RISK

MANAGEMENT

DEVELOPING A RISK MANAGEMENT PLAN

Maximising Ministry By Minimising Harm

RISK MANAGEMENT

Before you start

Prior to commencing this module you should have completed steps 1 to 4 as outlined in *'A Risk Management Program for Parishes'.*

Introduction

Reminder: A parish has a duty to care for all of its people. According to the Work Health and Safety Act 2011 a person conducting a business or undertaking (PCBU) must, so far as is reasonably practicable (refer to P8 of the module Program for Parishes), ensure the health and safety of all workers (including volunteers) while working for your parish and the health and safety of other persons is not put at risk from work carried out at the workplace. A workplace is any place where activities are carried out for your parish and includes any place where a worker goes, or is likely to be, while working for you. A worker must take reasonable care for their own health and safety, take reasonable care so that their acts and omissions do not adversely affect the health and safety of others, and comply with instructions, policies and procedures relating to work health and safety.

Risks are involved with many, if not most, aspects of parish ministry. It is necessary to address the various risks systematically so that important matters are not overlooked or dealt with haphazardly. By systematically implementing our risk management strategy we can demonstrate due diligence and exercise correct duty of care.

Therefore a Risk Management Plan has to be developed. The Risk Management Plan need not be a daunting task if the essential steps are followed.

The steps in the process are set out and explained below.

Step 1   Communicate and consult

Risk management is, by its very nature, a dynamic process that requires careful consideration of ministry issues and constant dialogue among parish leadership.

This can be achieved through:

- The commitment of the minister, staff, ministry leaders, wardens and parish council to establish clear communication and consultation lines regarding risk
- A clear understanding of the parish's risk management program by developing a risk management plan
- The consultation of workers (including volunteers) about decisions which affect their health, safety and welfare
- The training of all workers (including volunteers) on the importance of risk management and its positive effects on the parish and its ministry
- The development of other communication and consultation tools such as formal policies for identified risks, surveys and feedback channels

Step 2   Establish the context

Every parish operates within its own unique context, with different goals and objectives and different levels of resources. To complicate matters this context is constantly changing.

"… we need to ensure the ongoing relevance of our Risk Management Plan."

- **Internal Context**
  This concerns identification and review of key ministry activities, overall goals and objectives and the resources we have available to use in meeting these goals and objectives.
- **External Context**
  This includes the identification of our external environment including key stakeholders such as people, suppliers, strategic partners etc. It also includes consideration of external events such as government, social, industrial, or technological changes that may affect the mission of the parish in the future.

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- **Risk Management Context**

  As the internal and external context within which a parish operates is constantly changing, we need to ensure the ongoing relevance and effectiveness of our Risk Management Plan. This includes undertaking regular reviews of the parish ministry and the impact of the external environment.

Step 3 Identify the risks

In this step, you should comprehensively identify all risks using a well-structured systematic process. This is critical to ensure that all key risks are taken into account. In addition to the formal process do not underestimate the value of the general experience of all involved as this will add to the thoroughness of the whole plan.

Identifying hazards in the workplace involves finding things and situations that could potentially cause harm to people. Hazards generally arise from the following aspects of work and their interaction:

- Physical work environment;
- Equipment, materials and substances used;
- Work tasks and how they are performed;
- Work design and management.

How to find hazards:

1. **Inspect the workplace** - regularly walk around the workplace and observe how things are done, how equipment and plant is used and what safe and unsafe work practices might exist
2. **Consult your workers** - ask your workers if they have encountered any unsafe or potentially unsafe work practices
3. **Review all available information** – information and advice about hazards and risk relevant to particular industries is available from Regulators, Unions, technical specialists and safety consultants. Manufacturers and suppliers can also supply information about hazards and safety precautions. Analysis of workplace incidents, near misses, worker complaints and the results of any past inspections and investigations can help to identify hazard.

Hint: As a starting point, determine what your parish's top 5 risks are, then assess the level of risk in your own context before tackling them one by one in an agreed time frame.

Visit the Parish Risk Management web site by clicking HERE or at *www.sds.asn.au*, then 'For Wardens & Parish Councillors' then on 'Risk Management'.

Step 4 Analyse the risks identified

When should a risk analysis be carried out?

A risk analysis should be carried out when:

- There is uncertainty about how a hazard may result in an injury or illness;
- The work activity involves a number of different hazards;
- Changes at the workplace occur.

When a risk has been identified, the next step is to analyse that risk. That is:

- What is the likelihood of this happening?
- If it does happen, how serious would it be?
- Allocate a risk rating.

The objective is to provide an assessment of each risk as Extreme, High, Moderate or Low.

Step 4(a) Likelihood of an Event Occurring

Allocate to each risk a rating based on the likelihood of the event occurring, based on the definitions set out in the following table.

Risk Rating	Description
A. Almost Certain	Not an unusual occurrence. - Risk has more than an 80% chance of occurring; or - Is likely to occur in the next 3 months.
B. Likely	Known to occur or has happened in the past: - Risk has a 60-80% chance of occurring; or - Is likely to occur in the next 6 months.
C. Possible	May occur: - Risk has a 40-60% chance of occurring; or - May occur within 1 year.
D. Unlikely	Not likely to occur: - Risk has a 20-40% chance of occurring; or - May occur within the next 3 years.
E. Rare	May occur in exceptional circumstances (would be considered highly unusual): - Risk has less than a 20% chance of occurring.

Step 4 (b) Impact of the Event if it does occur (Consequence)

Having assessed the likelihood of an event occurring it is necessary to consider the possible impact of the event on people and ministry operations. For each risk, allocate a rating based on the likely consequence(s), for individuals and for the parish, should the risk become a reality.

Step 4 (b) Impact of the Event if it does occur (Consequence)

Catastrophic	Life/Health	Death or permanent serious disability.
	Physical Assets	Total loss of buildings, plant & equipment, records.
	Non-Physical Assets	Total loss of all electronic and physical data.
	Interruption to Ministry	Extended interruption, full recovery unlikely.
	Reputation/Market Share	Extended national media attention. Irreparable damage. Relationships destroyed. Ministry opportunities nullified.
	Financial Assets	Financial failure of parish.
Major	Life/Health	Life threatening injury which requires lengthy hospitalisation/rehabilitation.
	Physical Assets	Extensive damage to property and equipment. Repairs difficult.
	Non-Physical Assets	Major loss of data that can not be recovered.
	Interruption to Ministry	Up to 6 months. Significant long term impact on Parish.
	Reputation/Market Share	National media attention. Loss of parishioners / relationships for either a long term or permanently.
	Financial Assets	Severe financial loss ($50k - $500k).
Moderate	Life/Health	Significant injury requiring hospitalisation. Up to 2 weeks lost time.
	Physical Assets	Significant damage to property and equipment. Repairable.
	Non-Physical Assets	Loss of up to 1 month of data/work. Mostly recoverable.
	Interruption to Ministry	Services and/or church activities unable to be held for 2 weeks. Probable long term impact.
	Reputation/Market Share	Medium term local media attention. Loss of parishioners in the short term.
	Financial Assets	Significant financial loss ($5k - $50k).
Minor	Life/Health	Injury requires a doctor. Less than 1 week lost time.
	Physical Assets	Minor damage to property & equipment. Repairable.
	Non-Physical Assets	Loss of up to 1 week of data/work. Mostly recoverable.
	Interruption to Ministry	Services and/or church activities unable to be held for 1 week. Minor long term effect.
	Reputation/Market Share	Short term local media attention. Limited long term effect.
	Financial Assets	Minor financial loss (less than $5k).
Insignificant	Life/Health	Slight injury requires first aid only. No lost time.
	Physical Assets	Localised damage, easily repaired.
	Non-Physical Assets	Fully recoverable loss of one day's data or work in progress.
	Interruption to Ministry	Minimal. Services and/or church activities continue to be held as normal although with interruption.
	Reputation/Market Share	No media reports. No loss of reputation or relationships.
	Financial Assets	Insignificant financial loss (less than $1k).

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Step 4 (c) **Allocate a Risk Rating**

An overall risk rating is allocated to a risk event using the following matrix that indicates risk levels represented by a combination of various degrees of consequence and likelihood. This matrix consists of four categories:

E	=	Extreme
H	=	High
M	=	Moderate
L	=	Low

Likelihood	Consequences				
	1.Insignificant	2.Minor	3.Moderate	4.Major	5.Catastrophic
A. (Almost Certain)	M	H	H	E	E
B. (Likely)	M	M	H	H	E
C. (Possible)	L	M	H	H	H
D. (Unlikely)	L	L	M	M	H
E. (Rare)	L	L	M	M	H

Parish Risk Assessment Schedule

There is a dedicated Parish Risk Management web site at *www.sds.asn.au*. Click on 'For Wardens & Parish Councillors' then on 'Risk Management'

Parish Support Services has included on that web site an Excel based document called "Parish Risk Assessment Schedules". The schedule is designed to assist you to complete steps 3 and 4 and will "automatically" determine a risk rating for you. Please refer to the instructions on the spreadsheet and please contact Parish Support Services if you have any difficulties opening or using the schedule.

Step 5 Evaluate the risks

This is where decisions are made about which risks to tackle first, second and so on, or whether you can implement a particular treatment or control that may in fact address one or more risks simultaneously.

Each risk needs to be evaluated in the light of parish ministry priorities and the possible impact of not treating unacceptable risks in a timely manner.

The risk rating, determined in step 4(c), is a primary indicator of the need to address a particular risk. However, it is not the only indicator. When evaluating risks, factors to be considered include:

- The risk rating
- The quality of any existing risk controls
- The cost of implementing a solution and the impact it will have on the risk
- Alternatives for managing the risk should the cost of eliminating the risk be too high
- The possibility that one action or solution will be effective for a number of risks

The following table is designed to assist you in determining the effectiveness of any existing risk controls. These definitions have been set up in the Parish Risk Assessment Schedule provided on the Risk Management web site.

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Control Rating	Definition
Excellent	Control can be relied upon to prevent risk event occurring or to effectively mitigate risk in the event it does materialise – 90 to 100% effective.
Good	In most circumstances control can be relied upon to prevent risk event occurring or to mitigate risk in the event it does materialise – 70 to 90% effective.
Satisfactory	Control is in place and risk event will be controlled most of the time – 50 to 70% effective.
Poor	Controls are in place, however are considered to be generally unreliable or relatively ineffective. No guarantee that the risk event will be controlled - 20 to 50% effective.
Unsatisfactory	Controls are totally ineffective. Risk event will not be controlled - less than 20% effective.

Step 6 Treat and control the risks

Once you have identified a particular risk and evaluated it in light of:

- Other risks that exist within your parish;
- The quality of your existing controls; and
- The resources you have available within the parish;

you should consider your options for controlling and treating your risks.

The most important step in managing risks involves eliminating them so far as is reasonably practicable, or if that is not possible, minimising the risks so far as is reasonably practicable. In deciding how to control risk you must consult your workers and their representatives who will be directly affected by this decision. Their experience will also help you decide which control measure will be most effective, and their involvement will increase their level of acceptance.

Where you deem a particular risk to be unacceptable you may consider a range of risk treatment options as set out below.

The Hierarchy of Risk Control

The ways of controlling risks are ranked from the highest level of protection and reliability to the lowest. The law requires that a hierarchical approach is taken to risk control. This means that consideration must first be given to eliminating a risk to health and safety so far as is reasonably practicable. If elimination is not reasonably practicable, you need to then consider whether the risk can be minimized, so far as is reasonably practicable.

In minimising risks to health and safety, **the following approach must be taken** to implementing risk control measures in the following order of priority:

1. **Substitute** (wholly or partly) the hazard giving rise to the risk with something that gives rise to a lesser risk.
2. **Isolate** the hazard from any person exposed to it.
3. Implement **engineering controls**.
4. If a risk still remains, **administrative controls** need to be implemented.
5. If a risk still remains, the duty holder must ensure the provision and use of suitable **personal protective equipment** (PPE).

Examples of PPE include ear muffs, respirators, face masks, hard hats, gloves, aprons and eyewear and which is - .

- selected to minimise risk to health and safety;
- suitable for the nature of the work and any hazard associated with the work;
- a suitable size and fit and reasonably comfortable for the person wearing it;
- maintained, repaired or replaced so it continues to minimise the risk;
- used or worn by the worker, so far as is reasonably practicable'.

How do we develop and implement risk control measures?

Cost of Control Measures

All risks can be controlled and it is always possible to do something, such as stopping the activity or providing instructions to those exposed to the risk. The cost of controlling a risk may be taken into account in determining what is reasonably practicable, but cannot be used as a reason for doing nothing. The greater likelihood of a hazard occurring and/or the greater the harm that would result if the hazard or risk did occur, the less weight should be given to the cost of controlling the hazard.

Implementing Controls

It is usually necessary to support your control measures with:

- **Work Procedures** - develop a safe work procedure that describes the task, identifies the hazards and documents how the task is to be performed to minimise the risks.
- **Training, instruction and information** - train your workers in the work procedure to ensure that they are able to perform the task safely. Information and instruction may also need to be provided to others who enter the workplace, such as customers or visitors.
- **Supervision** - high levels of supervision will be necessary if inexperienced workers are expected to follow new procedures or carry out difficult and critical tasks.

Extreme and High risks need to be given priority when implementing controls; it may not be possible to deal with all risks immediately. In that case, a plan should be established to address each risk in accordance with available time and resources. It may be necessary to give particular time to an issue or seek to raise funds to solve a problem.

The important thing is to have a Risk Management Plan that has clear time objectives.

Step 7 Review and monitor

As parish life is dynamic, so risk is dynamic. A regular review process is essential to the Risk Management Plan. A review of all risk categories and control measures is required at least annually. Risks which fall into the high or extreme categories should be reviewed on a more frequent basis until such risks are substantially reduced or eliminated.

The control measures need to be maintained to ensure they remain effective, including by ensuring that the control measure is and remains fit for purpose, suitable for the nature and duration of the work, and installed, set up and used correctly. It may also need to be revised from time to time.

Questions to be asked and answered will include:

- Is the risk still present?
- Has the risk changed?
- Was the management strategy fully implemented?
- Have the risk category policies been communicated to the ministry team, parishioners etc.?
- Are the risk category policies being followed in practice?
- Does the risk require further treatment or a change to the current management practice?
- What is the priority for implementing a solution in the light of the current parish ministry strategy?
- Has this priority changed since last year?

"A review of all risk categories is required at least annually."

To help you to properly implement your Risk Management Plan, each module includes practical tools to assist you in the implementation and review process.

Keeping records

It is important to keeping records of the risk management process. This will assist in demonstrating compliance with work health and safety law. It also helps with undertaking subsequent risk management assessments.

It is useful to keep information on:

- Identified hazards, assessed risks and chosen control measures;
- How and when the control measures were implemented, monitored and reviewed;
- Who you consulted with;
- Relevant training records;
- Any plans for changes.

You should also ensure that everyone in your workplace is aware of records-keeping requirements, including which records are accessible and where they are kept.

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3'-6" HIGH
GUARD

OPEN
TO
BELOW

7'-2"

2x6

3—2x6

WASHER

TUB

2'-4"

3'-1"

3—2x6

5'-0"

7'-0"

3—2x6

GIRDER