



Uniting Church in Australia
ASSEMBLY
Assembly Standing Committee

10 - 12 November 2023

DOCUMENT 8

Title	Risk Management Report Report to Assembly Standing Committee
Type of Paper	For Noting For Discussion
Assembly or ASC Minute	Regulation 3.7.5.2
Consultation	AFARC Assembly General Secretary and Associate General Secretary National Director, Strategic Finance and Administration
Purpose	To provide the ASC with an update to the Risk Management System and Framework of the Assembly.
Rationale & Findings Summary	<p><u>Risk Management Framework</u> The Assembly's Risk Management system is comprised of several components as is set out in the Assembly Risk Management Policy. Main components are:</p> <ul style="list-style-type: none">• <u>ASC Risk Governance Principles</u> – This document draws together the feedback from the ASC over several meetings which considered the question of “What is my/ASC’s role in Risk as a Governance Committee?” and overlay this on the regulatory requirements of such Committees.• <u>Risk Appetite Statement</u> – this statement aims to set out clearly the Assembly’s approach to taking on Risk and highlighting tolerances to risk. Refer Appendix A• <u>Risk – Dashboard and Heatmap Report</u> – High level reporting on Risk – including the Risk Register• <u>Risk Register</u> – This document looks to identify all the risks facing the Assembly in the work that it does and rates each risk (by going through a process of identifying both the inherent risk and the residual risk - after considering controls). Refer Appendix B <p><u>Feedback from July 2023 ASC</u> Feedback received from the July 2023 meeting of ASC has been taken on board. Risk Register: Following feedback, the following changes have been made:</p> <ul style="list-style-type: none">• FP5 – Highlighting separately the risk around <u>Continued Unresolved Financial Stress</u> given the level of claims drawing the Assembly Balance Sheet into deficit as at June 2023, and the current 2023-24 deficit budget (and future challenges in surplus budgeting for the Assembly)• MP7, MP8, MP9, and MP10 – separately noting the key risks within Mission and Purpose of<ul style="list-style-type: none">○ Cultural Safety○ Discipleship and Intergenerational renewal○ ACT2 (conviction, implementation)

○ Leadership – Nationally agreed positions

- Gov2 – risk of potential overreliance on volunteers in committees and governing bodies, and the need to train non-skills-based boards.
- Gov8 – resourcing for the outcomes of the Disability Royal Commission
- FP3 – challenges remain in the insurance market as CCI moves towards a Scheme of arrangement.

Risk Updates Generally – Nov 23

The update to the Nov 2023 Risk Register (as attached) reflects the increase in the overall High/Significant from 45% to 53% reflecting a general overall increase in the risk environment. This is a trend that has been occurring in the last several ASC risk report updates.

The increase to the risk environment continues to reflect the difficult current environment re matters of Historical Redress and Civil Claims and the increasing average claim value coming through. The last quarter, being the July – Oct 23 period, has been relatively quite as to the no. of new claims being received, which is a good sign, but we are very mindful of the need to remain vigilant and not be complacent in this area.

It is important that whilst the Assembly and its agencies have been responsible for the claims arising from the former Methodist Overseas Missions of Mogumber and Croker Island that these should also be considered whole of Church historical matters.

It is important when considering this increased risk profile, that the National Redress Scheme is now more than 5.5 years through the 9-year notification period (however the possibility, as occurred in other countries, that the scheme may be extended past its due date, is an important consideration).

The increasing risk environment also reflects the reduction in available insurance cover being seen in the market, with Catholic Church Insurance “CCI” now formally announcing, effective June 2023, they will no longer write any future insurance cover and will now move into run off cover. Further Catholic Church Insurance, in an effort to work through an orderly processes of claims managements, has been working to implement a Scheme of Arrangement under the Corporations Law. This will possibly have a mixed outcome for the Church; the Scheme of Arrangement will look to preserve reinsurance agreements but may require the Church and other CCI policy holders to accept less than 100c in the Dollar, whilst other creditors are paid in full.

At the date of this report we continue to work with the NSW.ACT Synod Insurance Team (and the Church’s insurance brokers), as it seeks out alternative insurers to fill the capacity previously covered by CCI at the upcoming October 2023 annual renewal process.

	<p><u>Workshop sessions</u></p> <p>We would also like to continue the process of breaking into small groups to again allow a deeper dive into both the Risk Papers and consider the following: (20 minutes all up).</p> <p>Review both the updated Risk Appetite and updated Risk Register as attached to the papers and consider the following;</p> <ul style="list-style-type: none"> • Are there any key risks not included? • Are risk ratings reasonable and appropriate? • Are there additional controls that should be put in place.
<p>Attachments</p>	<p>Risk Management Report comprised</p> <ol style="list-style-type: none"> 1. Risk Appetite Statement – Appendix A 2. Dashboard/Heatmap Reporting of Risks - Appendix B 3. March 2023 ASC Risk Register – Appendix B 4. ASC Risk Governance Principles – Appendix C
<p>Proposals</p>	<p>That the Assembly Standing Committee:</p> <ol style="list-style-type: none"> 1. Receive the report
<p>Submitted by</p>	<p>Leo Iosifidis, National Director – Strategic Finance and Admin, The Uniting Church in Australia – National Assembly</p> <p>leoi@nat.uca.org.au 0427 546 100 24 October 2023</p>