Rowing ACT

RISK MANAGEMENT POLICY

1. Introduction

1.1. Document Review

This document will be reviewed and updated annually or earlier as required. Updates to this document will follow requests from the ACT Rowing community, as a result of any legal, statutory or policy changes, or, in response to changes in the Rowing ACT Strategic Plan.

1.2. Policy Background

The ACT Rowing Association (Rowing ACT - RACT) is the peak rowing body for the Australian Capital Territory and South East New South Wales. Rowing ACT is incorporated under the *ACT Associations Incorporation Act 1991* and is governed by an elected and appointed Board.

The aim of this policy is not to eliminate all risks, but to identify and manage known risks.

RACT has sought to foster a strong corporate governance focus, through a Board of Directors with a broad skill set, and supporting sub-committees. Board and sub-Committee responsibilities are documented in their respective Charters, as approved by the Board.

All employees of Rowing ACT are required to adhere to the Risk Management Policy. **1.3. Risk Management - Background**

The focus of good risk management is the identification and effective management of risks. Its objective is to add maximum sustainable value to all activities of Rowing ACT.

Risk management should be a continuous and developing process which runs throughout the organisation's strategy and implementation of that strategy. It should address all the risks surrounding the organisation's activities past, present and in particular, future.

Risk Management must be integrated into the culture of the organisation with an effective policy and a programme led by the Board, staff and our member clubs/schools. It needs to translate the strategy into tactical and operational objectives, and support accountability at all levels of the rowing community.

Risk management protects and adds value to Rowing ACT and its community by:

- Providing a framework for an organisation that enables future activity to take place in a consistent and controlled manner
- Improving decision making, planning and prioritisation
- Contributing to more efficient use/allocation of capital and resources
- Protecting and enhancing our reputation
- Developing and supporting our people and their knowledge base

1.4. Type of Risk

- **Legal** – losses and costs arising from legal actions for breach of common law or statutory duty of care
- **Physical** – injuries to participants and public
- **Financial** – increased insurance premiums, costs associated with injuries, loss of financial stability and asset value, replacement coasts, increased external administrative costs
- **Moral & Ethical** – loss of quality of participant experience and confidence, adverse publicity and damage to damage or reputation

1.5 Risk Management Oversight - Governance

Rowing ACT will adopt a structured and disciplined approach to risk management, which includes:

Role	Function
The Board	Approval, oversight and support of the risk management program
Executive Officer	Provide direction, maintain, manage and report organisational risks
Governance and Safety sub-Committees	Oversight and reporting
External Audit	Assurance (particularly Financial)
Staff and Member Clubs/Schools	Manage, identify, address and report risks

The Roles and Responsibilities of each area are in Section 3 of this policy.

2. Corporate Governance

The identification, assessment, mitigation and monitoring of risks provides relevant information to the Rowing ACT Board to enable decisions regarding current and future direction to be based on an understanding of opportunities and threats.

2.1. Rowing ACT Board

The Rowing ACT Board is responsible for reviewing and approving the Risk Management Policy, the Risk Appetite and providing staff and the community (member Clubs/Schools) with the appropriate direction and support for their own risk management.

Strategic decisions by the Board are to fall in line with the Board Charter, the consideration of the best interests of RACT and the evaluation of the risk management framework.

Risks are any event or action that threaten the assets, values or services and reputation provided by Rowing ACT. It is the Board's role to establish a sound system or risk oversight, management and internal control.

The Risk Management function exists to support the achievement of objectives in line with the Board approved strategic plan. The policy is to:

- Support staff and the community with raising of risk awareness and management
- Increase transparency
- Improve early warning information
- Risk monitoring and identify process improvement opportunities
- Follow-up on identified control weaknesses
- Allocate risk ownership and responsibilities

2.2. Risk Appetite

The risk appetite is the level and type of risk an organisation is able and willing to assume in its exposures and activities, given its objectives and obligations to its community.

Risk management reflects a commitment that is practised by the Board, EO, staff and our community.

The tolerance levels of Rowing ACT vary dependent upon the nature of the risk and this stretches from risk averse to risk acceptance. As a result, a single risk appetite statement alone will not be as beneficial as recognising and understanding the organisations tolerance levels across identified risks.

Operational risks are acceptable within the business as long as they are known, registered, managed and monitored.

In determining the Risk Appetite the Board, Director of Finance and the EO, may consider:

- Current financial statements

- Management experience
- Stakeholder expectations and requirements
- The culture of the organisation
- Longer term strategic priorities
- The effectiveness of the control environment.

3. Roles and Responsibilities

To work effectively, the risk management process requires:

- Commitment from the Board and the EO
- Assignment of responsibilities within the organisation
- Allocation of appropriate resources for development of an enhanced risk awareness by all stakeholders.

3.1. Role of the Board

The Board has responsibility for determining the strategic direction of the organisation and for creating the environment and the structures for risk management to operate effectively.

The Board should consider:

- Overseeing the risk profile for RACT encompassing both financial and non-financial material risk
- The likelihood of such risks becoming a reality
- How unacceptable risks should be managed
- The ability to minimise the probability and impact on Rowing ACT
- The costs and benefits of the risk and control activity undertaken
- The review and effectiveness of the risk management process

3.2. Role of the Executive Officer

The Executive Officer has responsibility for ensuring implementation and compliance with the Risk Management Policy. The EO has responsibility for reporting to the Board on any significant risk issues.

Any actual or potential legal or criminal proceedings are to be reported to the Board.

In the event of any uncertainty regarding the appropriate classification of a risk or event, the event should be classified as falling within the higher risk or event category.

The EO's responsibility includes:

- Managing risk on a day-to-day basis
- Promoting risk awareness
- Developing and maintaining a communication strategy to enable ongoing awareness of this Policy

3.3. Role of the Governance and Safety sub-Committee

- Conducting an annual review of this Policy and Risk Management Plan to maintain its currency with legislative and organisational requirements
- Monitoring of the processes, procedures and controls which facilitate compliance
- Preparing reports on risk for the board and the stakeholders
- Developing risk response processes, including contingency and business continuity programmes, as required

3.4. Role of External Audit

External Auditors provide independent assurance on the effectiveness of the internal control environment and provide insight regarding the overall effectiveness of their risk management processes and risk profiles.

Financial Audit reports are provided to the Board and ACT Rowing Community.

The President and the Director of Finance are to state in writing annually that:

- RACT's financial reports present a true and fair view, in all material respects, of RACT's financial condition and operational results and are in accordance with the relevant accounting standards, are founded on a sound system of risk management and control which implements the policies adopted by the Board.

3.5. Role of Rowing ACT Staff and Member Clubs/Schools

It is the responsibility of all staff to understand, identify and effectively manage risk within Rowing ACT. Identified risks or improvements to controls need to be brought to the attention of the EO.

The **Rowing ACT Risk Management Plan** is designed to assist school and club officials in the development of their own tailored Risk Management Plan and management strategies. It is important for clubs and schools to formalise their risk management processes to provide a safer sport and recreation environment for all participants, coaches, officials and volunteers.

4. Internal Reporting and Communication

The communication of risks and reporting of risks forms an integral part of the risk management framework. Different levels within an organisation need different information from the risk management process.

4.1. The Board of Directors need to:

- Know about the most significant risks facing RACT
- Know the possible effects on stakeholder value of deviations to expected performance ranges
- Ensure appropriate levels of awareness throughout the organisation
- Know how the organisation will manage a crisis
- Know how to manage communications with the community where applicable
- Be assured that the risk management process is working effectively
- Publish a clear risk management policy covering governance, roles and responsibilities

4.2. Executive Officer:

- Be aware of risks which fall into their area of responsibility, the possible impacts these may have on other areas and the consequences other areas may have on them
- Report systematically and promptly to the Board any potential new risks or failures of existing control measures

4.3. Individuals need to:

- Understand their accountability for individual risks
- Understand how they can enable continuous improvement of risk management response
- Understand that risk management and risk awareness are a key part of the organisation's culture
- Report promptly to their School/Club any potential new risks or failures of existing control measures
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