Risk Management Process

Risk will always be part of everyday life and it is certainly a key aspect of sport and recreation. Without risk there would be limited opportunities for exploring physical and personal development. However, you can provide a healthier and 'legally' safer operating environment for your organisation and its participants by adopting sound risk management practices.

Risk is defined in the Australian New Zealand Risk Management Standard (AS/NZS 31000:2009) as the 'effect of uncertainty on objectives'.

A risk is anything untoward happening that can affect your organisation's objectives and operations by creating exposure to potential loss or damage.

What is risk management?

Risk management is systematically identifying threats (risks) to your organisation and developing ways to minimise them. It helps to determine the most important risks to your organisation and to decide how you allocate resources to deal with them.

The AS/NZS ISO 31000:2009 defines risk management as the 'co-ordinated activities to direct and control an organisation with regard to risk'.

Risk management is an essential element of governance.

Why manage risks?

It is important that risks are managed because they could negatively affect key aspects of the organisation as well as its overall success. Areas most affected by risk include:

- Health and safety
- Plant, equipment, environmental costs
- Financial position of your organisation
- Confidence by members, key stakeholders and funders
- Insurance premiums
- Member protection
- Reputation, publicity, credibility
- Compliance requirements.

Establishing a risk management framework

AS/NZS ISO 31000:2009 defines a risk management framework as a 'set of components that provide foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation where:

- The foundation includes the policy, objectives, mandate and commitment to manage risk
- The organisational arrangements include plans, relationships, accountabilities, resources, processes and activities'.
- By establishing a risk management framework, your organisation can effectively manage the risks involved in all of its activities and achieve improved outcomes based on informed decision-making.

Developing a risk management process

A suggested approach for developing a risk management process is to:

- Make a board commitment to risk management and appoint one member responsible for the process.
- Identify key people to be involved in the process (stakeholders, coaches, instructors, treasurer, staff, event coordinator, etc.).
- Set up a committee to undertake the risk management process and report to the board regularly.
- Communicate your risk management strategies to everyone in your organisation.
- Monitor and review your risk management plan regularly and at the board level.

Generally, risk management tends to focus on what can go wrong, but it is important to remember that any event, circumstance or situation that occurs can also provide an opportunity for improvement.

Risk Management Process *cont.*

Generally, risk management tends to focus on what can go wrong, but it is important to remember that any event, circumstance or situation that occurs can also provide an opportunity for improvement.

Risk management can be simplified into four questions

1. What untoward things could happen?
2. What would be the impact?
3. What can the organisation do about it?
4. How do we communicate this to everyone involved?

To get you started, this resource presents a simplified version of the risk management process outlined in the Australian Risk Management Standard AS/NZS ISO 31000:2009.

Your risks will need to be managed within an overall risk management framework, which can be based on the process as outlined in AS/NZS ISO 31000:2009 and depicted below.
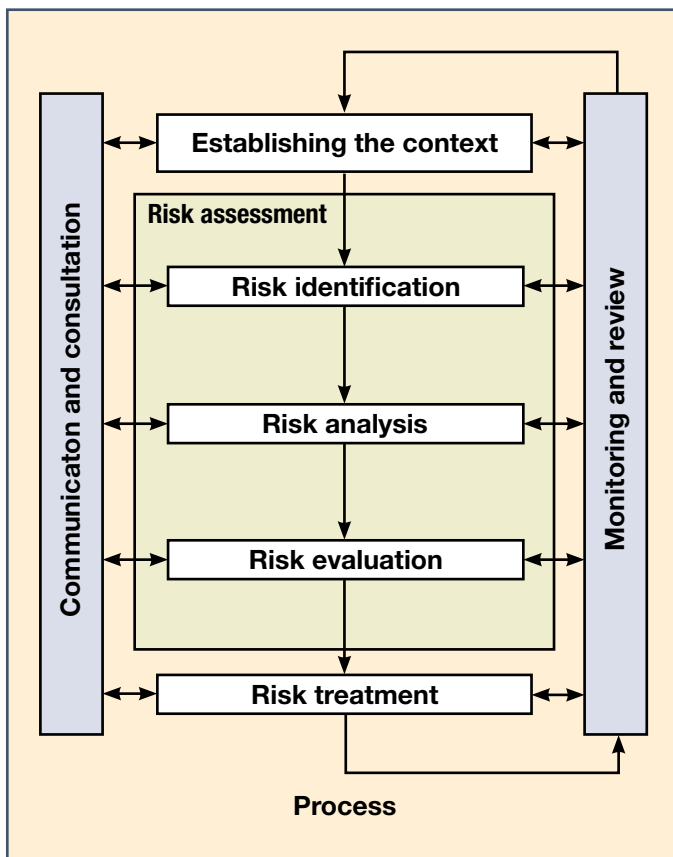
Key stages of risk identification and management include identification, assessment, analysis, evaluation and treatment. This means:

• Identifying what is the risk
• Determining how it is best treated, which can involve:
  - avoiding the risk (i.e. deciding not to commence or continue with the activity that results in the risk)
  - removing the source of the risk
  - changing the likelihood of the risk occurring
  - changing the consequence of the risk on your organisation's goals
  - sharing the risk with another party or parties
  - retaining the risk by informed decision
• Determining when is it best treated
• Deciding who will manage the risk.

This document will look at each stage in turn as part of the ten steps that you can follow to develop a risk management plan. It is important to work through each step of the process. If you skip or rush through any of the steps, you risk creating inappropriate 'quick fixes' that can create more problems.

The ten steps to risk assessment and developing a risk management action plan are as follows:

1. Make a commitment as an organisation to risk management.
2. Identify all possible material threats and risks.
3. Assess the level of each risk.
4. Decide to accept, treat or transfer each risk.
5. Determine treatment options for all unacceptable risks.
6. Formalise your risk management action plan.
7. Implement your treatment options.
8. Communicate information to everyone affected.
9. Review your risk management action plan on a periodical basis (at least quarterly) or sooner if a major issue arises in your organisation's operations.
10. Identify any new risks and update your plan.

Risk Management Process *cont.*

Ten steps to risk assessment and developing a risk management plan

1. Make a commitment as an organisation to risk management

This means involving as many people as possible – not just the board. This essential first step in risk management involves awareness and education. Risk management is a global issue; everyone involved with the organisation must understand what the risks are, how you manage those risks and what their role is in risk management.

This can be done through a **risk management policy**[1], which includes:

- A statement on the degree to which your organisation embraces a risk management culture (e.g. appointing a risk management officer, reviewing risk management reports at each board meeting)

- The identities of those responsible for risk management, who they report to, how and when reports are made

- A summary of the risk management process your organisation is going to follow.

Once you have developed a policy, it should be endorsed by your board and distributed throughout your organisation as widely as possible. One means of ensuring a wide distribution is to store all your key policies on your organisation's website portal.

Remember to protect the confidential and proprietary information of your organisation (i.e., avoid disclosing any confidential information on your organisation's website portal).

2. Identify possible threats and risks

Before you start listing risks, it is worth looking at the environment in which your organisation operates. Start by determining what standards and legal requirements apply and review the goals of your organisation to get a feel for 'the big picture'. It is important that you consider the legal and economic environment in which your organisation currently operates and the potential legal exposure that could result from your activities.

You will need to look at the factors that affect risk management both outside the organisation (community values, industry standard, etc.) and inside (goals, relationships, activities, capabilities, reliance on sponsorship/grants, etc.) so you do not examine risks out of context.

Risks can be things that affect your organisation as a whole such as declining membership or not securing sponsorship for an event.

The types of risks your organisation may face include:

1. physical – injury or damage to persons or property
2. legal – breaching legal obligations
3. moral/ethical – harm to your organisation's reputation
4. financial – loss of the organisation's assets
5. human resource – a lack of requisite knowledge, skills and experiences among key personnel or board members could threaten the achievement of your organisation's objectives and goals
6. information technology - the risk that information technologies used in the organisation are not operating as intended or are compromising the integrity and reliability of data and information
7. social media – harm to an organisation's reputation.

[1] Refer to the section titled *Risk Management – Useful Websites and Other Resources*

Risk Management Process *cont.*

Examples of risks include:

- Decline in number of volunteers
- Loss of data/records
- Funding cuts
- Negative publicity
- Attracting too many participants for an event
- Damage to the environment
- Discrimination or harassment
- Theft of property
- Injury to a staff member, spectator or participant
- Equipment failure
- Lack of appropriate policies and procedures relating to finance, member protection, etc.
- Key services not covered by a legally binding contractual agreement
- Inadequate funds for major capital development project that is underway
- Flooding of premises.

Risk identification means looking at all possible sources of risk, both internal and external. There is not one 'right way' to identify risk.

A combination of methods is best, such as inspections, checklists, rules, review of policies and gathering information from people both inside (staff, volunteers, members) and outside (stakeholders, funding bodies, council) of your organisation. Those who have been around for a while can be useful resources, but do not ignore the fresh eyes of those who are new to your organisation. You should look at the current skills required by staff/volunteers and how they compare to the accepted industry standards or best practice.

Refer to the section titled *Other Useful Resources – Audit Tools and Templates.*

Consider all of the following operational areas of your organisation:

- Administration and management
- Finances
- Education and training
- Facilities and equipment
- Health and safety
- Event management
- Personnel/key people
- Legal (regulations, contracts and duty of care).

Make sure you have gathered enough relevant, detailed and accurate data and/or information when trying to identify risks.

You need to identify:

| Source of the risk | What is at risk | What the impact could be |

Example:

Source of the risk	What is at risk	What the impact could be
Rain is making the playing surface slippery.	People (players, referees), assets, and reputation are at risk.	Injury and financial loss are possible outcomes.

From these three points, you can be more specific in defining the risks:

- There is a risk that slipping on the wet surface could injure players
- There is a risk that litigation against the organisation (and subsequent financial loss) could result if a player is injured
- There is a risk that the organisation's reputation will suffer if the problem is not managed.

Risk Management Process *cont.*

When you are identifying risks, you will also need to consider the following example factors:

- Age and capacity of participants (children require extra care)
- Type of activities
- Past history of accidents, injuries and losses
- Standard of equipment
- Use of equipment
- Existing problems with operating procedures or practices
- The facilities and equipment to be utilised
- The environment in which your activity is taking place.

Audit tools

Rather than wait for a disaster, progressive organisations are now shifting to a culture of continuous improvement and using audits as a tool to regularly evaluate their performance and guide their direction in risk management.

What is an audit?

An audit is a systematic and critical examination of the key risk and safety areas in an organisation. It is also a diagnostic tool that identifies an organisation's strengths, weaknesses and main areas of vulnerability to risk.

The two main audits covering risk for sport and recreation organisations are:

- Risk audit - related to an organisation's risks
- Safety audit – focusing on injury prevention.

You can use the following basic organisation risk audit tool as a starting point to identify risks.

The Audit Tools and Template section also contains additional safety tools (Activity Leaders Checklist, Smartplay Guidelines and an Event Management Checklist).

Organisation risk audit

This document is included in the Audit Tools and Templates section for you to download and print or customise for your organisation.

Organisation Risk Audit - Checklist

Governance/Management	YES	NO
Is your organisation incorporated?		
Does your organisation have an up-to-date constitution?		
Is the person listed with Consumer and Business Services as your public officer up to date (as required under the *Association Incorporation Act 1985 (SA)*?		
Have you reviewed your constitution within the last twelve months?		
Have you registered your current constitution with Consumer and Business Services (as required under the *Association Incorporation Act 1985 (SA)*?		
Does your organisation have any policies or procedures to guide its decision-making (code of conduct for the board, conflict of interest policy, etc.)?		
Are these policies communicated to all affected?		
Do you have position descriptions for all office bearers/staff?		
Does your board meet regularly and document all decisions and actions?		
Is the annual report circulated to all members?		
Are your rules, by-laws and practices non-discriminatory?		
Do you have a clear plan for the future that describes what you want to do and how you are going to do it?		
Does the organisation have or has considered the need for the following insurance covers: public liability, professional indemnity and directors and officers liability?		
Does the organisation have a register of insurance policies detailing all current insurance policies?		
Does your organisation meet the terms of any contracts with which it is involved?		

Legal	YES	NO
When your organisation is entering into a major contract, does it seek legal advice?		

Risk Management Process *cont.*

Organisation Risk Audit - Checklist - cont.

Financial	YES	NO
Are all financial transactions accurately recorded (receipted, banked)?		
Do you have a realistic budget and do you present regular financial reports that identify how you are going against that budget?		
Is an annual audit required and conducted of your financial records?		
Is all expenditure authorised through an identified process?		
Do you have financial policies and procedures in place to guide officers of the organisation/treasurer/ general members?		
Do your financial policies and procedures ensure that each step in financial handling (receipt, recording, banking, reporting) is not completed by one person?		

Human Resources	YES	NO
For paid staff, does your organisation comply with the minimum conditions for employment and/or the applicable modern award?		
Is your organisation able to present documentary evidence in support of this compliance?		
Are procedures in place to ensure the security of staff and volunteers' information and compliance with privacy legislation if applicable?		
Do you have a set of standard human resource policies and procedures in place to help guide behaviour and decision making to manage the human resource risk associated with the paid staff and volunteers within your organisation?		
Do you have a volunteer management plan?		
Do you have proper induction processes for all new paid staff and volunteers who have a specific role and responsibility?		
Do you have position descriptions for all key paid and volunteer positions in your organisation?		
Do you have written and signed agreements/contracts in place for each paid staff member?		

Organisation Risk Audit - Checklist - cont.

Member Services	YES	NO
Are procedures in place to ensure the security of membership information and compliance with privacy legislation if applicable?		
Does your organisation communicate regularly and effectively with its members?		
Do you have a procedure for dealing with complaints?		
Has everyone (staff, volunteers and participants) agreed to a code of behaviour or conduct?		
Do members understand the extent of their duty of care?		
Do you require participants to sign a membership application or registration form prior to participating?		
Are all applications for membership vetted and approved by the Board?		
Do all coaches/instructors/leaders have appropriate and current accreditation?		
Do you promote education and training opportunities for members?		
Do you conduct risk assessments on all programs, activities and events?		
Are risk assessments documented?		
Have you considered whether the use of a recreational services waiver under the Fair Trading Act would be the appropriate for your organisation to manage risk to participants?		
Is there a clear procedure for reporting accidents/injuries?		
Are regular safety inspections made of buildings, grounds and equipment?		
Do you ensure the recommended rules of play and protocols are followed for your activity?		
Do you have an emergency plan?		

Organisation Risk Audit - Checklist - cont.

Compliance	YES	NO
Do you have a mechanism in place to periodically review and assess whether your organisation meets the definition of a 'prescribed organisation' as per section 35 of the *Association Incorporation Act 1985 (SA)*?		
Is your organisation eligible for income tax exemption? YES - Has your organisation conducted a self-review of its continued entitlement to income tax exemption within the past 12 months or applied for a private ruling? NO - Your organisation may need to lodge an income tax return. Does your organisation have a process for meeting its ongoing taxation obligations?		
Is your organisation an exempt employer for payroll tax purposes? YES (exempt) - Have you applied to Revenue SA for a decision on the exempt status and is this exemption current? NO (not exempt) - Have you established whether the level of wages paid or payable requires you to register for payroll tax with Revenue SA?		
Have you considered the health and safety of everyone in the organisation and do you meet work health and safety regulations?		
Do you meet the legislative requirements (for example PAYG, super contributions) for paid employees?		
If you provide services to children, have you lodged or had lodged on your behalf, a child safe environment compliance statement and are you aware of the organisation's requirements under the *Children's Protection Act 1993 (SA)*?		
Are you aware of the legislation or local government by-laws that could apply to your activities?		
Are you aware of the industry standards that apply to your operations?		

Other	YES	NO
Does your organisation have a social media policy and procedure?		

Once you have determined what may constitute a risk (generally the questions that you have answered 'No' to), insert these into the Risk Management Action Plan Template.
An example of how to use this template is on the following page.

The template is included in the *Audit Tools and Templates* section for you to download and print or customise for your organisation.

Risk Management Process *cont.*

Examples

Potential Risk	Level of Risk	Reason for Risk Rating	Action	Resources Required	Responsibility	Timeline	Communication	Risk Treated	Review Date
Risk and date identified (See Step 2)	Rating risk as low, moderate, high (See Step 3)	Risk rating	What is to be done? (See Step 7)	Specify resources required	Assign responsibility for the action to be completed	Proposed completion date	Strategy to inform relevant parties (e.g. committee, personnel, sponsors, members) (See Step 8)	Yes/No, date treated	(See Step 9)
Unincorporated club as at 28 May 2014.	High	Leaves the club and its committee members legally and financially vulnerable if the club becomes insolvent.	Become incorporated. Contact Consumer and Business Services.	Money - current registration fee (1 July 2013) is $176.	Club secretary	Immediately	Secretary to report at next committee meeting and outcome minuted.	Yes - 30/6/14	Not applicable- this is a one-off fee.
Lack of financial policies as of March 2014.	Medium	Financial roles and responsibilities are not known or documented for reference purposes.	Treasurer to identify key financial policies and provide list to the committee for consideration. Following a review of the list by the committee, key financial policies to be drafted.	Time	Treasurer – for drafting, and board to endorse and approve.	Due for completion by Sept 2014.	Treasurer to report at next committee meeting.	No	Sept 2014
Lack of member protection policy as of March 2014.	High	Risk to members and the committee. Lack of documented complaint procedures may lead to poor processes. Lack of understanding of discrimination, harassment or child protection requirements may lead to issues with legal consequences.	Contact National or State Sporting Body to obtain up to date copy of Member Protection Policy. Policy to be documented and adopted	Time	Board and members representative	Immediately	Policy to be presented and endorsed at next meeting.	Yes, pending endorsement	March 2015

3.   Assess the level of each risk

The next stage is to assess the level of risk. One way of doing this is to use something called a risk severity matrix. This helps you incorporate factors such as frequency (the likelihood of occurrence) and severity of impact (consequences for your organisation).

A risk matrix should combine the likelihood of the risk occurring and the consequence should such a risk occur. Combined, they result in the risk rating for treating and/or monitoring the risk.

Parameters should be set for each **likelihood** and **consequence** in an organisation's risk matrix.

For example, the *likelihood* of a risk occurring may be classified as unlikely on a simple matrix as follows:

Score	Likelihood	Definition/Parameter
5	Almost certain	Is expected to occur in most circumstances.
4	Likely	Will probably occur in most circumstances.
4	Possible	Might occur at some time.
2	Unlikely	Could occur at some time.
1	Rare	May occur in exceptional circumstances.

Risk Management Process *cont.*

The consequence of a risk occurring may be defined as follows:

Score	Risk Rating	Impacts	Description of Impacts
5	Catastrophic	Financial	Revenue loss or increased expense >$500K
		Strategy	Significant number of major strategic plan objectives not achieved
		Economic	Significant asset destruction or other financial/economic loss
		Social/People	Long-term workplace/community harm
		Service Delivery	Cessation of multiple services or programs
		Environmental	Permanent long-term environmental harm, loss of significant environmental assets
		Reputation & Image	Long-term damage and loss of confidence by community
4	Major	Financial	Revenue loss or increased expense >$200K but <$500k
		Strategy	A number of strategic objectives not achieved
		Economic	Loss of asset or damage lasting many months or other major financial/economic loss
		Social/People	Significant long-term workforce/community harm, industrial action during many months
		Service Delivery	Cessation of some services or programs
		Environmental	Significant long-term environmental harm, loss and damage of significant environmental assets
		Reputation & Image	Sustained damage and loss of confidence for many months
3	Medium	Financial	Revenue loss or increased expense >$50K but <$200k
		Strategy	Major components of strategic objectives not achieved
		Economic	Loss of asset or damage lasting several months or some financial/economic loss
		Social/People	Significant short-term workforce/community harm, short-term industrial action
		Service Delivery	Disruption to some services or programs
		Environmental	Significant release of pollutants with mid-term recovery, significant but temporary damage to environmental assets
		Reputation & Image	Significant but short-term damage to reputation/image
2	Minor	Financial	Revenue loss or increased expense >$10K but <$50k
		Strategy	Minor parts of strategies not achieved
		Economic	Loss of asset or damage lasting up to a month or minor financial/economic loss
		Social/People	Minor transient workforce/community harm, threats of industrial action
		Service Delivery	Some disruption to services or programs
		Environmental	Minor transient environmental harm, minor temporary damage to environmental assets
		Reputation & Image	Some negative mention of an agency or agencies in the press
1	Insignificant	Financial	Financial Revenue loss or increased expense <$10k
		Strategy	No effect on strategies or objectives
		Economic	Loss of assets or damage lasting days or insignificant financial or economic loss
		Social/People	Incident without workforce or community harm, dialogue with industrial groups
		Service Delivery	No interruptions to services or programs
		Environmental	No environmental damage or loss
		Reputation & Image	No damage to reputation

Risk Management Process *cont.*

You need to ensure that all risks are analysed using the same risk criteria. It is important that you determine the level of detail that will be appropriate for your particular circumstance.

An example matrix combining the scores of the likelihood and consequence tables above, can result in the following risk matrix:

Consequence \					
5	Moderate	High	High	Extreme	Extreme
4	Moderate	Moderate	High	High	Extreme
3	Low	Moderate	Moderate	High	High
2	Low	Low	Moderate	Moderate	High
1	Low	Low	Low	Moderate	Moderate
	1	2	3	4	5

Likelihood

Example - Risk Rating Descriptors and Required Action

The following table provides an example of a definition for each risk rating and the actions to be undertaken.

Risk Rating	Required action
Low	**Acceptable:** Unlikely to require specific application of resources; manage by routine procedures. Monitor and review.
Moderate	**Moderate Generally not acceptable:** Likely to cause some damage, disruption or breach of controls. Board attention needed and officer/management responsibility specified. Treatment plans to be developed and endorsed by the board.
High	**Generally not acceptable:** Likely to cause some damage, disruption or breach of controls. Board attention needed and officer/management responsibility specified. Treatment plans to be developed and endorsed by the board.
Extreme	**Not acceptable:** Likely to threaten the survival or continued effective functioning of the program or the organisation, either financially or politically. Immediate action required; must be managed by a designated officer of the organisation and a detailed treatment plan reported to the board.

Example – Risk Rating – Cycling Event

Here is an example of what risk rating could look like for some risks related to a cycling event being conducted in winter. Remember, this is a guide only and what may be a low risk in this context could very well be high risk in another situation.

Consequence	Likelihood - unlikely	Likelihood - likely
Risks	Unlikely 'likelihood' score = 2	Likely 'likelihood' score = 4
Minor consequence for the organisation	Sponsor pulls out of the event.	Cash-flow problems arise because participants don't register in advance.
Consequence score assessed as 2	Risk Rating = Low Risk	Risk Rating = Moderate Risk
Medium consequence for the organisation	Electronic timing system fails and competition results are unable to be used for qualifying for national titles.	Rain occurs on the morning of the event making the surface slippery and an accident occurs.
Consequence score assessed as 3	Risk Rating = Moderate Risk	Risk Rating = High Risk

4. Decide to accept or treat each risk

The second part of the assessment stage is an evaluation of each risk to decide whether it is acceptable or unacceptable. Some risks are acceptable simply because the level of risk and/or the consequences are so low that it does not justify any specific further action. For example, the risk of running out of sausages if there is a large crowd attending the game may have little impact.

Once you have prioritised all the risks, you can then look at the appropriate way of dealing with each one, starting with the highest risk. You may already have some controls in place to deal with risks such as rules, policies, procedures, technical systems and training requirements. When evaluating risks, consider:

• The controls already in place to manage the risk
• Costs associated with managing the risk or leaving it untreated
• The possibility of transferring some or all of the risk through insurance or waivers.

Think about how well you currently manage the risk and if any risks are borne by other stakeholders and if there are any potential weaknesses in the current control methods.

5. Determine treatment options for all unacceptable risks

If you have identified risks that are unacceptable, you need to determine what action you need to take to address each risk. Treatment options may include:

- Avoiding the risk – you might decide not to go ahead with an activity that is considered a high risk
- Reducing the risk – this is a common course of action that may include strategies like changes to rules or equipment.
  - o Firstly, consider solutions not reliant on human behaviour (such as selecting the best playing surface) and then consider administrative solutions such as rules, policies, training and emergency planning
  - o Finally, look at personal protective equipment such as mouthguards, helmets, eyewear, etc.
- Transferring the risk – purchase insurance and use waivers, warnings and release forms
- Retaining the risk – there are some risks that are acceptable and part of most sport and recreation activities such as minor injuries in contact sports.

Other strategies to consider include:
- Training – requiring personnel to undergo specific training before certain activities
- documentation – creating standard operating procedures for using specific equipment
- Resourcing – obtaining additional funds to reduce staff/client ratios
- Systems – creating a maintenance schedule for the facility).

6. Formalise your risk management plan

There are generally three things that you can do to formalise your plan: document, appoint a risk management officer and create a standing agenda item at the board meeting.

Step 1
Document the plan

Step 2
Appoint a risk management officer

Step 3
Standing agenda item

Step 1 - document the plan

It is recommended that you document your risk management process. By using the Risk Management Action Plan Template to record the risks, their rating and the proposed action, you will be able to formalise this process, as the action plan summarises the outcomes of the evaluation and the actions required as a result.

You may also wish to consider developing a risk register, which lists the identified risks in order of priority, refers to the Risk Management Action Plan and identifies the individual responsible for the management of each risk.

This should be updated regularly as risks are no longer relevant or new risks appear.

Ideally, after developing a risk register, a risk prioritisation process is undertaken. Risks that pose the threat of greatest loss and have the greatest probability of occurring are dealt with first.

Another important aspect is to distinguish your risks as either strategic or operational.

Strategic

Strategic risks are those that arise from the fundamental decisions that the board makes concerning an organisation's objectives. Essentially, strategic risks are the risks that impact on an organisation's ability to achieve its business objectives.

An example of strategic risk is the inability to fund the financial obligations of an organisation.

Operational

Operational risks refer to potential losses arising from the normal business/organisational operations. Accordingly, they affect the day-to-day running of operations in contrast to strategic risks that arise from the organisation's strategic positioning.

Operational risks are managed at a risk management level (not necessarily board level) and can be managed and mitigated by internal control mechanisms including policies, procedures, etc.

In example of operational risk is the failure to receive material sent by mail.

> **Key point:** *Distinguish your risks as either strategic or operational.*

Step 2 - appoint a risk management officer

In addition to documenting your plan, the board should also consider nominating one person to be responsible for risk management. The nominee should be given clear guidelines on his or her role in reporting and dealing with risks. Ideally this person needs to be fully conversant with the risk management process. If not, training should be undertaken.

Step 3 - create a standing agenda item

You can also list risk management as a standing item on the organisation's meeting agenda to ensure it is considered at each meeting. Every committee member can then report on any potential hazards or risks.

Implementing these three steps collectively should help you communicate to your insurer that you are taking all possible steps to minimise risk.

7.   Implement your treatment options

For each risk that needs treatment, you need to answer the following questions:

- What is to be done?
- What resources are required?
- Who is responsible for doing it?
- When should it be completed?
- When should it be reviewed?

Treatment may include:
- Implementing policies
- Erecting signs
- Providing training
- Replacing equipment
- Purchasing insurance
- Scheduling regular reports on the strategy associated with the management of the risk.

In implementing your treatment options, you may wish to establish a minimum risk management standard for your organisation. To do this, you may choose to:

- Identify any legal requirements such as laws relating to child protection
- Identify any national standards relevant to the activity such as equipment
- Identify any standards relating to the facilities and equipment for your sport or activity
- Consider any common or best practices such as the member protection policy developed by the Australian Sports Commission
- Utilise these resources as a guide to develop your own minimum risk management standard
- Ensure that your treatment actions are recorded and filed.
- Ask yourself if the minimum standard you have developed meets your risk management requirements for your particular issue.

8. Communicate information to everyone affected

Communication is arguably the single most important factor in the successful implementation of risk management. You need it to gather the relevant information, make judgements about the level of risk and decide on options for treating it.

Feedback about whether risk minimisation strategies are working is also essential.

Once your risk management plan and risk register is endorsed by the board, consider telling stakeholders/members etc., about your risk management process via newsletters, minutes and websites so everyone affected is clear about their role and responsibilities.

9. Review your risk management plan

Once you have developed your risk management action plan, you need to continually monitor your risks and review the plan regularly. It is a good idea to check your progress each month in the early stages of your plan formulation and then at agreed intervals (for example quarterly) to see whether you are achieving your aims. You may need to determine if you have allocated enough resources to complete the tasks in the timeframe.

10. Identify any new risks and update your action plan

The one constant thing in life is change – circumstances and situations are constantly varying. Once you commence the process of risk management, there is no doubt new risks will emerge. You need to be able to deal with them when they arise and incorporate them into the organisation's risk management plan so it remains up-to-date.

As new risks are always emerging, risk identification should be a continuous process.

Key point: *Remember to confirm the validity of previously identified risks as part of your overall risk management.*

Risk Management and Events

Many organisations conduct a variety of events as part of their operations. Whether you host a one-off event or you host regular, ongoing events, risk management is equally important. The same principles apply in both cases. You can use the risk management process described previously in this chapter to identify, analyse and treat the associated risks.

Keep in mind that events often have special circumstances that contribute to risk such as:

• Venues owned by others

• Transport/public road usage

• Large crowds

• Reliance on volunteers/untrained people

• Limited control over suppliers and subcontractors

• Weather

• Decision-making under pressure

• A need to foster good community relations.

One strategy is to use test events/event modelling as a risk identification method, especially for larger events. Make sure you consider all areas of the event including promotion, theme/activity, operations, post-event activities and environmental factors.

Keep in mind that a risk identified under 'promotion' will have a ripple effect across the entire event. For example, if a high-profile, international athlete is secured, this may change participation numbers, security, and facilities required. Consequently, risks across the whole event need to be re-examined, not just promotional risks.

An outcome of the risk analysis process may be a contingency plan designed to respond to high risks and minimise their impact.

To assist with your event management planning, including event safety, refer to the *Audit Tools and Templates* section for an example Event Management Checklist.

Key point: *Risk management is everyone's responsibility and is simply a logical, common-sense way of making sport and recreation safer and more enjoyable for everyone.*

Risk Management - Useful Websites and Other Resources

Example policies

• Surf Life Saving Australia[2]

• Department for Education and Child Development[3]

• Swimming NSW[4]

Templates

• Risk Management Policy[5]

Training

• SAI Global[6]

• Australia Institute of Management[7]

[2] https://apps.sls.com.au/sites/sls.com.au/files/downloads/SLSA%20 Governance/Current%20Policies/6.09%20Risk%20Management%20 -%20February%202014.pdf

[3] http://www.decd.sa.gov.au/docs/documents/1/ managingriskinprocurement.pdf

[4] http://nsw.swimming.org.au/visageimages/Club_Information/Risk_ Management/Risk_Management_Policy_-_Feb_2014.pdf

[5] https://www.communitydirectors.com.au/icda/policybank/

[6] **Introduction to Risk Management - AS/NZS ISO 31000:2009**
http://training.saiglobal.com/tis/promotion. aspx?id=a0c2000000058FuAAI

[7] **Risk Management Processes - Identify, assess, evaluate and monitor risk.**
http://www.aim.com.au/courses/risk-management