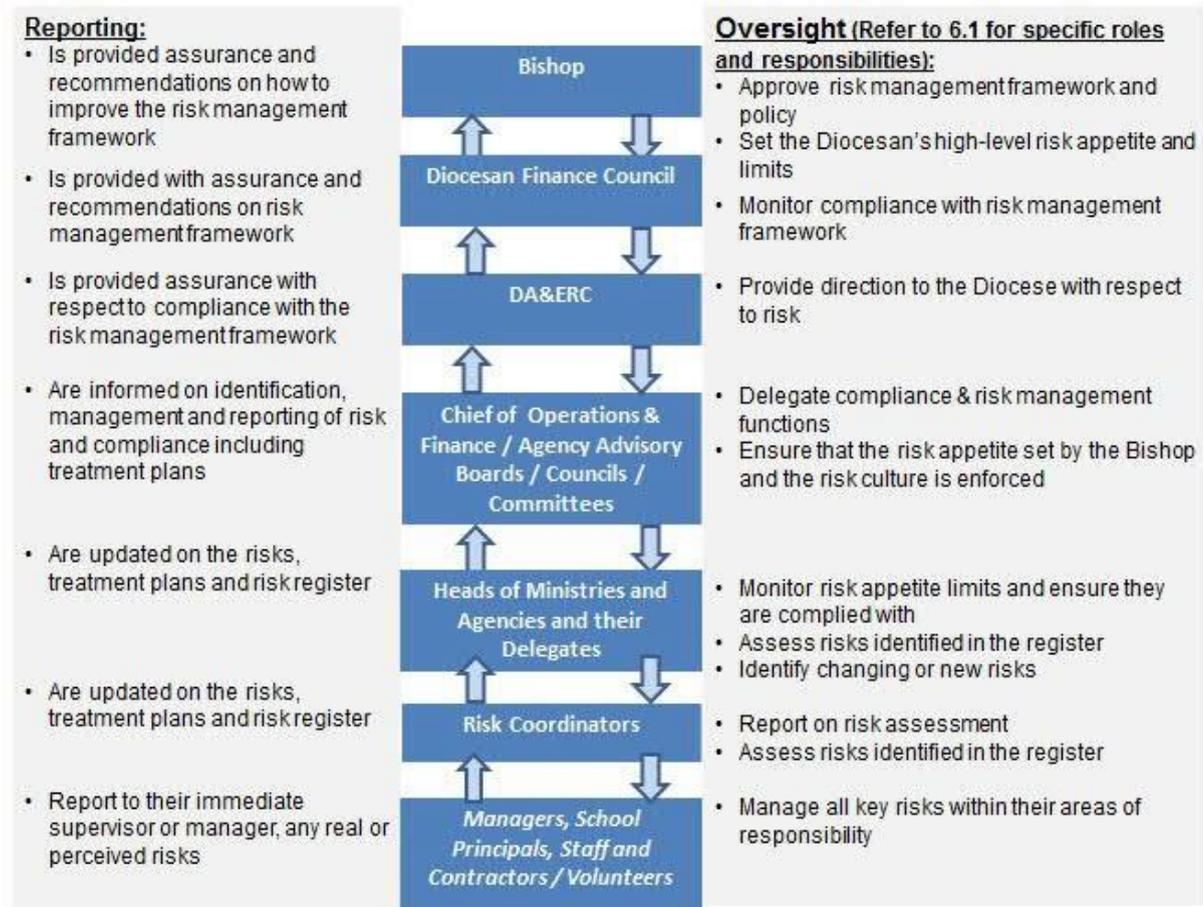
**Parish Secretary, School Principals, Managers, Staff and Contractors/ Volunteers**

Each Parish Secretary, School Principal, Manager, Staff and Contractor / Volunteer is required to:

- Report through Triline, any real or perceived risks to the health, safety and working environment of themselves, their peers, customers or the public
- Maintain an incident register in Triline.

**5.7. Risk Management Escalation**

A critical aspect of the risk management process is to ensure that there is effective, efficient and timely escalation of risks to the correct level of governance within the Diocese. The interaction between the various roles is depicted below.



**6. Risk Management Training and Knowledge**

Training is a key element in ensuring that the risk management culture is embedded. All staff receive basic risk management awareness training. Managers may extend this training to include key staff where these staff members have a role which includes managing risk.

Managers should identify (ideally through the performance management process) those staff responsible for managing risks rated “High” and “Extreme” and ensure they receive training in managing risk appropriate to the severity of the risk being managed. Staff refresher courses will be identified and undertaken as required.

**7. Business Continuity Management**

The Chancery, Diocesan Development Fund, CatholicCare, and CEDP are required to have an operational Business Continuity Plan.

**8. Related & Supporting Policies**

This Risk Management Framework is linked with and supported by, specific policies and standards as issued from time to time. These policies and standards include, but are not limited to:

- Code of Canon Law
- Civil Law
- Policies within the Diocesan Financial and Admin Standards
- Diocesan Policies
- Diocesan Risk Appetite Statement
- Business Continuity and Crisis Management Plans
- Parish Finance Statutes.

**9. Risk Categories**

Within Triline the risk universe is categorised as shown in the following diagram:



Figure 4: The Diocese's Risk Universe

10. The Diocese’s Risk Tables

The Diocese will use the following tables as a basis for establishing risk levels.

10.1. Likelihood table

Rating	POTENTIAL FOR RISK TO OCCUR	PROBABILITY
5 – Almost Certain	Is expected to occur. Likely to occur several times a year	>90%
4 – Likely	Likely to occur once a year. Is likely to occur in most circumstances	50% - 90%
3 – Possible	Possibly occur once every few years, May occur at some time	10% - 50%
2 – Unlikely	Maybe occur once in 5 yearsUnlikely to occur	5% - 10%
1 – Rare	Might occur once in 10 years. Might occur in exceptional circumstances	<5%

10.2. Consequence Table

Rating	Impact	Financial Viability	Operational	Compliance	Political / \Reputational	Mission / Faith
5 - Catastrophic	Threatens the existence of the Diocese  Could shut down the Diocese/ major area of the Diocese  Objectives not achieved	Potential bankruptcy of the Diocese  Financial loss / asset damage > \$10 million	Potential dissolution of the Diocese  Failure to achieve all objectives  Inability to continue normal operations for more than 3 months	Bishop and / or Vicar General and / or Heads of Agencies indictments  Large scale Class Actions  A catastrophic legal / compliance issue that threatens Diocese’s viability  Regulatory Sanctions	Substantiated public embarrassment, very high multiple impacts, high or lengthy widespread multiple news profile, Third Party actions.  Loss of confidence in all stakeholder groups  Irreparable damage to reputation	
4 – Severe	Material impact on the Diocese  Key objectives not achieved	Financial loss / asset damage \$5-10 million	2 or more changes in senior leadership  Failure to achieve some objectives  Inability to continue normal for between 1 and 3 months	Management challenged  A critical legal / compliance issue that disrupts Diocese’s operations  Large Legal liability, Regulatory fines	Substantiated public embarrassment, high but limited impact, low and limited length national news profile, Third Party actions  National sustained adverse media coverage. Loss of confidence by3 or more stakeholder groups	
3 – Moderate	Noticeable impact on the Diocese  Some objectives not achieved	Financial loss / asset damage \$1-5 million	1 or more changes in senior leadership  Some reduction in operational effectiveness  Significant interruptions to operations for between 1 and 4 weeks	Regulatory fines  A serious legal / compliance issue that involves key stakeholders  Legal reserve established. Regulatory Investigation	State-wide adverse media coverage, moderate impact, and adverse local news profile.  Loss of confidence by2 or more stakeholder groups	

<b>2 – Minor</b>	Some impact that is easily remedied  A once off cost that only impacts one area of the Diocese	Financial loss / asset damage \$500k - \$1 million	Minor interruptions to operations for between 1 and 7 days  Minor operational degradation	Management unaffected  A minor legal /compliance issue that requires professional advice and has internal impacts  Minimal liabilities or regulatory attention	Loss of reputation at local level, low impact, low limited local news profile.  Loss of confidence by 1 or more stakeholder groups	
<b>1 - Insignificant</b>	Impact not visible	Financial loss / asset damage < \$500k	Limited interruptions to operations for less than 1 day  Insignificant operational degradation	Limited liabilities or regulatory impact  Issues that can be resolved with minor changes in work practices	Very minor loss or disruption	

10.3. Risk Matrix

L I K E L Y H O O D	5 – Almost Certain	5 – MEDIUM	10 - HIGH	15 - HIGH	20 - EXTREME	25 - EXTREME
	4 – Likely	4 – LOW	8 - MEDIUM	12 - HIGH	16 - HIGH	20 - EXTREME
	3 - Possible	3 – LOW	6 - MEDIUM	9 - MEDIUM	12 - HIGH	15 - HIGH
	2 - Unlikely	2 - VERY LOW	4 - LOW	6 - MEDIUM	8 - MEDIUM	10 - HIGH
	1 – Rare	1 - VERY LOW	2 - VERY LOW	3 - LOW	4 - LOW	5 - MEDIUM
		1 - Insignificant	2 - Minor	3 - Moderate	4 - Severe	5 - Catastrophic
		<b>CONSEQUENCE</b>				

Risk Rating Key (Refer to Point10.5)

**20 – 25**      **EXTREME:** Must be brought to the immediate attention of the Bishop, DFC and reassessed.

**10 – 19**      **HIGH:** Oversight and monitoring of progress by the Heads of Agencies and Chief of Operations and Finance are required and reporting to the Bishop for monitoring.

**6 – 9**          **MEDIUM:** Identify management responsibility, monitor and review response action as necessary

**3 – 5**          **LOW:** Manage through existing processes and procedures.

**1 – 2**          **VERY LOW:** Unlikely to require allocation of resources.

#### 10.4. Control Assessment Criteria

Controls are actions taken to mitigate the likelihood of a risk occurring or minimising the impact of a risk if it were to occur. Controls may constitute actions to avoid, transfer, reduce or manage risk.

There are 3 types of controls:

- Preventative – designed to reduce the likelihood of the risk occurring;
- Detective – intended to raise awareness that the risk event has occurred to enable the Diocese to undertake appropriate action; and
- Recovery – designed to reduce the impact arising after the risk event has occurred.

Controls will be rated against the following criteria:

Control	Action	Description
<b>Not Effective</b>	Critical improvement opportunity	Controls and/or management activities are non-existent or have major deficiencies and do not operate as intended.
	Significant control issues. Urgent management attention is required to avoid, transfer, reduce or control the risk.	Controls have limited effectiveness in mitigating the related risks. Provides a low level of assurance that the risk event will not occur, or if it does occur, it may not be detected in time to minimise the impact.
<b>Partially Effective</b>	Moderate improvement opportunity	Controls and/or management activities are in place, with opportunities for improvement identified.  Controls are generally effective in mitigating the related risks.  Provides a moderate level of assurance that the risk event will not occur, or if it does occur, it will be detected in time to minimise the impact.
		Usually detective controls.
<b>Effective</b>	Limited improvement opportunity	Controls and/or management activities are already in place, properly designed and operating, with limited opportunities for improvement identified.
	Management and control techniques considered appropriate over time	Controls are considered to be effective at mitigating risk to a residual level that is within the risk appetite of the organisation.  Control provides a reasonable level of assurance that the risk event will not occur, or if it does occur, it will be detected in time to minimise the impact
<b>Very Effective</b>	Nil	Controls and/or management activities are properly designed and operating as intended.
		Control provides a high level of assurance that the risk event will not occur.

10.5. Risk Treatment Table

Depending on the type and nature of the risk, the following treatment options are available:

RISK	APPETITE	OPTION	TREATMENT
EXTREME	Not acceptable	AVOID TREAT	<p>Must be brought to the immediate attention of the Bishop, the Diocesan Finance Council and reassessed.</p> <p>Avoid - Deciding not to proceed with the activity that introduced the unacceptable risk, choosing an alternative more acceptable activity that meets objectives, or choosing an alternative less risky approach or process.</p> <p>Treat - Implementing a strategy that is designed to reduce the likelihood or consequence of the risk to an acceptable level, where elimination is considered to be excessive in terms of time or expense.</p>
HIGH	Not acceptable	TREAT	<p>Oversight and monitoring of progress by the Heads of Agencies and Chief of Operations and Finance are required and reporting to the Bishop and the Diocesan Finance Council for monitoring.</p> <p>Implementing a strategy that is designed to reduce the likelihood or consequence of the risk to an acceptable level, where elimination is considered to be excessive in terms of time or expense.</p>
MEDIUM	Acceptable	TREAT SHARE/ TRANSFER ACCEPT	<p>Identify management responsibility, monitor and review response action as necessary</p> <p>Treat - Implementing a strategy that is designed to reduce the likelihood or consequence of the risk to an acceptable level, where elimination is considered to be excessive in terms of time or expense.</p> <p>Share / Transfer - Implementing a strategy that shares or transfers the risk to another party or parties, such as outsourcing the management of physical assets, developing contracts with service providers or insuring against the risk. The third-party accepting the risk should be aware of and agree to accept this obligation.</p> <p>Accept - The cost of the treatment outweighs the benefit. This option may also be relevant in situations where a residual risk remains after other treatment options have been put in place. Ongoing monitoring is highly recommended.</p>
LOW	Acceptable	ACCEPT	<p>Manage through existing processes and procedures.</p> <p>Making an informed decision that the risk rating is at an acceptable level. No further action is taken to treat the risk, however, ongoing monitoring is recommended.</p>
VERY LOW	Acceptable	ACCEPT	<p>No allocation of resources.</p>

