



Anglican Diocese of Adelaide Risk Appetite Statement

Introduction

This Risk Management Appetite Statement considers the significant risks to which the Anglican Diocese of Adelaide is exposed in the pursuit of its goals and provides an outline of the approach to managing these risks. The Statement is aligned with the strategic and operational plans that the agency has in place.

The Synod of the Diocese of Adelaide of the Anglican Church of Australia Incorporated (The Anglican Diocese of Adelaide) is an Incorporated Association under the Associations Incorporation Act 1985 and governed by Diocesan Council, as the Executive Committee of the Synod.

The Anglican Diocese of Adelaide is committed to ensuring that all of its activities are conducted legally, ethically and with integrity. It has developed policies and procedures to help its employees and volunteers meet these high standards of ethics and conduct. In all of its work, the Anglican Diocese of Adelaide seeks to protect its beneficiaries, its staff and the resources entrusted to it.

Risk Appetite Statement

The Anglican Diocese of Adelaide's risk appetite statement reflects its risk management philosophy and sets out a vision on how risks are to be viewed. The Anglican Diocese of Adelaide's risk appetite provides the basis for setting acceptable levels of risk tolerance and thresholds and contributes to the identification and implementation of mitigation actions.

The Diocesan Council has responsibility for the organisation as a whole, the security and safety of its staff, for the setting and implementation of strategic goals and for the managing of risk associated with its activities.

To remain a stable organisation with the capacity to work for the Anglican Diocese of Adelaide's parishioners, communicants, supporters and stakeholders long into the future, these risks must be managed through processes that enhance the Anglican Diocese of Adelaide's brand and reputation, drive innovation, direct program delivery and strengthen advocacy.

Learning from past experience and continually improving processes, depending on results from year to year, the Anglican Diocese of Adelaide may choose to increase or decrease its risk appetite in favour of higher or lower risk activities.

Risk Management Framework

The Anglican Diocese of Adelaide seeks to have a risk management framework in place that will effectively identify and manage risk across the organisation. The framework sets the requirements and responsibilities for staff and emphasises that the management of risk and

risk reporting is everyone's responsibility to have appropriate controls in place and ensure the effectiveness of these controls.

Risks are identified, analysed, evaluated and monitored at both an organisational (top-down) and operational (bottom up) level.

The Diocesan Council has ultimate accountability for this process. It may choose to delegate part or all of the oversight of this process to its Diocesan Risk and Audit Committee (DRAC) to manage the process on behalf of the Diocesan Council. The Diocesan Council may at its discretion have a formal annual review of the risk appetite process.

Coverage

Strategic Risks

Anglican Diocese of Adelaide recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives as well as reputation. A framework is in place to ensure these initiatives are prioritised appropriately and are managed and reported on a consistent basis.

Accordingly, the Anglican Diocese of Adelaide will always:

- have a current strategic plan;
- have an appropriate Board of Governance, being the Diocesan Council, with a diverse range of appropriate skills, experience and knowledge; and
- be aware of current government policies that relate to the Anglican Diocese of Adelaide services and programs.

Financial Risks

The Anglican Diocese of Adelaide assesses its financial risks both from a strategic and operational perspective. The Anglican Diocese of Adelaide requires at all times a balance between adequate reserves and liquidity and understands that it is not always possible to eliminate all risks. Accordingly, the Diocese will manage associated balance sheet risks to an acceptable level through a framework of policies and financial controls.

The Anglican Diocese of Adelaide will comply with Synod's Risk Management Policy (adopted 14/12/2014, as amended from time to time) and with the Anglican Funds SA (AFSA) Risk Management Policy as adopted by the Board of Anglican Funds South Australia on 28 March 2018. AFSA's Risk Management Policy complies with AS/NZS ISO 31000:2009.

The Anglican Diocese of Adelaide has a low risk appetite for financial risk.

Innovation Risks

The Anglican Diocese of Adelaide embraces innovation and continuous improvement. From its internal operating systems, public engagement activities, advocacy engagement and our program work in the field, the Anglican Diocese of Adelaide needs to be innovative in all aspects of its work. As such, the Anglican Diocese of Adelaide has a **medium-risk appetite for innovation risk** and the value it will bring to the Anglican Diocese of Adelaide as well as the communities we serve.



Reputational Risks

Public scrutiny is an inherent and welcomed component of the Diocese's activities. The Anglican Diocese of Adelaide aims to be transparent though some of its work may generate negative public perception and media coverage which will affect its reputation. The Anglican Diocese of Adelaide will seek to ensure transparent and clear communication in order to mitigate this risk and that key stakeholders are informed. Therefore, the Anglican Diocese of Adelaide has a **low risk appetite for activities that will compromise the ethics, brand or credibility of the organisation.**

Fraud & Corruption Risks

The Anglican Diocese of Adelaide will mitigate such actions as deemed necessary in line with our Risk Management Policy & Guidelines. The Diocese's reputation for integrity and competence should not be compromised including in relation to key stakeholders, supporters and Government. **The Anglican Diocese of Adelaide has no tolerance for fraud and corruption.**

Compliance Risks

Anglican Diocese of Adelaide is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Minor breaches are expected from time to time but will be reported and responded to. Anglican Diocese of Adelaide will seek to mitigate compliance risks through adherence to internal policies and good corporate governance. **Anglican Diocese of Adelaide overall has a low risk appetite for non-conformance.**

Human Resources

It is critical that the Anglican Diocese of Adelaide have suitable people with the right skills, competence and behaviours. In order to attract and retain key talent, the Anglican Diocese of Adelaide and Synod Office will promote evaluation, adaptation, and professional development of its core resources. **The Anglican Diocese of Adelaide has a low risk appetite for non-compliance with Anglican Diocese of Adelaide policies and procedures.**

Information Technology Risks

Anglican Diocese of Adelaide requires its information management systems and procedures to be adequate and relevant for its intended purpose. **The Anglican Diocese of Adelaide has a low risk appetite to the non-availability of systems and no appetite for misuse of information and will ensure our IT systems are appropriate for the organisation's needs and are properly resourced.**

Operational Risks

The Anglican Diocese of Adelaide carefully analyses risks in all of its operational activities, including ensuring that the benefit of the risk control measures exceeds the costs of these measures. The Diocese has processes in place and can make resources available to manage operational risks to acceptable levels. **In terms of operational risks, Anglican Diocese of Adelaide has a low appetite for risk.**



Safety Risks

The Anglican Diocese of Adelaide aims to create a safe working environment for staff where people are protected from physical or psychological harm. Anglican Diocese of Adelaide has introduced processes and invested to reduce the risks associated with high risk activities where practicable. The Diocese has **no tolerance for non-compliance with accepted WHS practices and for practices or behaviours that may lead to staff being harmed while at work.**

Totally Unacceptable Risk

- Serious workplace injuries to employees, volunteers, contractors, students and clients are totally unacceptable.
- Deliberate violation of any Australian law is totally unacceptable.
- Any serious breach of our Code of Conduct ("Faithfulness in Service) is totally unacceptable.
- Any violation of the Diocese's Child Safe Code of Conduct or Safe Ministry Policy is totally unacceptable.
- Any serious breach of the Diocese's policies is totally unacceptable.
- Any serious breach of the Diocese's WHS policy totally unacceptable.

Process

Risk Appetite Implementation

The Anglican Diocese of Adelaide and Senior Management will be responsible for the implementation and compliance with this Statement.

Communication

The Risk Appetite Statement is published on the Anglican Diocese of Adelaide's website as well as internally.

Reporting & Monitoring

The Anglican Diocese of Adelaide will monitor this Risk Appetite Statement against a number of existing risk metrics which will assist Management in assessing whether outcomes are consistent with the overall risk appetite. Performance against these metrics is tracked and reported to the Diocesan Council on a regular basis.

Review

The Diocesan Council may determine at its discretion to have a formal review of the risk appetite statement and risk management policy framework process undertaken. This review will be coordinated by DRAC and proposed changes to the Risk Appetite Statement would be endorsed by the Diocesan Council.