



RISK MANAGEMENT POLICY

1. PURPOSE

The Lutheran Church of Australia and New Zealand ('LCANZ' or 'the church') is committed to maintaining comprehensive and integrated risk management that is embedded into every business activity, decision, function and process to create a culture that is risk aware rather than risk averse.

A strong risk management culture is key to enabling the church, agencies and Lutheran-related entities to achieve its missional, strategic and operational objectives.

The purpose of this Risk Management Policy is to set out the expectations for risk management across the church, agencies and Lutheran-related entities. It is also to clearly articulate the responsibilities of the personnel of the church and Lutheran-related entities concerning managing risk.

The effective application of this policy will provide for:

1. increased awareness of risk
2. clear responsibilities for managing risk
3. consideration of risk in decision making
4. continuous development of risk maturity
5. communication of commitment to risk management.

2. Policy Statement

1. The church will increase awareness of risk.

- 1.1 There will be integration of risk management into all organisational processes, including strategic planning, operational functions, governance functions and projects.
- 1.2 Procedures will ensure that the church, agencies and Lutheran-related entities are taking a proactive and balanced approach to assessing and managing risk.
- 1.3 Communication on relevant risks and the mitigation strategies being implemented to key stakeholders.
- 1.4 Regularly and comprehensively identifies and assesses risks (including the risk of missed opportunities).
- 1.5 List strategies for the management of identified risks
- 1.6 Reports compliance against the risk management framework to ensure effective monitoring and control of risk.

2. The church will provide clear responsibilities for managing risk.

- 2.1 There will be clear ownership and accountability for risk management.
- 2.2 Allocation of persons responsible for the implementation of risk management strategies.
- 2.3 Develop a delegation framework for the delegation of authority and responsibilities.

3. The church will consider risk in all decision-making.

3.1 Risk informed decision-making by management which contributes to the achievement of strategic, operational and missional objectives.

4. The church will seek to continually develop its risk maturity.

4.1 Continuous review and improvement to the Risk Management Framework, ensuring:

- the framework is relevant, fit for purpose and responsive to change with a strong alignment with the LCANZ strategy and objectives
- provides the right opportunities and tools to effectively manage risks
- currency with the relevant standards.

5. The church will communicate its commitment to risk management.

5.1 Ensure communication, induction and training procedures create awareness and promote understanding of this policy and any related procedures.

3. Application

This policy applies to:

- agencies
- church
- church workers
- employees
- governance bodies
- lay workers
- Lutheran-related entities
- pastors
- volunteers.

4. Responsibilities

Communication and Compliance

1. General Church Board (GCB) is responsible for the communication of this policy to Churchwide agencies, and to districts and congregations. GCB is responsible for policy compliance of Churchwide agencies and Lutheran-related entities.
2. District Church Councils/Boards (DCC/DCB) are responsible for the communication of this policy to their respective District agencies. DCC/DCB are responsible for policy compliance of their respective agencies and Lutheran-related entities.
3. Congregation/parish councils are responsible for compliance with this policy within their congregation/parish and their agencies, Lutheran-related entities, and activities.
4. Pastors, employees, contractors, office-bearers and volunteers are personally responsible for complying with their agency's procedural applications of this policy.

Implementation

Governance bodies of agencies, Lutheran-related entities, parishes and congregations are responsible for:

- developing and implementing related policies and procedures that meet their particular requirements and contexts
- ensuring that such policies and procedures are consistent with this policy

- communication, induction and training procedures that create awareness of and promote understanding of this policy and its procedures.

5. Definitions

- **'agencies'**: a board, commission, committee, council, department or tribunal of the church; a board, committee, council or department of a district of the church; and a member congregation or parish of the church
- **'church'**: the Lutheran Church of Australia, including its Districts as defined in the LCA Constitution
- **'church worker'** – includes pastor and lay worker serving in any agency or entity of the church
- **'employee'**: a non-ordained (lay) person serving in a paid capacity in any entity of the church, including a lay worker listed on the Roll of Lay Workers.
- **'governance body'**: the elected or appointed committee, board, council or other group that governs the LCA agency or Lutheran-related entity on behalf of its members or shareholders to ensure accountability, transparency, responsiveness, legal compliance, stability, equity and inclusiveness, empowerment and participation
- **'lay worker'**: a non-ordained (lay) person employed to serve a church agency (e.g., a congregation, parish, district or churchwide office) or in a Lutheran-related entity in a defined ministry role (including but not limited to for example a chaplain in an aged care facility) and who is named on the Roll of Lay Workers of the LCA.
- **'Lutheran-related entities'**: includes schools that are members of the Lutheran Education system, aged-care or community-services organisations, youth camps, outdoor education centres, bookshops and op-shops operating under the auspices of a Lutheran organisation
- **'pastor'**: a person ordained into the holy ministry of the church, according to the rites and practice of the Evangelical Lutheran Church who has been received into the ministry of the church, according to Article 5.1 (of the By-laws) LCA and who is named on the Roll of Pastors
- **'volunteer'**: any person serving in an unpaid capacity in an entity of the church, including in ministry, worship, leadership and governance roles

6. Reference Documents/Legislation

1. AS ISO 31000:2018 Australian Standard – Risk Management Guidelines

7. Relevant LCA Policies and Procedures

1. All policies of the LCA

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