# Risk Management Policy

| Approvals & Document History | West Gippsland Football Netball Incorporated Board |
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## 1 Risk Management Overview

It is good governance for an entity to ensure that all directors and senior Management have a shared understanding of risk, which is the effect of uncertainty on an entity achieving its strategic objectives and maintaining its long-term viability and reputation.

The board/committee is responsible for the informed oversight of risk management within the entity and should regularly review and approve the risk management policies and framework.

Management is responsible for developing and implementing a sound system of risk management and internal control.

A risk management policy is a document that identifies an entity's approach and direction in relation to risk management.

The organisation referred to within this document is "Not for Profit organisation" West Gippsland Football Netball Competition Incorporated ABN 17 149 064 757.

## 2 Risk Governance

Those exercising authority and making decisions within an organisation exercise power to facilitate the strategic objectives of the organisation. In achieving its strategic objectives, each organisation will face a range of risks.

The International Standard for risk management *ISO 31000:2018: Risk Management— Guidelines*, defines risk as **'the effect of uncertainty on**

**objectives.'**[1] Accordingly, risk management is a critical area of responsibility for the board/committee and a core component of the governance framework.

It is good governance for an organisation to have in place a risk management policy that articulates the organisation's commitment to effectively managing risk.

Risk governance is concerned with providing assurance to the board/committee that risks are being effectively managed throughout the organisation. This includes the identification of contemporary and emerging risks, a risk-aware culture, effective communication of risks and alignment of risks to strategy.

Not for Profit Organisations such as Football Netball Competitions and/or competitions need to be aware of the need to consider risk at the forefront of their activities, both day-to-day and over the longer term; also decision-makers need to be knowledgeable about the need for a strategic risk focus as a specific consideration. It is good governance for organisations to recognise and manage risk.[2] Not for Profit Organisations should review **Risk** as a standing agenda items at board/committee meetings.

## 3 Risk Management

Risk management is a procedure to assist in achieving your objectives whilst reducing potential legal liability. It aims to address potential problems before they occur and works towards being proactive rather than reactive in creating a safer environment and "legally safer" operational procedures.

As a Board/Committee member of the West Gippsland Football Netball Competition Incorporated organisation you need to be aware of your obligations and responsibilities and have the necessary skills and knowledge to competently fulfil your duties as a decision maker.

Risk management is both an individual and corporate responsibility. Individual Board/Committee members are all responsible for anticipating and managing issues that may impact upon how well strategies are implemented to meet the goals and objectives of the West Gippsland Football Netball Competition Incorporated.

The law has acknowledged that Board/Committee people are risk takers not trustees. That is, they are expected to take well-judged sensible risks to develop their organisation. Logical and effective application of risk management principles will ensure that Board/Committee members are consistently forward thinking, rigorous, and systematic in the way they carry out their responsibilities with a clear view of the associated risks and opportunities.

If the Board/Committee allows the West Gippsland Football Netball Competition Incorporated to simply maintain the status quo and keep doing what it has always done, then it is highly likely that the Competitions and its membership will decline. Hence the focus must be on continuous improvement.

[1] *ISO 31000:2018: Risk Management — Guidelines.*
[2] See *Corporate Governance Principles and Recommendations, 4th edition, Principle 7.*

There is a need to manage risks across all levels of the Competitions, from the strategic down to the practical, and across all levels of activities and functions. Risks may present as hazards that may cause physical or mental harm or in a legal sense as the result of a negligent act or non-compliance with the law.

**It is important to remember that risk should not be related solely to Occupational Health and Safety (OHS), Financial Risk, Brand Risk, or physical injury.**

## 4 Managing Risk

Risk is measured in terms of ***consequences*** and ***likelihood***. Action taken to treat or reduce the risk therefore needs to address the likelihood of an event occurring, and the consequences if it does.

The Australian Standard sets out a practical and consistent approach to risk management that requires the following steps:

### *4.1 Establish the Context*

Establishing the context is concerned with developing a structure for the risk identification and assessment tasks to follow. Basically, this means defining what it is you want to do and how you can measure if it has been successful.

### *4.2 Identify the Risk*

This involves the process of defining those events or outcomes that may have a measurable impact on the success of the organisation.

### *4.3 Analyse the Risk*

Determines how large the impact of a risk may be and how likely this impact is to occur, what are the potential ramifications and financial liability.

### *4.4 Evaluate the Risk*

Risk evaluation involves deciding whether risks are acceptable to the organisation, considering:

- The controls are already in place.
- The cost impact of managing the risks or leaving them untreated.
- Benefits and opportunities presented by the risks.
- Viability of the organisation, from a day-to-day financial point of view, match days and finals.
- Financial controls in place, reporting, budgeting and monitoring member clubs.

### *4.5 Treat the Risk*

Treating the risk is the action taken because of a risk being identified and assessed as being unacceptable to the organisation.

### *4.6 Monitoring and Review*

Regular monitoring and review of the risks is essential to ensure that any new risks are identified and managed and any changes to existing risks are detected and managed.

This process will also provide the organisation with an insight into the effectiveness of action, strategic, future direction and development plans established to treat the risks.

### *4.7 Communication and Consultation*

Effective communication and consultation are important to ensure that those responsible for the risk management process and those affected by the outcomes are aware of and understand why certain actions are necessary.

### *4.8 Implementing Risk Management*

Risk management is more than implementing a process at a point in time to address a specific issue that has arisen. The philosophy of risk management must be integrated and evident within the organisation’s culture at all levels.

The West Gippsland Football Netball Competition Incorporated Board/Committee has established a risk management policy and determined an appropriate method for defining and measuring the risks. The Risk Register identifies and prioritises risk for the organisation it is suggested that an appropriate risk register be established.

## 5 Risk Register

A **Risk Register** has been completed and an explanation of each section is as follows:

### *5.1 Key Element*

Key elements provide a structure for risk identification by categorising the types of risks that may occur. Examples include:

- Management – Leadership, People Management, Office Administration, etc;
- People – Experience, Competency, Availability of Staff, rostering, etc;
- Financial – Budget, cash-flow, funding, capital management, all income sources, final income and expenses etc;

- Adherence to yearly budget, reporting via variation reports at Board/Committee monthly meeting
- Provide Board/Committee with Audited Financial Statements two weeks prior to scheduled AGM
- Undertake yearly Annual General Meeting (AGM) within 5 months of financial year end i.e. 31 October
- Regulatory/Compliance – Constitution, AFL Vic, ASIC, ATO, Consumer Affairs Local Councils, etc.
- Operational – Member Club Grounds/Venues, Facilities, Equipment, Finals in
- Security – Facilities, Staff, Patrons, Membership etc;
- Education and Training – Management, Staff, Boards/Committee, Member Clubs, Umpires etc.
- Processes and Procedures – Decision-making, Rules & Responsibilities, Delegation, By-Laws, Rules of the Game (Football & Netball) CCSP regulations and compliance etc.
- Commercial and Legal – All Club and Organisations Insurance, Leases, Contracts, CCSP compliance, etc.
- Natural Events – Fire, Flood, Natural Events, inclement weather (lightning) etc.
- Allowance for redundancies/terminations of staff/employees, to include accrued LSL and entitlements, with a recommendation of not less than one full year of remuneration entitlements held in reserve on an accumulation basis.
- Ensure full compliance with approved Organisational constitutional rules, this includes all member clubs being compliant with their rules.

### *5.2 ID Number.*

Risks should be provided with a unique identification reference or number for easy reference.

### *5.3 Description of Risk*

A brief description of the risk that has been identified, e.g. under the Key Element of 'People' the description might read, "Absenteeism of full and part time staff creates pressure on Board/Committee members to undertake Football/Netball match day duties during finals in particular."

### *5.4 Existing Controls*

Identify any controls that are currently in place to assist in the management of West Gippsland Football Netball Competition Incorporated the specific risk. E.g. for the above scenario the control may be 'List of standby staff."

### *5.5 Consequence*

Establish the impact that the risk could have on the Organisation based on the following table:

| | |
|---|---|
| ***Catastrophic*** | The Organisation could face ruin and cease to operate |
| ***Major*** | Most criteria (refer below) threatened or severely affected |
| ***Moderate*** | Some criteria affected, considerable effort to rectify |
| ***Minor*** | Easily remedied and with some effort the criteria can be achieved |
| ***Negligible*** | Very small impact and can be rectified by normal processes |

### *5.6 Likelihood*

The likelihood of specific risks arising and leading to the assessed level of consequence as per the following table:

| | |
|---|---|
| ***Almost Certain*** | Will probably occur at least several times per year |
| ***Likely*** | High probability at least once a year |
| ***Possible*** | Reasonably likely to occur over a five-year period |
| ***Unlikely*** | Plausible and could occur over a five-to-ten-year period |
| ***Rare*** | Very unlikely but not impossible |

### *5.7 Criteria*

This indicates what area will be affected and how the risks will impact upon the Organisation's objectives. The following table provides an example of possible criteria:

| | |
|---|---|
| ***Membership*** | Club Member engagement, participant engagement, spectator development, and engagement etc |
| ***Participant Operations*** | Participant and spectator involvement, ground preparation, game day player and playing safety on grounds and courts, etc. |
| ***People*** | Staff recruitment & retention, training & development, succession planning, performance management, etc. |
| ***Safety*** | Participants, staff, spectators, club members, board/committee, volunteers, etc. |
| ***Financial*** | Income & expenditure, budget, planning and management, capital planning, statutory reporting and requirements, expenditure related to development programs etc. |

| | |
|---|---|
| ***Functions & Events*** | Food & beverage, stock management, bookings, etc for the organisation's key events, including presentation nights, finals training, and development member clubs and season launch |
| ***Information Technology*** | IT Systems (network, software, hardware), etc. |
| ***Governance & Compliance*** | Strategic planning, Future directions and growth strategy, compliance with laws, regulations, standards, duty of care, public liability, etc. |
| ***Asset Management*** | Asset management planning and condition reporting. Capital expense purchases. |
| ***Reputation & Image*** | Public image and reputation, industry perception. West Gippsland Football Netball Competition Incorporated Brand and Image protection. |

### *5.8 Agreed Priority & Level of Risk*

In establishing a timetable to address risks you need to consider both the likelihood and the consequence of the risk. The following table assesses the priority of each risk based on these two factors:

| | ***Consequence*** | | | | |
|---|---|---|---|---|---|
| ***Likelihood*** | **Negligible** | **Minor** | **Moderate** | **Major** | **Catastrophic** |
| **Almost Certain** | **Medium** | **Medium** | **High** | **High** | **Extreme** |
| **Likely** | **Low** | **Medium** | **Medium** | **High** | **Extreme** |
| **Possible** | **Low** | **Medium** | **Medium** | **High** | **High** |
| **Unlikely** | **Low** | **Low** | **Medium** | **Medium** | **High** |
| **Rare** | **Low** | **Low** | **Low** | **Medium** | **High** |

## 6 Action Plan

The Organisation has identified and prioritised its risks in an ***Action Plan*** to manage the risk.

## 7 Policies and Procedures

An important part of the Organisation Action Plan Incorporates the preparation and implementation of relevant policies and procedures.

The organisation will develop the following policies and procedures in place to assist in the appropriate management of organisational risk:

- Code of Conduct.
- Delegation of Authority Policy.
- Occupational Health and Safety Management System, including the OHS Policy
- Equal Opportunity, Anti-Bullying and Anti-Harassment Policy.
- Conflict of Interest Policy.
- Cash Management Procedure, Finals, and other key events/functions.
- Football Ground, Netball Court & Facilities, inclusive of carparks and entry points for vehicles – audits completed as directed by Marsh Insurance checklist.
- Fair Work Compliance reviews, including Employee Contract and Award reviews.
- Acceptable Use of Email Policy.
- Mental Health Policy.
- Privacy Policy.
- AFL Victoria - Social Media Policy.
- Board Skills Matrix.