

# 1. Introduction of the Framework

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The *Australian New Zealand Risk Management Standard (AS/NZS ISO 31000:2009)* defines risk management as the "coordinated activities to direct and control an organisation with regard to risk".

Risk arises in all aspects of CatholicCare Wollongong – Catholic Diocese of Wollongong ("CatholicCare") operations and at all stages within the life cycle of those operations. It offers both opportunity and threat and must therefore be managed appropriately.

This policy confirms CatholicCare's commitment to adopting a strategic, consistent and structured agency-wide approach to risk management, in order to achieve an appropriate balance between realising opportunities for gains and minimising losses, and to ensure that the agency is able to achieve its Strategic Plan, Mission, Vision and Values.

## Structure of the Framework

The framework consists of four parts:

- Risk Management Policy – Sets direction.
- Risk Appetite Statement – Establishes boundaries.
- Risk Management Framework – Provides a roadmap.
- Risk Management Procedure – More detailed instructions.

This policy provides an umbrella framework to enable the consistent and consolidated management of all CatholicCare risk management obligations.

Australian Charities and Not-for-profit Commission have governance standards regarding the management of risks and the protection of vulnerable people, with which CatholicCare must comply.

This framework is designed to take a prudent and practical approach to the management of the uncertainty that surrounds CatholicCare through the management of risk.

## 2. Risk Management Policy

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Risk Management is an integral part of sound management practice and an essential element of good corporate governance, as it improves decision-making and enhances outcomes and accountability.

### Purpose

To ensure a consistent approach to the management of all risks across CatholicCare and to ensure risk becomes an integral part of decision making.

Guidance is provided via this Risk Management Policy (Policy), a Risk Appetite Statement (RAS), the Risk Management Guideline, and the Risk Management Procedure (Procedure). Collectively these form CatholicCare's Risk Management Framework.

### Scope

This policy applies to all CatholicCare employees (including volunteers) and contractors and is designed to promote integration or alignment with the risk management approach of key stakeholders such as clients, families, their communities, and suppliers.

When implementing the framework across functional areas, it is intended that all material business risks are captured including ethical conduct, child safeguarding, compliance, environmental, financial reporting, operational, people resources, reputation/brand, service quality, strategic, sustainability and technology risks.

### Policy Statement

Risk management is an essential element of good governance. CatholicCare is committed to operating a risk management framework that supports decision makers to work towards fulfilling our goals while operating within our appetite for risk as endorsed by the CatholicCare Advisory Council. This in turn will deliver value to our stakeholders and build their confidence and trust in us. Whether they be our funders, our partners, or the vulnerable members of the Diocese of Wollongong that we serve.

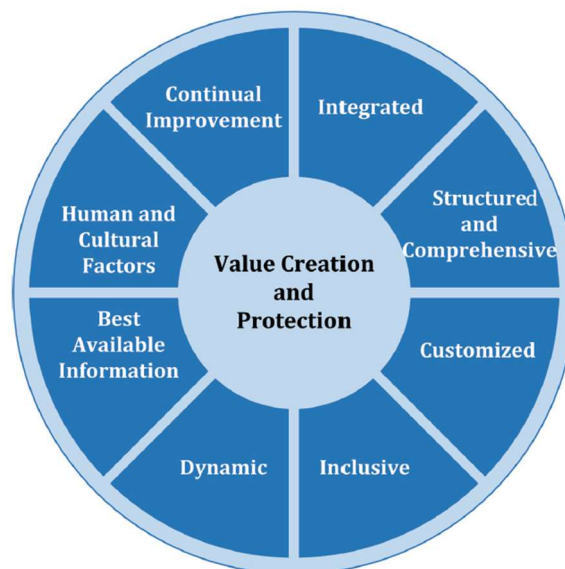
## Principles and Values

CatholicCare's is committed to adhering to the key principles espoused in the standard (See **Figure 1**) through alignment with our core values of Dignity, Integrity, Compassion, and Equity.

Dignity	Ensure that everyone has an opportunity to feel safe and know that their wellbeing is considered during the risk assessment process.
Integrity	Have in place the assurance mechanisms to ensure information flows efficiently and effectively across silos to decision makers.
Compassion	We have a 'no blame' policy to drive a culture where people know it's OK to raise concerns, with every identified risk or unexpected event a learning opportunity.
Equity	Risk is everyone's responsibility and through our framework we will provide our people the appropriate tools and support to play their role to provide extra support to the people that we serve.

To uphold our values, the key behaviours required of employees under this policy are:

- I. Decision makers are making sound and swift risk-based decisions within defined boundaries for risk taking, in keeping with our agile ways of working.
- II. Information about new or emerging risks are communicated in a timely manner to those who need to know.
- III. Leaders take accountability for understanding and managing risk within their field of influence and have a clear sense of agency interdependencies.
- IV. Leaders report on risk at the same time as they report on performance to ensure managing risk is seen as integral to performance.
- V. Employees at all levels raise issues with their leader(s).



*Figure 1 – Principles of Risk Management AS ISO 31000: 2018*

CatholicCare's strategy calls for us to be well governed but agile. Risk management is core to being well governed as there will always be uncertainty surrounding our ability to achieve our strategic objectives. Risk management is also key to agility, as it provides decision makers

with guidance on the risks that should and should not be taken. The ultimate objective of this Risk Management Policy is to ensure the uncertainty surrounding our agency is managed as effectively as possible through the application of sound, risk-based decision making within our appetite for risk, at all levels of the agency. The Risk Management Framework provides a roadmap for accomplishing this goal and the Risk Management Procedure outlines the process to be followed for managing risk.

## **Operating Environment**

Whilst CatholicCare has been managing risk since the agency was formed, society has evolved with new expectations for all organisations, especially not for profits and those agencies that deliver client services to better manage risk. In order to manage risk effectively we need to consider our internal and external operating environment.

In respect of our internal operating environment, we are a small to medium enterprise of 350 employees. However, we still have the inherent challenge of ensuring the best available information flows to decision makers in a timely manner. Like most agencies we have multiple business/program service units and functions and a range of senior executive positions. This creates silos which are good for focusing on the job at hand. However, silos can also create artificial barriers to communication flow.

Our external environment presents us with a range of opportunities and threats. The shift in societal expectations around the provenance of services is to our advantage. However, the fast-changing technological landscape, means we face significant challenges in implementing our technology roadmap and ensuring appropriate monetary funds are invested in this area, to meet our stakeholders' expectations and maintain a suitable cost base.

Given the rise in expectations and the ever-changing business environment, our agency will continue to benefit from a more formal approach to risk management.