

Risk Management Policy Statement

Updated October 2019

Introduction

- Good risk management is a key operational approach for enabling the North Plymouth Community Church to successfully achieve its priorities. This policy provides a framework for the Church Council to manage risk proactively and ensures that control measures and actions are applied.
- The objective of this policy is to ensure the adoption and regular review of systems and procedures to improve and safeguard the effective operation of North Plymouth Community Church by identifying and managing potential risks wherever possible.
- Risk is defined as any uncertain event that may have a positive or negative impact on the North Plymouth Community Church's ability to fulfil its purpose of advancing the Christian faith.
- The Church Council recognises that it is neither possible nor appropriate to seek to eliminate risk entirely but risks can be managed in an endeavour to minimise or maximise their likelihood and/or impact. Effective risk management will help to increase the likelihood of the North Plymouth Community Church fulfilling its mission.
- An open and receptive approach to solving risk problems is adopted by the Church Council.
- Key risks are identified and closely monitored on a regular basis, with regular reporting and review.

Risk Appetite

- Risk Appetite is the amount of risk that the Church Council is willing to accept in relation to key drivers of the organisation. This approach to reviewing risk enables the Church Council to adopt appropriate behaviours, decisions and controls according to North Plymouth Community Church's priorities. The Church Council's risk management philosophy is to minimise risk but this approach enables them to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established.
- The Church Council recognise that taking risks is vital when seeking to communicate the Gospel. The Church Council must therefore embrace risks which contribute to advancing the Christian faith whilst ensuring those risks that might have a negative impact must be avoided or minimised.
- Prior to any risk being accepted, full consideration must be given as to the likelihood of the risk occurring and the impact on the Church if the risk were occurred. Any risk that seriously threatens the ability of the North Plymouth Community Church now or in the future to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished then all steps will be taken to minimise the likelihood of the risk occurring.

Risk Categories

There are five different risk categories:

Strategic Risks	e.g. inappropriate organisational structure e.g. committee lacking relevant skills or commitment e.g. conflict of interest
Operational Risks	e.g. poor staff recruitment and training e.g. data lost due to insecure device management e.g. IT fire walls not providing adequate security
Financial Risks	e.g. inadequate reserves and cash flow e.g. movements between different account headings not scrutinised, which could conceal error or fraud e.g. errors, omissions and inappropriate transactions not identified and acted upon
External Risks	e.g. changing government policy e.g. turbulent economic or political environment e.g. bomb threats
Compliance Risks	e.g. acting in breach of trust e.g. poor knowledge of legal responsibilities e.g. poor knowledge of regulations and procedures

Risk Strategy and Responsibilities

Members of Council/Trustees

The Church Council's role in the oversight of risk is to set the ethos for risk management and to promote the culture of risk management within the church, including:

- determining the risk appetite for key drivers of the organisation, which types of risk are acceptable and which are not, setting of standards and expectations of staff with respect to conduct and probity
- approving major decisions affecting the Church Council's risk profile or exposure
- monitoring the management of significant risks on an annual basis by the Church Council
- satisfying itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively
- annually reviewing the approach to risk management and approve changes or improvements to key elements of its processes and procedures.
- lead the embedding of risk management throughout the Church, encourage forward planning to assess potential future risks and provide training for all relevant members of staff

Breach of the policy

- The Church Council will take seriously any instances of non-adherence to the policy by its staff or leaders. Any instance of breach of the policy will be investigated and, where appropriate, disciplinary action will be considered.