CatholicCare
DIOCESE OF BROKEN BAY

Agency Risk Management

Policy

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Introduction

The goal of this Risk Management Policy is to guide CatholicCare's culture to a position that:

- Considers risk,
- Embeds good risk management practice, and
- Creates a shared understanding of risk that informs decision-making and achievement of CatholicCare objectives and mission.

CatholicCare's risk management practices aim to ensure:

- A consistent and coordinated approach to risk across all CatholicCare activities through the effective and consistent application of the Risk Management Framework.
- Decision-making is risk informed through risk management.
- Decision-makers consider opportunities arising from risk management processes.
- CatholicCare's approach to risk management increases to a level that it is part of individual and organisational "DNA" and culture, and that risk is consciously reflected in discussions and questions concerning all CatholicCare activities, objectives, and mission.
- CatholicCare values are protected, and value is created.

Effective risk management:

- Creates and protects value,
- Is an integral part of all agency processes,
- Is an integral part of decision-making,
- Is systematic, structured, and timely,
- Is based on the best available information and is tailored to the context,
- Takes human and cultural factors into account,
- Is transparent and inclusive, and
- Is dynamic and responsive to change and facilitates continuous improvement.

Purpose

Our Risk Management Policy documents and communicates our approach to risk management. This Policy is a key element of the Risk Management Framework and should be read in conjunction with the Framework, Risk Appetite Statement, and the Risk Management Practice Guidelines.

Scope

This policy applies to all staff, contractors, foster carers, volunteers, Advisory Council and Committee members, and students on placement undertaking all CatholicCare activities.

Policy statement

Risk management is a fundamental part of CatholicCare's governance, management and day-to-day operations. It is vital to how CatholicCare sets its strategies and objectives and how we operate and monitor our performance. Our Risk Management Framework is based on the International Standard on Risk Management **(ISO 31000)** and incorporates several elements that contribute to CatholicCare's risk management process.

By actively identifying and managing risks we aim to increase our effectiveness as an organisation. In addition to this Risk Management Policy, the key elements of the Risk Management Framework that will be delivered through its implementation are as follows:

a. Risk management process
b. Communication and training
c. Risk assessment process
d. Risk treatment options and plans
e. Baseline risk profile
f. Transition from static to dynamic risk profile
g. Risk Appetite Statement
h. Reporting requirements and agreed reports
i. Monitor and assess the Risk Management Framework

CatholicCare will:

- Facilitate and review risk management activities in all key areas across the agency.
- Promote and influence a risk culture which aligns to our Risk Appetite Statement.
- Undertake risk activities in accordance with standards and best practice.
- Implement risk identification and management tools in all aspects of the agency.
- Monitor and report on risk management performance across the agency.
- Ensure that effectiveness of risk management is a consideration in the CatholicCare performance management systems.
- Ensure staff and other stakeholders have access to appropriate information, training and other development to support and maintain a positive culture of risk management where all staff understand and take responsibility for identifying and managing risks.

CatholicCare's Risk Management approach is informed by and aligned to the broader Diocesan Risk Management Framework.

Given the broad scope of CatholicCare's operations, risks may be identified across many domains including strategic, operational, people, financial, legal & compliance, and reputation & catholic identity.

Risk Categories	Risk Category Definitions
Strategic	Strategic risk is the potential loss arising from internal or external events that may make it difficult or impossible for CatholicCare to achieve its objectives. These risks can have severe consequences that profoundly impact CatholicCare in the short and long term. An example would be if we were to lose government funding from one of our service areas.
Operational	Operational risk is the risk of loss resulting from inadequate or failed internal processes, management systems or from external events.
People	People risk includes risks to staff or volunteers. It also includes risks the staff might pose to CatholicCare as well as other risks such as risk associated with industrial relations compliance and the profile of the workforce itself.
Financial	Financial risk is the risk to the financial viability and sustainability of CatholicCare in the course of operations. It also includes risks to funding, liquidity, cash management, financial reporting and financial planning.
Legal & Compliance	Legal regulatory and policy compliance obligations including registration and standards that must be observed.
Reputation & Catholic Identity	Reputational risk to CatholicCare's good name or standing, or risk to the mission, vision and values that arise from our Catholic identity.

The principles of risk management shall be applied to all areas of risk exposure. At CatholicCare this will include (but not be limited to) the following areas:

- Strategic Planning
- Work Health and Safety
- Safeguarding
- Fraud and Corruption
- Unauthorised / ineffective use of resources
- Reputation, brand and image
- Fire & Security Precautions
- Property loss and damage
- IT Security
- Crisis contingency planning and disaster recovery
- Legal liability
- Professional negligence
- Failure or disruption of a major income source
- Management systems - efficiency and effectiveness
- Pandemic – personal, social and financial impacts (e.g., recent Covid-19 experience).
- Workforce planning

Guiding principles

Definition of Risk

According to ISO 31000, risk is defined as the effect of uncertainty on objectives. The effect of uncertainty represents either a positive or negative deviation from what is expected or the intended objective – for example, strategic objective, operational objective, project objective or process objective.

In this context, CatholicCare considers risk as both an opportunity to create organisational value and something to be managed to preserve organisational value.

Accountable Authorities

The Executive Director is accountable for establishing and managing the Risk Management Policy and Practice Guidelines and implementing the Risk Management Framework and Risk Appetite Statement.

The Executive Manager Quality, Safeguarding Risk and Compliance is responsible for ensuring the review of the Risk Management Policy, and to support the Executive Director to drive its implementation and monitoring.

The Senior Leadership Team are responsible for leading the implementation of risk management practices across their operational areas.

All staff are to support the Executive Director to ensure well founded and effective risk management.

Governance and Commitment

Our commitment to risk management is oversighted and supported by our governing structure which includes:

a. Internal reporting by CatholicCare Services of risk, through a robust reporting system.

b. Finance, Audit and Risk Subcommittee (which is a subcommittee of the Advisory Council) reviewing the internal risk management reports.

c. The Advisory Council, reviewing and assessing the adequacy and effectiveness of the risk management framework, and seeking assurance at the Agency level on the identification and monitoring of risks that could impact on the objectives of CatholicCare.

d. **Reporting to the Diocesan Governance & Risk Executive (DGRE) on risk management and the actioning of the Diocesan risk implementation plan**

e. **Reporting to the Diocesan Finance Council.**

Three Lines Model – managing risk and coordinated assurance

The **'Three Lines Model'** (Model) attempts to provide structure around risk management and internal controls within an organisation by defining roles and responsibilities in different areas and the relationship between those different areas. The Model provides assurance on the management of risk and the implementation and effectiveness of a Risk Management Framework.

The *Risk Management Framework* integrates the **'Three Lines Model'** to distribute risk management responsibility for operational risk management across three functions.

1. **First Line Roles**: Individuals in the first line own and manage risk directly. They are also responsible for implementing corrective actions to address process and control deficiencies.
2. **Second Line Roles:** The second line consists of management establishing various risk management and compliance functions and treatment.
3. **Third Line Roles:** is the independent assurance function that tests controls established. The internal audit function provides comfort that the end-to-end risk management framework has been complied with and is operating effectively.

While risk management directly aligns to the activities and responsibilities of the first and second lines, the activities, and responsibilities of the third line (which is the independent and objective testing of controls) are essential to providing that assurance.

CatholicCare receives assurance on the adequacy and effectiveness of all elements of its Risk Management Framework through the engagement, participation and collaboration of the parties identified in the Model.

Integration with other systems and processes

CatholicCare will integrate risk management with its strategic direction, business planning, project management, quality management system, complaints and feedback processes, incident management, safeguarding practices, audit and assurance, financial management, work, health and safety practices, human resources practice, crisis management and business continuity management.

Consult and Communicate

Establish the Context	**Risk Assessment**			**Risk Treatment**
	Risk Identification	**Risk Analysis**	**Risk Evaluation**	
Key Business Objectives External Context Internal Context	Identify the risks Identify the causes of the risks	Analyse the likelihood and consequence Review controls and their effectiveness Determine the level of risk	Evaluate the level of risk Consider whether risks need further treatment with reference to the Risk Appetite Statement Prioritise risks that need further treatment	Identify risk treatment options Select most appropriate option Develop and implement risk treatment plans

Monitor and Review

Communication and Consultation

Communication and consultation with internal and external stakeholders, including activity owners and subject matter experts, is to occur throughout the risk management process seeking out those best placed to understand the uncertainty identified in our operations and activities. Consultation from various subject matter experts on risk matters aids a more accurate and balanced assessment of risk than one person's assessment. Communication and consultation is particularly relevant when escalation of risk is needed.

- Ask for help from those with expertise when considering risks.
- Ensure different views are considered when identifying and evaluating risks.
- Ensure sufficient information is available to ensure risk oversight and decision making.
- Where relevant build a sense of inclusiveness in the process.
- Where possible, consult with those who are likely to be directly impacted by risks.

Scope, Context & Criteria

Risk management is the responsibility of all CatholicCare staff and is to be an essential element of all operating processes. The Senior Leadership Team oversee risk management in their relevant areas and ensure risk management is applied in support of strategic planning, change management and strategic actions at an agency and service level.

Risk owners should apply proportionality when making risk assessments and measurements, implementing controls and treatments, ensuring the approach does not outweigh the underlying risk.

When assessing risk, consideration should be given to both the internal and external context in which CatholicCare operates giving particular emphasis as to how the risk affects clients, staff and volunteers.

Risk must be evaluated using the risk appetite approach set out in the Risk Appetite Statement. The Risk Appetite Statement provides guidance around how much time, energy and money must be invested to bring a targeted risk level to an acceptable range. The risk appetite approach acknowledges that there is an opportunity cost associated with mitigating risk. Time, money, and effort spent eliminating or reducing the impact of any particular risk is time, money and energy that cannot be spent on mitigating another risk or pursuing some other activity aimed at furthering CatholicCare's mission.

Risk Assessment

a. Risk Identification

The process of identification of risks or uncertainties that may affect whether we achieve priorities, objectives, or mission.

A range of processes and techniques can be used to identify uncertainties that may affect our objectives. Some common techniques include:

- Brainstorming
- SWOT & PESTEL analysis
- Root cause analysis
- Stakeholder interviews
- Incident records
- Inference
- Comparing the process to similar organisations

It is important to identify the risk even if the risk is under control or information about the uncertainty is not entirely clear, like **emerging risks**.

When a material risk is identified it is to be recorded in the **Key Business Risk Register and associated Risk Management Action Plan** (refer to *Appendix 1 - Risk Management Action Plan*), the following three elements must be present in the risk statement:

1. **The Event**: The point at which control is lost, but the impact has not yet happened.
2. **Cause**: The factor that can lead to the risk event taking place
3. **Consequence/Impact**: The outcome of the event should it occur.

b. Risk Analysis

Once the risk has been identified, it must be assessed and analysed to understand the level of risk and its nature. Risk analysis can involve detailed consideration of the uncertainties, risk sources, consequences, likelihood, events, scenarios, and controls.

Using the risk criteria included in *Appendix 2 – Risk Analysis – Assessed Risk Level*, the risk is to be rated when identified and re-rated at appropriate intervals.

Using the Risk Matrix in *Appendix 2* the risk level will be assessed for the **inherent and residual risk** using the formula:

Assessed Risk = Likelihood X Consequence

The *Assessed Risk Level* will be **Extreme, High, Medium, or Low**.

The risk matrix used by CatholicCare is aligned with that used by the other agencies of the Diocese and ensures a uniform approach across Catholic Schools, the Chancery and CatholicCare, as approved by the Diocesan Governance and Risk Executive.

c. Risk Evaluation

The evaluation component of the process supports decision-making, it is about assessing if the assessed risk is within tolerance. The evaluation also provides guidelines for mitigating the risk through treatments and the prioritisation of those treatments.

The risk evaluation should:

- Compare the level of risk against the level of acceptable risk.
- Determine the risk category, assess whether the level of risk is **within** the risk appetite/tolerance for the category. This will require judgment to be applied and the use of KPI's as indicators of change in risk against category tolerance.
- Determine if the level of risk is so low that treatment should not be considered.
- Assess opportunities arising and whether those opportunities outweigh the risks.
- Consider the cost of treating the risk and the benefit.
- Identify available treatments.

The risk owner should evaluate the risk as acceptable or unacceptable.

From this evaluation, further risk treatment is to be determined:

Residual Risk	Treatment
Assessed Risk Level Extreme	Unacceptable – further treatment required
Assessed Risk Level High	Acceptable – continue to monitor the risk; consider further treatments based on cost /benefit
Assessed Risk Level Medium	Acceptable – but benefits of treatments and controls need to be reconsidered, with a view to minimising excessive treatment
Assessed Risk Level Low	Acceptable

d. Key Risk Indicators

A Key Risk Indicator (KRI) is a metric for giving insight into the likelihood that an event and its consequences may cause harm. The KRI should be treated as a predictive tool *that changes to risk* are occurring and that management may need to take action to address the rising uncertainty. The most effective KRIs should be selected and recorded in the Risk Management Action Plan and risk register when identified. It is expected that all strategic objectives will have KRIs from the respective planning process.

Benefits of KRIs include:

- Advance notice of risks that are changing and may need attention,
- Insight into possible weaknesses in monitoring and controls,
- Ongoing risk monitoring between risk assessments, and
- Is an objective measure for assessing risk appetite levels.

The Senior Leaders are responsible for to identifying appropriate KRIs and monitoring them.

e. Risk Profile

The result of a risk assessment process will determine our baseline risk profile. The baseline risk profile provides a starting point for establishing the risk levels and control effectiveness and assists with determining where further risk management is needed. The risk profile is taken at a 'point in time' and therefore it is important to conduct 'current state' risk assessments. These will indicate whether there are changes to the likelihood and consequence ratings which, in turn, provides an indication of changes to the risk profile. The risk profile also can be reported on by the risk categories (i.e. strategic, operational and financial) to demonstrate the level of risk CatholicCare is incurring in each category.

A static risk register provides a view of the risk profile at a point in time, while a dynamic risk register provides a more real-time view of the risk profile. The transition from a static risk profile to a dynamic risk profile is possible with proactive monitoring and analysis of the risk profile.

Treat the Risk

Risk treatments should reduce risk to an acceptable **residual risk** level by improving or changing existing controls or changing the activity.

Options for treating the risks include:

Approach	Description
Risk Avoidance	Simply avoid taking on the risk. (e.g., limit on the amount of data stored on systems in case of malicious threat).
Risk Transfer/Share	The cost of the risk consequence is sold to a third party. (e.g., insurance policies, some building contracts, etc). Sharing risk, the risk when some activities are outsourced (e.g., certain IT services, some property development, will be determined by the contract negotiated)
Risk Acceptance	Maintain the risk because: • The activity's importance is such that the risk is acceptable, and • Avoiding or sharing the risk is cost prohibitive, or • Confident that our internal controls manage the risk.
Risk Reduction	Maintain the risk, but take steps to reduce the likelihood or consequence: • Implement internal controls manage the assessed risk level down. • Modify some aspect of the risk activity to reduce the assessed risk level.

When selecting the risk treatment, the Risk Owner needs to be proportional in approach and consider such things as the cost and effort of implementing treatments/controls against the assessed risk level.

Monitoring and Review

The risk owners are to monitor KRIs, control performance, and treatment plan actions for each category of risk. It is the responsibility the 2nd line roles to have **oversight** of the monitoring of risks and escalation of concerns as they arise.

Existing risks are to be reviewed when:

- An incident occurs or there is evidence that the risk assessment is no longer valid.
- There are significant changes to workplace activities or the external operating environment.
- KRI tolerance level has been reached.

The Senior Leader is to regularly report KRIs using the Operational Risk Register, and also through contributing to the review of the Key Business Risk Register at Senior Leadership Team meetings. This process will be supported by the Executive Manager Quality Safeguarding Risk & Compliance, who will ensure quarterly risk updates are provided to the Executive Director, for inclusion in quarterly reporting to the Finance Audit & Risk sub-committee.

The reporting is to be retained for auditing.

The Senior Leaders are to further ensure, from quarterly monitoring and review, the effectiveness of controls in place is considered using the criteria in the following table:

Control Effectiveness Criteria	
Effective	Controls are adequate, useful, and effective. The measures of effectiveness give reasonable assurance that risks will track to risk appetite levels or better.
Well based	A few specific control weaknesses are noted. However, many controls are adequate, useful, and effective to contribute to a solid basis for assurance that risks will track to risk appetite levels.
Improvement desired	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to contribute to reasonable assurance, in particular that risks will track to risk appetite levels or lower.
Ineffective	Controls are not adequate, useful, or effective. They do not contribute to reasonable assurance that risks are being managed and objectives should be met.

Related documents

Agency policies

- *Risk Management Framework*
- *Risk Management Practice Guidelines*
- *Risk Appetite Statement*
- *Quality Management Systems Framework*

External resources

- International Standard on Risk Management (ISO 31000).

Appendix 1 - Risk Management Action Plan Template

Risk #		Risk Owner	
Risk Category		**Risk Sub-category**	
Impact			
Cause(s)			
Indicator(s)		Risk rating prior to controls	
Current Controls **(Preventative)**		**Controls** **(Detective)**	

Residual Likelihood		**Residual Consequence**		**Residual Risk Rating**	

Risk treatment plan - new proposed actions	Resourcing	Target date
Risk appetite:	Target risk rating:	Within risk tolerance:

The *Risk Management Practice Guidelines* provides further details on completing this template.

Appendix 2 – Risk Analysis: Risk Matrix

The likelihood and consequence ratings provide the overall risk rating.

RISK MATRIX							
Likelihood	Based on historical or future occurrence		CONSEQUENCE				
			INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
			Negligible or small impact that could be easily fixed	Noticeable impact that can be fixed	Medium impact that could be fixed with some effort	Serious impact that would be difficult to fix	Disastrous impact that would be almost impossible to fix
	Is expected to occur in most circumstances (Daily to Monthly)	**Almost Certain**	**L**	**M**	**H**	**E**	**E**
	Will probably occur, i.e., more likely to occur than not (Monthly to Annually)	**Likely**	**L**	**M**	**H**	**H**	**E**
	Might occur at some time in the future (Annually)	**Possible**	**L**	**M**	**M**	**H**	**H**
	Could occur but doubtful i.e., only a remote chance (Once in 5 years)	**Unlikely**	**L**	**L**	**M**	**M**	**H**
	May occur but only in exceptional circumstances (Once in 10 years)	**Rare**	**L**	**L**	**L**	**M**	**M**

Control Effectiveness Criteria – Indicates the level of maturity of controls to either mitigate *consequence* or *likelihood* of risk

Effective	Controls are adequate, useful, and effective. The measures of effectiveness give *reasonable* assurance that risks will track to risk appetite levels or better.
Well based	A few specific control weaknesses are noted. However, many controls are adequate, useful, and effective to contribute to a solid basis for assurance that risks will track to risk appetite levels.
Improvement desired	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to contribute to reasonable assurance, in particular that risks will track to risk appetite levels or lower.
Ineffective	Controls are not adequate, useful, or effective. They do not contribute to reasonable assurance that risks are being managed and objectives should be met.

Risk Analysis: Assessed Risk Level

Risk Criteria, Categories and Tools – Risk Matrix

Consequence Criteria

The consequence table defines the potential impact of a risk event. The rating is determined by the highest rated impact, irrespective of impact type. When assessing consequences, it may also be necessary to consider the frequency and velocity of occurrence to assess severity.

CONSEQUENCE CRITERIA						
	Impact type	**INSIGNIFICANT**	**MINOR**	**MODERATE**	**MAJOR**	**CATASTROPHIC**
Operational Risk	Facilities & Operations	Some impact on normal operations or reduced organisational efficiency within units	Some impact on normal operations or significantly reduced organisational efficiency across several units. Some non-mission critical activities suspended/cease. Minor misunderstandings on service level expectations	Significant disruption to operations across specific units. All non-mission critical activities suspended/cease. Moderate privacy data breach. Moderate Project / operations cost/ time over-runs. Moderate disruption to expected service levels.	**Inability to continue operations** between 1-3 months. Some mission-critical activities cease. Facility or significant part is an **unsafe 'work' environment.** Large-scale **privacy breach.** **Key projects** significantly negatively impacted. Significant IT workarounds need to be put in place. Major disruption to expected critical service levels.	**Inability to continue operations.** Mission-critical activities cease.

CONSEQUENCE CRITERIA

	Impact type	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
	Financial	**Insignificant financial loss** or budget variance within the service/cost centre. It may require monitoring. **Value Guide $<20,000**	**Minor financial loss** or budget variance that can be absorbed within the current budget of the service/cost centre affected, but may require re-prioritising other activities **Value guide $<50,000**	**Moderate financial loss** or budget variance at agency level**.** Requires redistribution of the Agency budgets. May be moderate Fraud or misappropriation event. **Value guide $<100,000**	**Major financial loss or budget variance at agency level.** • No ability to seek external additional funding • Significant redistribution of Agency or diocesan budgets • Key Project cost overrun May be significant Fraud or Misappropriation event. May be Loss of significant contract or business unit fee income stream. **Value Guide <2.5% of annual budgeted agency revenue**	**Catastrophic financial loss or budget variance at agency level.** • No ability to seek external additional funding • Significant redistribution of Agency or diocesan budgets • Key Project cost overrun May be significant Fraud or Misappropriation event. May be Loss of significant contract or business unit fee income stream. **Value Guide >2.5% of annual budgeted agency revenue**
	People	**Injury** - No medical treatment required for person. **Incident** – Client behaviour or disturbance having negligible impact on staff.	**Injury** - First aid treatment but no time lost for staff member or volunteer. **Incident** – Client behaviour or disturbance having some impact on staff, including minor injury. Support or follow-up from Manager or WHS team.	**Injury** - medical treatment with doctor/allied health with minimal time lost 1 to 2 days for staff member or volunteer. **Incident** – Client behaviour resulting in WHS issue with medical or mental health intervention. Emergency services or attendance at hospital.	**Injury** – medical or inpatient hospital care, with time lost greater than 2 days and possible regulatory exposure. **Incident** – Client behaviour resulting in time off work, Potential long lasting significant emotional impact.	**Injury** – death, permanent disability, or longer-term hospitalisation, with regulatory exposure, including fines, service interruption, risk to reputation. **Incident** – Client behaviour involving serious injury or death with serious legal, reputational, financial, psychological and impact on operations.

CONSEQUENCE CRITERIA						
	Impact type	**INSIGNIFICANT**	**MINOR**	**MODERATE**	**MAJOR**	**CATASTROPHIC**
		Safeguarding – No Safeguarding advice/intervention required.	**Safeguarding** – Advice sought and not reportable conduct/incident.	**Safeguarding** - reportable conduct matter identified that requires detailed investigation and has characteristic of substance that may require reporting.	**Safeguarding –** reportable conduct matter identified, may involve more than one person, with some risk of visibility to other staff and media, interrupting service with possible legal, financial impact.	**Safeguarding** incident involving sexual assault or death with serious Legal, Reputational, Financial, Psychological risk and impacts on service.
		Skill & knowledge – loss of small number of operational staff, very minimal local impact on team.	**Skill & knowledge** – loss of operational staff with some staff allocation pressure but minimal risk to KPI's	**Skill & knowledge** – loss of operational staff and/ or key staff, leading to reallocation of staff to meet KPI's.	**Skill & knowledge** – loss of a critical number of key staff leading to operational pressure and increased risk of not meeting KPI's.	**Skill & knowledge** – loss of a critical number of key staff leading to inability to meet KPI's.
		Recruitment – minimal time to attract quality candidates, backed by recruitment plans and succession planning for very minimal disruption to service delivery, KPI's, staff wellbeing or morale or risk to reputation.	**Recruitment -** reasonable time to attract quality candidates, backed by recruitment plans and succession planning for minimal disruption to service delivery, KPI's, staff wellbeing or morale or risk to reputation.	**Recruitment –** increased time to attract quality candidates with some increased pressure on service delivery, meeting KPI's, reputation risk in sector (as employer of choice), staff wellbeing, morale and culture and some reliance on agency staff.	**Recruitment –** unreasonable time to attract quality candidates increasing pressure on service delivery, risk of not meeting KPI's, losing funding/contracts, reputation in sector, staff wellbeing, morale and culture and reliance on agency staff.	**Recruitment –** unable to attract and retain quality candidates, inability to meet KPI's, severely increasing risk of losing contract, reputation in sector, reliance of agency staff and loss of current staff.
		Industrial – minor dispute, resolved with immediate manager with no other staff visibility.	**Industrial** – a dispute, resolved within local management team, with local visibility on 'need to know' basis and no other staff visibility.	**Industrial** – a dispute, resolved within local management team, with some HR guidance, with minimal visibility of other staff.	**Industrial** – a dispute, with some team involvement and broader team visibility, with HR resolution advice, possible union involvement, regulatory implications, and financial resource requirements.	**Industrial** – a dispute, with multiple team involvement, visibility across Agency and via media, with HR resolution advice, union involvement, regulatory implications, and financial resource requirements.

CONSEQUENCE CRITERIA

	Impact type	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
Strategic Risk	Regulatory/ Compliance	Non-conformance resolved at the local level.	Some aspects of contracts, legislation, and regulatory **compliance** have a **minor number of compliance weaknesses** to be addressed. **Civil authority formally** seeks a clarification. **Infringement type notice** issued.	A **Significant breach** of contract, legislation, regulation. **Significant issues exist** that will lead to near-term enforcement action by civil authorities or Church authorities. **Multiple safeguarding or WHS** standards across an operational area are not in place or have a control effectiveness rating of "Improvement desired"	Serious compliance /contractual issues exist that in the near term could lead to loss of provider status. A **Major breach** of contract, legislation, regulation. **Civil authority gives direction** to remediate an issue that is integral to services or safety. **Multiple safeguarding or WHS** standards breaches across multiple areas of operation. Targeted investigations: ACNC, ATO, et.al.	**Loss of provider status** of key educational and social care services functions. **Serious breach** of contract, legislation, regulation **Total loss of confidence** by Government/Catholic Community/Authorities and Funding entities. A **Systemic failure** of **safeguarding** standards or **WHS standards**.
	Strategy	Some delays in progression of unit objectives	CCDBB unit work plans will not be achieved. Unit business objectives delayed. **Multiple minor** strategic initiatives are not tracking to plan.	Specific CCDBB unit **strategic objectives** delayed or will not be achieved.	Some strategic objectives will not be achieved. Reduced ability to deliver strategic outcomes.	Total loss of **community,** or **Government** confidence. Class action. **Service closure.** All strategic objectives will not be achieved.
	Reputation/ Catholic Identity	Resolved in course of day-to-day management.	Matters with some **public interest** e.g. local short term **negative media coverage**, may be spurious. **Unresolved complaints** that need investigation. **Incorrect responses** to external queries.	Persistent media enquiries. Adverse management of **multimedia platform** content. **Sustained complaints** that require escalation to the ED.	Widespread short-term **adverse media.** **High-level investigation** with likely adverse findings. **Embarrassment** to CCDBB & escalation to the Bishop.	**Public enquiry.** **Serious damage** to CCDBB brand and Catholic Church. **Legal action** against CCDBB with a material basis of negligence or criminal action.

Appendix 3 – Key Risk Summary & Status

	RISK	APPETITE	LIKELIHOOD	CONSEQUENCE	RISK RATING	TREND	COMMENTS
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9							

Sign off and review

Version	Authorised by	Approved date	Review cycle	Review due
1.0	Executive Leader Quality, Practice and Risk	18 November 2019	2 years	November 2021
2.0	Executive Team	4 August 2020	2 years	August 2022
3.0	Executive Manager Quality Safeguarding Risk and Compliance	22 June 2021	2 years	June 2023
4.0	Executive Manager Quality Safeguarding Risk and Compliance	12 February 2024	3 years	February 2027

Revision history

Version	Description	Author	Amendment date
1.0	Policy	Policy Specialist	30 October 2019
2.0	Policy	Executive Director	30 October 2019
3.0	Policy	Executive Manager Quality Safeguarding Risk and Compliance/Policy Specialist	3 May 2021
3.1	Policy	Policy Specialist	16 February 2022
3.2	Policy	Policy Specialist	13 February 2023
4.0	Policy	Executive Manager Quality Safeguarding Risk and Compliance/Policy Specialist	12 February 2024