

Risk Management Guide for Churches



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The information provided in these guidelines are of a general nature only and may not identify all matters that need to be included in the design of effective controls relating to the management of your risks. Professional advice should be obtained on individual circumstances or if you have any concern.

Risk Management Overview

The information provided in this guide is intended to assist church staff in the development of suitable Risk Management processes.

What is risk management?

Risk management is a proactive process of identifying possible risks, problems or disasters before they happen so you can protect your people and assets. This allows you to set up procedures to avoid the risk, minimise its impact or, at the very least, help cope with its impact.

Risk management includes both the tangible and intangible assets of your church or ministry. Tangible assets are physical properties, such as money, buildings, furnishings, sound systems and computer equipment. Intangible assets are the reputation or public image of the church or ministry and also the health and wellbeing of people who attend the church, its staff, and its volunteers.

Whether we like it or not, risk is a part of church life and any ministry you undertake. To do nothing about risk management is a big risk in itself.

God expects us to be good stewards of the people, assets and resources he has provided us with. Risk management is an important part of Christian stewardship and will assist us in being good stewards. 'Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms' (1 Peter 4:10).

Your Safe Church Coordinator will be working in this area with programs and activities involving children and other vulnerable people. However, there is a whole range of additional areas that church leaders need to consider and address when it comes to risk management.

Ten common church risks

By building your awareness of potential risks, you can make your buildings and locations safer places to gather. How does your congregation/parish rate with the ten most common risks churches face below?

- Personal injury – most common insurance claims result from falls, slips and trips
- Malicious damage, vandalism and theft
- Child protection
- Handling of the offering and finances
- Hire of church property
- Burnout or psychological damage – pastor, staff, leaders and key volunteers
- Reputational damage – both to the congregation/parish as a whole and to individuals
- Food safety
- Playground equipment
- Not having the appropriate insurance cover in place (LCA Insurance provides a comprehensive insurance program for LCA members)

Risk Management Process

Having a risk management process in place will help you to be proactive in identifying risks, determining the level of risk involved, planning to manage risks and intentionally putting measures in place to address those risks.

Risk is the exposure to the possibility of such things as economic or financial loss or gain, physical damage, injury or delay as a consequence of pursuing or not pursuing a particular course of action.

In any church community, the variety of activities and participants exposes the church to risk. Risk management is the process by which risks are identified, evaluated and controlled.

Outlined below are the elements of the risk management process (derived from Australian Standard AS ISO 31000:2018 Risk management – Guidelines):

- **Identify risks:** identify where, when, why, and how events could prevent, degrade, delay, or enhance the achievement of organisational goals.
- **Analyse risks:** identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis should consider the range of potential consequences and how these could occur.
- **Evaluate risks** – estimate the level of risk against the pre-established criteria (matrix) and then consider the risks' potential benefits and adverse outcomes so decisions can be made about the extent and nature of treatments required and priorities.
- **Treat risk** – develop and implement cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.
- **Monitor and review** – church activities, personnel and business processes will change over time; associated risks will also change. Therefore, churches should review their risks at least annually to ensure that no new risks have been introduced without appropriate control measures in place. You should document updated risk assessments on the Church Risk Assessment (Register) tool. Churches should also ensure that any new activity is subject to an appropriate risk analysis prior to implementation. Such assessment can be documented using the Activity Risk Assessment tool.
- **Recording and reporting** – The risk management process and the outcomes should be documented and reported to assure organisation management and key stakeholders that the risks are being appropriately managed and treated. Regular reports and updates aim to:
 - provide information for decision-makers
 - communicate risk management activities across your organisation
 - improve risk management activities
 - assist with the interaction with stakeholders, including those with responsibility and accountability for risk management activities.



Consideration should also be given to the method of reporting and frequency while ensuring the relevant information is included to assist decision-makers.

- **Communication and consultation** – the purpose of communication and consultation is to assist relevant stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required. Communication seeks to promote awareness and understanding of risk, whereas consultation involves obtaining feedback and information to support decision-making.

LCA Insurance has developed tools to assist with the documentation of risk identification, risk analysis, risk evaluation and elements of risk treatment. Collectively, these components are referred to as risk assessment.

In a church context, there are two distinct levels at which risks might be assessed. The first is a whole of church (or enterprise) level where matters of both strategic and operational impact is considered. A key objective of enterprise-level risk assessment is to identify higher-risk activities or events and help plan and prioritise the risk treatment activities. It also ensures that resources are allocated to where they will provide the most immediate impact in reducing overall risk. The **Church Risk Assessment (Register)** tool has been developed to document the results of whole of church risk assessments.

Risk register

A risk register is the master database that records all the general organisational or whole church risks you have identified. The register will have all the details about those risks, the level of risk, the control measures you have put in place and who is responsible for managing them. This register is useful as it enables you to store all your general church risk information in one easily accessible location.

The risk register could include risks associated with buildings, premises and equipment, property hire risks, reputational risks, financial risks, food hygiene or handling risks, and personal risks – both physical and psychological.

The template provided can also be colour-coded with the level of risk and the timeframe for action to make it easy to see what most urgently needs to be addressed.

The second level of risk assessment is at the individual activities level, where a specific risk assessment should be completed, and permission to proceed is given by the Safe Church Coordinator or church council. This takes into account the particular requirements of each activity and identifies the individual risks associated so that the activity can be made as safe as possible.

The **Activity Risk Assessment tool** has been developed to document the results of assessing risk for individual activities. All new activities undertaken by a church should be subject to a formal risk assessment. The risk assessments for continuing activities should be updated on a regular basis, typically annually.

1. Identify the risks

Church activities and operations can potentially encompass a wide range of possible risk exposures. It is, therefore, helpful to break down exposures into various categories or types of risk and consider possible risks within each of these in turn. Though risks could be categorised in many ways, some typical examples of risk categories are set out below to help you start.

Risk category	Examples of risks included
People	Risk of injury or harm to workers (including employees and volunteers), congregation members and the general public. WHS/OHS matters form part of this risk category
Property	Risk of damage or impairment to church buildings and other physical assets. This could include the risk of fire, floods, storms, vandalism or graffiti
Professional	Breach of copyright, error in advice, inappropriate counselling
Public liability	Risk of injury or damage to people on church property, participants in church events, consumers of food from church cafes, tradespeople
Transport	Risks associated with the use of church buses and cars, transporting people in private vehicles, transporting church goods
Social media	Risk of abuse, slander or vilification via the internet
Governance	Risk of church failure, reputation, compliance with regulations, poor business practices

Risks can be identified by observation and judgement, involving as wide of a cross-section of church stakeholders in the process as practicable. Some examples of specific techniques that might be considered include:

- a walk-through survey of the church grounds and property
- brainstorming with church stakeholders to identify what could go wrong with specific activities, events or assets
- reviewing incident records maintained by the church
- reviewing manufacturers' instructions on chemicals plant and equipment
- using specialist risk practitioners where necessary
- asking LCA Insurance for advice or assistance.

To help people identify risks and understand their consequences, the following questions might be helpful:

- What is the worst thing that could happen? What could develop?
- What has happened in the past?
- What has happened elsewhere (in this area or similar churches elsewhere)?
- What uncertainties are there? What are we unsure of?
- What needs to go right?
- What if our decision is wrong?
- What might be an alternative or opposite view?
- What if a (defined) incident actually occurred?
- What would the community expect of us?

A risk assessment is not about creating huge amounts of extra paperwork but rather about identifying sensible and proactive measures to control risks during the activities and events happening in your congregation or parish. The aim is to make them as safe as they can be. Risk assessment should be an integral part of everything you undertake.

Completing a risk assessment should not just be the work of one person. It is important that all those involved in organising a particular activity or event are also involved in the risk assessment process. This is so they have an awareness and understanding of both the risks involved and the action plans to control or mitigate those risks. Also, by drawing on the knowledge, experience and ideas of the whole team, you will be more likely to identify all the risks and choose effective control measures.

Below are some examples of the sorts of church-based activities and events for which an Activity Risk Assessment is appropriate. Once completed, risk assessments should be submitted to your Safe Church Coordinator, seeking permission to proceed with the activity or event. The Safe Church Coordinator should also keep your church or parish council up to date.

All completed and approved risk assessments should be kept on file. Risk assessments for normal and continuing activities must be reviewed and updated regularly (usually annually), especially if changes occur. Risk assessments for special events must be updated every time the event is held to ensure that all information is current, alterations and additions are considered, and everything is covered.

Physical premises	Regular activities
<ul style="list-style-type: none"> • Auditorium • Meeting rooms • Offices <ul style="list-style-type: none"> ○ Local facilities ○ Off-premises office • Counselling centre/rooms • Facilities for people with a disability • Catering/cafe • Manse • Recording facilities 	<ul style="list-style-type: none"> • Worship services <ul style="list-style-type: none"> ○ English speaking ○ Non-English speaking • Small groups • Kids church/Sunday school • Pre-school • Playgroups • Mainly music • Youth group <ul style="list-style-type: none"> ○ On church premises ○ Off-premises events <ul style="list-style-type: none"> - Concerts - Adventure - Excursions generally ○ Clubs • Senior citizen's activities • Men's sheds • Care activities <ul style="list-style-type: none"> ○ Community dinners ○ Counselling ○ Food hampers ○ Tuition • Courses • Café/meals • Sporting teams • Transport <ul style="list-style-type: none"> ○ Church (owned) bus ○ Hired vehicles ○ Private vehicles • Hiring facilities
Events	
<ul style="list-style-type: none"> • Working bee • Fair/fun day • Christmas carols • Fund raising event • Street parades • Car boot sales/markets • Craft/food stalls • Camps <ul style="list-style-type: none"> ○ Family ○ Youth ○ Children ○ Men ○ Ladies • Mission trips <ul style="list-style-type: none"> ○ In Australia • Overseas 	

2. Assess and evaluate risks

Once risks have been identified, the assessment of their impact is best considered by looking at the potential likelihood and consequences of events occurring. For the assessment to be meaningful, some thought must be given to selecting the appropriate consequence and likelihood factors for each church and/or activity. Further guidance on these factors follows.

Likelihood of risk

Likelihood factors attempt to measure the frequency with which events might be expected to occur, taking into account the effectiveness of existing control measures.

It is important that relevant likelihood factors are adopted for both whole of church and individual activity risk analyses. They should be agreed upon and understood by the church community to be the appropriate measures for the church and/or activity being assessed and consistently applied to similar activity types.

The likelihood or expected frequency of occurrence should be expressed in terms that enable effective distinction between frequently occurring and seldom occurring events.

The following table contains examples of likelihood values used within different churches or activity types.

Likelihood factors and values			
Level	Factor	Description	Occurrence
A	Common	Can be expected to occur with some frequency; a repeating event; not a surprise when it happens.	Expected to occur more than once per year or more frequently
B	Possible	Known to happen or has happened; might occur a handful of times in your experience	May occur once every 2 to 3 years
C	Unlikely	Could happen; heard of it happening; occurs somewhere from time to time	Once every 5 to 10 years
D	Rare	Highly unexpected; not likely; have heard of happening somewhere once; a small chance of occurring and only in unusual circumstances	Once every 10 to 20 years
E	Very rare	Theoretically possible but incredibly unlikely	Unlikely to occur

Consequence of risk

Consequence factors consider the impact of events should they occur. In considering impact, the effectiveness of existing control measures should be taken into account. The following table contains examples of consequence factors and values used within different churches or activity types.

Other values that might be considered could include financial loss, activity interruption, legal and compliance impacts, and environmental impacts.

Some churches use a single value type for consequence, while others consider multiple values. Values may vary according to the types of activity being assessed. For example, when looking at church strategic issues, multiple measures are more likely to be relevant, such as financial and reputational impacts, while a youth group activity may only be concerned with physical injury.

What is important is that the factor(s) used are agreed upon and understood by the church community to be the appropriate measures for the church and activity being assessed and that they are consistently applied to similar activity types.

The following table contains examples of consequence values used within different churches or activity types.

Consequence factors and values				
	Factor	Physical injury	Reputation	Financial impact
1	Negligible	No injuries or no treatment is necessary	Risks that bring no real negative consequences or pose no significant threat to the entity, church or project. No media coverage	Low financial loss under \$1,000
2	Minor	Short-term injuries that can be treated with first aid	Risks that could potentially bring negative consequences involving one-off digital media, TV or newspaper coverage	Small financial loss under \$5,000
3	Moderate	Medical treatment required; short-term injury required; external medical assistance	Risks with substantial negative consequences with one-off state media or sustained local media coverage	Moderate financial loss between \$5,000 and \$10,000
4	Major	Extensive injuries or rehabilitation required, e.g. broken bones, hospital stay or repeated visits to a medical clinic	Risks with substantial negative consequences with major state media coverage	Major financial loss between \$10,000 and \$50,000
5	Severe	Death or life-changing injury	Consequences that could cause the entire project to fail or severely impact the daily operations of the organisation. Sustained negative national media coverage. These are the highest-priority risks to address	Severe financial loss over \$50,000

3. Risk evaluation

Once likelihood and consequence values have been determined for a particular activity, the risk rating can be determined as the intersection of the two values using a matrix similar to the one below. The intersection shows the 'seriousness' of each event and points to where action should be prioritised to either reduce the consequence or the likelihood or both. For example, events determined to have a risk rating of 'extreme' will require immediate action, while those determined to be 'low' may simply be monitored. The example shows four levels of rating: extreme, high, medium and low. A church might adopt different ratings that better suit their circumstances.

Note: If it is not possible to sufficiently control risks, a decision may be made to not proceed with a particular activity.

Risk matrix

Likelihood	Consequences				
	Negligible 1	Minor 2	Moderate 3	Major 4	Severe 5
A (common)	M	H	H	E	E
B (possible)	M	M	H	H	E
C (unlikely)	L	M	H	H	H
D (rare)	L	L	M	M	H
E (very rare)	L	L	M	M	H

Each church will need to determine the actions required for the different risk ratings, including communication and escalation requirements, frequency of reporting and priority of risk treatment activities. An example is set out below:

	Management	Escalation and communication
L = Low risk	Act within three months to manage the risk by implementing routine. <u>Retain</u> the risk but take reasonable steps to ensure safety. Continue the activity, maintaining routine procedures and awareness of safety.	Local management team or workgroup monitoring; lower priority risk treatment activities
M = Medium risk	Act within one to two weeks to control (change/reduce) the risk by changing the level of supervision, location, timing, activity, the way it is run, or the equipment used to reduce the risk to an acceptable level as soon as possible. Reduce /minimise the risk by using skills and knowledge of appropriate safe practices (e.g. administrative controls, education).	The church management team is advised; active risk treatment and control plans are in place; if there is an escalation in the level of risk, advise the church management team immediately.
H = High risk	Act immediately to control (avoid/transfer/share) the risk. Transfer the risk by using an external provider with appropriate qualifications, training, experience, licenses and screening. Ensure third-party providers show evidence of these aspects. Share risk by ensuring adequate insurance is in place.	Immediate escalation to church leadership (Board); active control activities in place; regular frequent (fortnightly) monitoring and reporting to the church leadership. At this level, the church council should always give approval before proceeding.
E = Extreme risk	Act immediately to eliminate or isolate unacceptable risks that cannot be managed effectively in other ways.	Immediate escalation to church leadership (council/board) for its review and instructions

4. Control risks

Once risks or hazards have been identified and rated, it is vital to develop and institute appropriate risk treatment or control strategies.

Your church or parish risk treatment strategies will involve two main components:

1. Preventative components or actions such as locking doors and windows, installing a security system, cutting off unsafe tree branches, cleaning gutters and drains, testing and tagging electrical cords, putting handrails and non-slip strips on stairs, and using proper food hygiene.
2. Reactive components such as an Emergency Response Plan, incident reporting and insurance, which come into play after an event occurs.

The quality and effectiveness of the risk treatment measures you put into place need to be addressed under the two basic categories of **compliance** and **care**. Below are some important questions for churches to consider regarding their risk mitigation and control strategies.

Compliance:

'Let every person be subject to the governing authorities, for there is no authority except from God, and those authorities that exist have been instituted by God' (Romans 13:1).

- Are the risks or hazards being controlled in accordance with federal and state government legislation, regulations and guidelines?
- Are they being controlled in accordance with LCA NZ church policies and procedures?
- Are we compliant or not?

Care:

'Dear children, let us not love with words or speech but with actions and in truth' (1 John 3:18).

- Are we fulfilling our duty of care for people, activities and church assets?
- What is good current practice of duty of care?
- What are other organisations (such as other not-for-profits) like our church doing?
- What duty of care would be reasonably expected of a church in this situation?

Risk treatments will depend on the underlying causes of an event and any factors that might influence the proposed risk treatment options. In determining the mix of actions/controls necessary to treat risks, the following options should be considered.

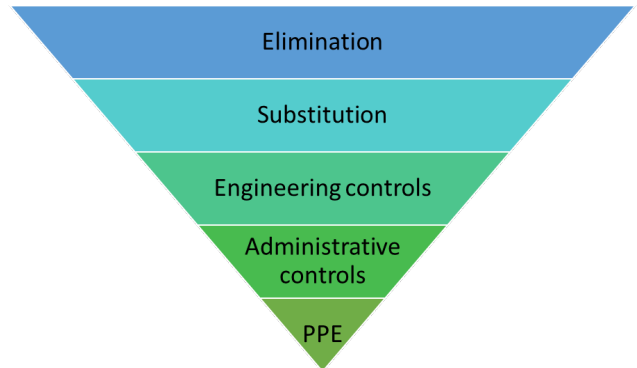
Risk treatment options

Treatment option	Option description
Eliminate	Remove the risk/hazard. Change the activity or stop using it.
Share/transfer	You can transfer decision-making or risk to a more experienced person or body by using professional services or contractors. This could include risk relating to maintenance tasks like gutter cleaning, painters and builders. It could also include caterers or traffic management for an event. It is important they have their own insurance to ensure the 'transfer' of risk and liability away from your organisation. You can also seek advice from your district, the LCA or LCA Insurance. Insurance is a great way to share the risk. Contact LCA Insurance for more information.
Change	Change the activity, process or objective so as to avoid the risk.

Reduce	Undertake appropriate actions aimed at reducing the possibility of the risk occurring and the consequence (impact) if it occurred. Continue to watch and monitor risk.
Retain	The risk is sufficiently low to continue on, but watch and monitor risk.

Hierarchy of control

Once it has been decided that a risk is to be treated (any of the first four steps above), the following hierarchy of control table can be used to help determine the mix of control measures that might be utilised in a treatment plan.



Eliminate or control	General description
Eliminate the risk	Remove the risk/hazard. Change the activity or stop using it.
Substitute the risk	Replace the activity, material or equipment with one with less risk.
Use engineering controls	Change the physical characteristics of the environment (with additions or subtractions) to remove or reduce the risk. For example, you can isolate the hazard from those at risk; you can do this through distance and protective barriers.
Use administrative controls	Establish procedures and safe practices that assist in preventing and controlling risks. Provide education and training.
Use personal protective equipment	Use appropriately designed and properly fitted equipment and clothing.

Practical ways to control risk

Below are some practical ways to control risks for your congregation/parish. They are mostly good common sense, and you may have many of them in place already.

Take a step-by-step approach and determine your priorities, and remember the key is to reduce risk to protect our people and property and ensure you are complying with any regulations/law requirements and LCA policies.

- **Implement your Child Safety Plan** to help you comply with the LCA Child Safety Standards. Your Child Safety Plan must be enacted and regularly reviewed. The Self-Assessment process every two years is designed to help you do this. Visit www.lca.org.au/css
- **Undertake physical inspections** by regularly walking through the facilities and property, looking for those things that may pose a hazard, and then remove or make alterations to reduce any hazards. An Equipment and Premises Checklist will help you to be systematic in this. Visit our iLearn platform and see the Workplace Health and Safety stream (<https://ilearn.alc.edu.au/course/view.php?id=281>) and the Safety Management Online platform (SMO) CSE3-CE Equipment and Premises Audit and CSE3-CB Checklist For Building and Equipment.
- **Schedule regular equipment maintenance and repair**, including cord testing and tagging, smoke alarms, fire extinguishers and first aid kits. Visit our iLearn platform and see the Workplace Health

and Safety module (<https://ilearn.alc.edu.au/course/view.php?id=281>).

- **Develop and test an Emergency Response Plan.** See the LCA Emergency Response Procedure at www.lca.org.au/policies
- **Implement screening** for staff, leaders and volunteers. Appropriate working with children and police checks are considered a minimum requirement.
- **Provide appropriate training** for your pastor, staff, leaders and volunteers, such as other modules in this Learning Hub and Safe Church Level 1 and Level 2 training.
- **Incorporate checklists** before church and parish activities and events (including a vehicle inspection prior to trips) to help detect potential problems. Go through the process of obtaining 'permission to proceed' from your Safe Church Coordinator. See the CSE3-SS Safety Information & Risk Assessment form from SMO.
- **Provide ongoing support** for your pastor, church staff, leaders and volunteers, including regular supervision, mentoring, team ministry and good communication channels, can reduce burnout and psychological harm. (Visit our iLearn platform and see the Health and Wellbeing stream (<https://ilearn.alc.edu.au/course/view.php?id=271>), the Church Worker Support Department's 'Guidelines For Supporting Church Workers' resource available on the LCA portal and 'Health and Wellbeing' on the LCA website www.lca.org.au/church-worker-support/health_wellbeing/).
- **Ensure proper supervision** of programs, events and activities, including the unofficial ones like children using a playground during coffee after church.
- **Implement finance policy and procedures** for those handling offerings and finances, ensuring there are checks and balances. Visit our iLearn platform and see the Finance and Administration Matters stream (<https://ilearn.alc.edu.au/course/view.php?id=276>) for further information. Also read through the LCA policies relating to finance matters at www.lca.org.au/policies. Also be aware of your insurance requirements relating to dual signature and separation of duties. Contact LCA Insurance for more information.
- **Establish security protocols and systems** limiting and protecting access to data, sensitive information or files, church offices, expensive equipment and your building.
- **Employ separation and duplication** to ensure that important information, especially your electronic data, is duplicated and stored off-site. Make regular backups of your financial information, tax documents, database or other vital information.
- **Adhere to food safety** protocols and have training in place if required. Visit our iLearn platform on Food Hygiene and Handling module (<https://ilearn.alc.edu.au/course/view.php?id=281§ion=6>) in Workplace Health and Safety.
- **Follow the LCA's Social Media Policy and Information Communication Technology Policy**, which ensures the effective, safe and responsible use of all forms of social media and information technology. For helpful online planning resources, go to www.lca.org.au/communications/online-communication/
The LCA Social Media Policy and Information Communication Technology policies can be found at www.lca.org.au/policies
- **Adhere to the LCA's Copyright Guidelines.** See the LCA website for these guidelines at www.lca.org.au/communications/copyright
- **Use experts, professionals and outside service providers** for the areas outside your expertise, skills, capabilities or safe practice.

- **Check leases, contracts and hire agreements.** They may not all be written to the advantage of your church/parish. Ensure that indemnification clauses or other language does not transfer liability onto you. LCA Insurance can arrange reviews of any contracts if you are unsure.
- **Maintain insurance** and ensure your policy cover has been updated if your insurance needs change, e.g. building projects, extensions or major upgrades to equipment. Visit LCA Insurance at www.lcainsurance.org.au

Templates

- Church Risk Assessment (Register)
- Activity Risk Assessment tool

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Activity/Event Assessment and Action Plan (insert name of church)

(Insert activity or event name)

(Insert date of activity or event)

Risk ID	Identified safety risk	Likelihood level	Consequence level	Risk level (colour)	Action plan (what we will do to further reduce this risk to an acceptable level)	Who is responsible	When	Emergency strategy (what we'll do if this risk becomes a reality)
1	Slips, trips and falls <ul style="list-style-type: none"> • Trips/falls from obstacles, e.g. guide ropes, electrical cords • Slips/falls on wet or uneven ground <p>Example line for fete/fair event</p>	C	4	H	<ul style="list-style-type: none"> • Inspection to be undertaken prior to the start of the event. • Obstacles to be removed where possible or secured (high visibility hazard tape to be used where necessary). • Particular attention to be paid to guide ropes (high visibility hazard tape to be used where necessary). First aider on site. 	Bob Innes	Event date prior to start time	<ul style="list-style-type: none"> • Call first aider in charge. • Transport to emergency if required. • Fill in an incident report form.