



Risk Management Policies and Procedures

As at May 5 2017

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1) MSA RISK MANAGEMENT POLICY REV1.

Masters Swimming Australia Inc (MSA) recognises its legal and moral responsibility in managing risks in all of its activities. It is committed to providing a safe working and sporting environment

MSA commits to minimising financial and legal risks through the implementation of responsible risk management procedures and reviewing these regularly to meet the changing demands of the sport and the business of sports management.

Masters Swimming Australia will:

- Implement policies and procedures aimed at preventing harm, discrimination and harassment and minimising risks in all MSA activities;**
- Commit to due diligence processes which ensure our legal and moral responsibility objectives are met;**
- Minimise financial, legal, social and market risks;**
- Allocate resources and train people to implement Procedures;**
- Undertake regular reviews to ensure systems and procedures are relevant and appropriate to the current needs of the business of managing the sport.**

**President of the Board
Craig Smith**

**General Manager
Noeleen Dix**

Date 8 / 4 / 2017

Review before 8th April 2019

2) MSA RISK MANAGEMENT PHILOSOPHY

Risk Management

The management of risk is an integral part of good management practice. There is a direct relationship between risk and opportunity in all organisations activities, and as such, an organisation needs to be able to identify, measure and manage its risks in order to be able to capitalise on those opportunities and achieve its goals and objectives.

Risk Management is simply the practice of systematically identifying and understanding risks and the processes in place to manage them. Ultimately, the process gets you to a point of deciding whether, in the context of a particular activity, a risk is acceptable or requires further action. It allows an organisation to be pro-active rather than reactive – creating a safer environment and “legally safer” operational procedures.

To be most effective, risk management should become part of an organisation’s culture and should be integrated into its philosophy, practices and business plans rather than being done in isolation. Like all good management practices it will be driven from the top down and be recognised as the responsibility of everyone.

By having a structured approach to risk management, the following outcomes are likely:

- More effective decisions and transparency in decision making
- Effective delivery of swimming services
- High standards of service and safety for participants, coaches, officials, spectators and volunteers
- Effective allocation and use of resources – lower costs and increased budget certainty
- High standards of accountability
- Creativity and innovation in management practice
- Improve morale within the organisation
- Consideration of legal issues and improved compliance with the law, regulations and other formal requirements.

The importance of addressing risk management within your organisation is identified in the Australian Sports Commission’s ‘Governance Principles: A Good Practice Guide’ Principle 3.4 which states: That the board/committee should have in place an effective risk management strategy and process. This will require the board/committee to take actions to identify key risks facing the organisation and ensure that risk management strategies are developed and actioned. The risk management system should comply with the Australian Risk Management Standard AS/NZS 31000:2009.

Risk Management Process

Risk Management is a five step process:

Step 1 – Establish the context

Step 2 – Identify the risks

Step 3 – Analyse and evaluate the risks

Step 4 – Treat the risks

Step 5 – Monitor and Review

Throughout each step it is essential that there is consultation and communication with everyone in your organisation's functions, activities and events. More detail of the risk management process is provided in the document titled 'Risk Management Process' which also includes an example of how to apply the risk priority scale to identified risks.

Risk Management Implementation

Ideally, responsibility for treatment of risk should be borne by those best able to control the risk. The successful implementation of the risk treatment plan requires an effective management system that specifies the methods chosen, assigns responsibilities and individual accountabilities for actions and monitors them against specified criteria. If after treatment there is residual risk, a decision should be made as to whether to retain this risk or repeat the risk treatment process.

The key steps in implementing a Risk Management process within an organisation are:

1. Support of board/committee – this involves developing and organisational risk management philosophy and awareness of risk at the highest level and includes nominating a person to act as a champion of the process.
2. Development of the Risk Management framework – this helps to define the context for managing risk within an organisation and includes developing a risk management policy, use of the risk priority table and identifying ways to capture and record risk information.
3. Communication/Education – a program of education and communication needs to be developed which includes dissemination of the policy and procedure, awareness raising about managing risks and education sessions on specific identified risks.
4. Monitor and review – establish a process for different areas of your organisation to report on their risks and progress of treatments. Review this risk management process to ensure it is efficient and effecting in meeting the objectives set out in the policy and that key organisational risks are being managed.

2) MSA RISK MANAGEMENT PROCESS

Risk Management process

Risk Management is a five step process:

Step 1 – Establish the context

Step 2 – Identify the risks

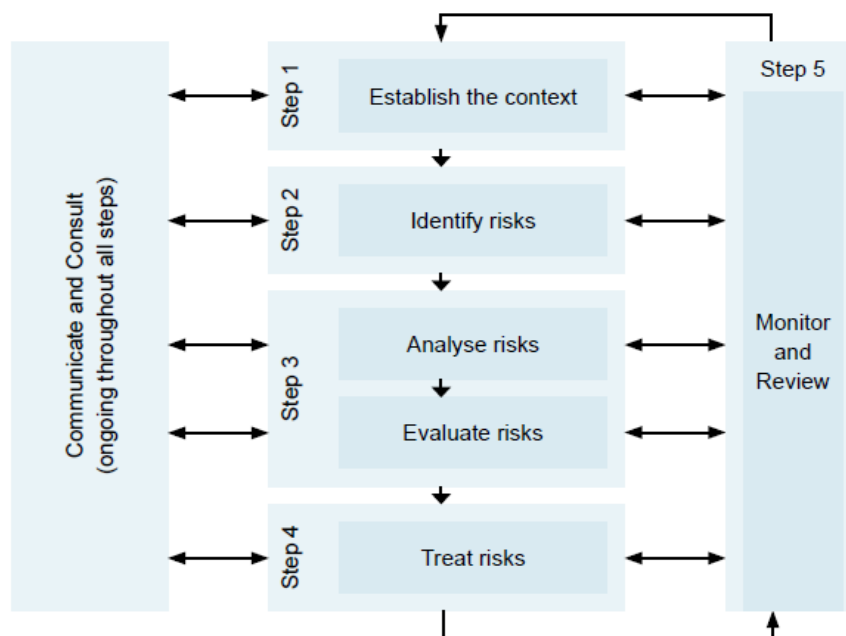
Step 3 – Analyse and evaluate the risks

Step 4 – Treat the risks

Step 5 – Monitor and Review

Throughout each step it is essential that there is consultation and communication with everyone in your organisation's functions, activities and events (refer to diagram).

RISK MANAGEMENT PROCESS



Step 1 – Establish the context

Before risk can be clearly understood and dealt with, it is important to understand the context in which it exists. You should define the relationship between your club and the environment that it operates in so that the boundaries for dealing with risk are clear.

Establish the content by considering:

1. The strategic context – the environment within which the organisation operates
2. The organisational context – the objectives, core activities and operation's of the club.
3. Stakeholders

The Stakeholders involved in the event shall be identified. Stakeholders shall include all persons having an interest in the Activity whether through the Organisation conducting the Activity, by cause of support or supply to the Activity or through Regulatory responsibility. The Stakeholders may be invited to participate in the Risk Assessment but shall be provided with a copy of any Risk Assessment for the Activity so that they may be aware of the Activity and risks contemplated.

Step 2 – Identify the risks

The purpose of this step is to identify what could go wrong (likelihood) and what is the consequence (loss or damage) of it occurring.

Key questions to ask include:

- What can happen? List risks, incidents or accidents that might happen by systematically working through each competition, activity or stage of your event to identify what might happen at each stage, starting at the planning stage.
- How and why it can happen? List the possible causes and scenarios or description of the risk, incident or accident.
- What is the likelihood of them happening?
- What will be the consequences if they do happen?

Risks can be physical, financial, ethical or legal.

Physical risks are those involving personal injuries, environmental and weather conditions and the physical assets of the organisation such as property, buildings, equipment, vehicles, stock and grounds.

Financial risks are those that involve the assets of the organisation and include theft, fraud, loans, license fees, attendances, membership fees, insurance costs, lease payments, pay-out of damages claims or penalties and fines by the government.

Ethical risks involve actual or potential harm to the reputation or beliefs of your club, while legal risks consist of responsibilities imposed on providers, participants and consumers arising from laws made by federal, state and local government authorities.

Step 3 – Analyse the risks (& evaluate)

This involves analysing the likelihood and consequences of each identified risk and deciding which risk factors will potentially have the greatest effect and should, therefore, receive priority with regard to how they will be managed. The level of risk is analysed by combining estimates of likelihood (table 1) and consequences (table 2), to determine the priority level of the risk (table 3).

It is important to consider the consequences and the likelihood of risk in the context of the activity, the nature of your club and any other factors that may alter the consequences of likelihood of risk.

Risk evaluation involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether risks can be accepted. If the risk falls into the low or acceptable categories, they may be accepted with minimal further treatment. These risks should be monitored and periodically reviewed to ensure they remain acceptable. If risks do not fall into the low or acceptable category, they should be treated using one or more of the treatment options considered in step 4.

The criteria for evaluating the risks at your club are shown below:

Table 1– Likelihood scale

Question – what is the likelihood of the risk event occurring?

Rating	LIKELIHOOD The potential for problems to occur in a year
5	ALMOST CERTAIN: will probably occur, could occur several times per year
4	LIKELY: high probability, likely to arise once per year
3	POSSIBLE: reasonable likelihood that it may arise over a five-year period
2	UNLIKELY: plausible, could occur over a five to ten year period
1	RARE: very unlikely but not impossible, unlikely over a ten year period

Table 2 – Loss or damage impact scale

Question: what is the loss or damage impact if the risk event occurred (severity?)

Rating	POTENTIAL IMPACT In terms of the objectives of the club
5	CATASTROPHIC: most objectives may not be achieved, or several severely affected
4	MAJOR: most objectives threatened, or one severely affected
3	MODERATE: some objectives affected, considerable effort to rectify i.e. sport injury – requires medical attention and has some impact on participation in sport and/or other activity
2	MINOR: easily remedied, with some effort the objectives can be achieved i.e. sport injury requires first aid treatment and prevents immediate participation in sport and/or other activity
1	NEGLIGIBLE: very small impact, rectified by normal processes i.e. sport injury but does not prevent participation

Risk priority

The **risk priority scale** determines the nature of the risk and the action required. They are indicators to assist in the decision making of what action is warranted for the risks.

Question: what is the risk priority?

Note: The completed Risk Assessment shall be submitted to the next highest level of authority with in MSA for review and acceptance e.g. a Risk Assessment prepared by a Club must be submitted to State Branch for review. Where the Residual Risk Remaining as determined during the Risk Assessment for an Event is Major or Extreme approval for the activity must be obtained from next highest level of authority with in MSA before proceeding with the activity.

Table 3– Risk priority scale

IMPACT

	5 Catastrophic	4 Major	3 Moderate	2 Minor	1 Negligible
5 Almost certain	Extreme (1)	Extreme (1)	Major (2)	Major (2)	Medium (3)
4 Likely	Extreme (1)	Extreme (1)	Major (2)	Medium (3)	Minor (4)
3 Possible	Extreme (1)	Major (2)	Major (2)	Medium (3)	Minor (4)
2 Unlikely	Major (2)	Major (2)	Medium (3)	Minor (4)	Minor (4)
1 Rare	Medium (3)	Medium (3)	Minor (4)	Minor (4)	Minor (4)

Key:

Extreme	Extreme risks that are likely to arise and have potentially serious consequences requiring urgent attention
Major	Major risks that are likely to arise and have potentially serious consequences requiring urgent attention or investigation
Medium	Medium risks that are likely to arise or have serious consequences requiring attention
Minor	Minor risks and low consequences that may be managed by routine procedures

An example of how to use the risk rating tables is included in Attachment A.

Step 4 – Treat the risks

Risk treatment involves identifying the range of options for treating the risk, evaluating those options, preparing the risk treatment plans and implementing those plans. It is about considering the options for treatment and selecting the most appropriate method to achieve the desired outcome.

Options for treatment need to be proportionate to the significance of the risk, and the cost of treatment commensurate with the potential benefits of treatment.

According to the standard, treatment options include:

- **Accepting the risk** – for example most people would consider minor injuries in participating in the sporting activity as being an inherent risk.
- **Avoiding the risk** is about your club deciding either not to proceed with an activity, or choosing an alternate activity with acceptable risk which meets the objects of your club. For example, a swimming club wishing to raise funds may decide that a rock climbing competition without a properly trained and accredited instructor, equipment etc may decide a safer way of raising funds.
- **Reducing the risk** likelihood or consequences or both is commonly practiced treatment of a risk within sport, for example monitoring water quality for Open Water Swims.
- **Transferring the risk** in full or in part, will generally occur through contracts or notices for example your insurance contract is perhaps the most commonly used risk transfer form used. Other examples include lease agreements, tickets, reinforcing competitor duty of care and warning signs.
- **Retaining the risk** is knowing that the risk treatment is not about risk elimination, rather it is about acknowledging the risk is an important part of the swimming activity and some must be retained because of the inherent nature of the sport activity. It is important to consider the level of risk which is inherent and acceptable.
- **Financing the risk** means the club funding the consequences of risk i.e. providing funds to cover the costs of implementing the risk treatment. Most community non profit sport clubs would not consider this option.

Whichever option you choose to treat a risk, if the risk has rated highly you will need to carefully consider necessary policies, procedures and strategies to treat the risk. These will include:

- what is needed to treat the risk
- who has responsibility
- what is the timeframe
- how you will know when the risk has been successfully managed.

Also, seek independent advice from your broker, insurer, solicitor, financial advisor and/or affiliated state body.

Step 5 – Monitor and review

As with communication and consultation, monitoring and review is an ongoing part of risk management that is integral to every step of the process. It is also the part of risk management that is most often given inadequate focus, and as a result the risk management programs of many organisations become irrelevant and ineffective over time. Monitoring and review ensure that the important information generated by the risk management process is captured, used and maintained.

Few risks remain static. Factors that may affect the likelihood and consequences of an outcome may change, as may the factors that affect the suitability or cost of the various treatment options. Review is an integral part of the risk management treatment plan.

As discussed earlier, risk management is an integral part of all core business functions, and it should be seen and treated as such. Risk management should be fully incorporated into the operational and management processes at every level of the organisation and should be driven from the top down.

Risk Assessment

Risk Assessment is the term used for the Risk Management Process and the formal record of that Process. Risk Assessment shall be conducted for both frequent Activities such as Masters Swimming Association (MSA) training, committee meetings and, competition meets and for infrequent Activities such as Open Water Swims and Presentation Dinners to name a few.

Where an Activity is frequent the Risk Assessment shall be undertaken and then reviewed annually while for infrequent Activities the Risk Assessment shall be conducted at the early stages of planning for the event. It should be noted that where conditions considered in the original Risk Assessment may change (e.g. wind and waves at an Open Water Swim) these conditions may need to be reanalysed immediately prior to the Event Starting. Any reassessment of risks and subsequent treatments must be recorded and agreed with relevant persons.

Risk Assessments shall be conducted as a workshop by persons involved in organising and running events. The Risk Assessment sub committee should include a person with the knowledge and skills to undertake the Risk Assessment in accordance with this procedure, the Safety Coordinator of the Organisation holding the Activity or person with skills in workplace safety assessment and a senior manager of the Organisation holding the Activity such as Chairperson of the Club managing the Activity.

The completed Risk Assessment shall be submitted to the next highest level of authority with in MSA for review and acceptance e.g. a Risk Assessment prepared by a Club must be submitted to State Branch for review. Where the Residual Risk Remaining as determined during the Risk Assessment for an Event is Major or Extreme approval for the activity must be obtained from next highest level of authority with in MSA before proceeding with the activity.

The Treatments identified in the Risk Assessment shall be included in any Management Plan subsequently prepared for the activity. Whether or not an Activity Management Plan is prepared, persons involved in running the event (organisers, referees and volunteers shall be briefed on the Risk Treatments to be implemented where the Residual Risk Remaining as determined during the Risk Assessment for the Activity is Major or Extreme. A record of the briefing including content and names and signatures of attendees shall be kept by the Activity Organiser for twelve months after the Activity is completed.

Attachment A: Club sample

How the risk rating works.

Step 1 & 2: Establish Context & Identify risk

A risk identified under physical sporting environment - *“Does our swimming club take all reasonable steps to check venues for foreign objects which may result in injury to competitors and officials”* would be considered as follows:

Question: Step 3 Analyse and evaluate the risk

Is it likely that some of our event venue may not be checked properly or at all [likelihood]?

Answer:

Maybe (probability Yes)

Question:

If yes, how likely?

Answer: Table 1

Likelihood rating would be a “3” (reasonable likelihood) particularly for Open Water Swim events.

Question: Table 2

If yes, what would be the consequences and/or the loss or damage impact of those consequences [severity]?

Answer:

Impact rating would be a “3” (moderate, some objectives threatened i.e. competitor injury may occur but can be easily remedied (prevented), with some effort, objectives can be achieved).

Question:

What is the nature of the risk and the action required?

Answer: Table 3 rate the risk

Given the likelihood rating is a “3” (possible) and the impact rating is a “2” (minor), the risk rates as a medium (level 3) risk on the risk rating scale.

So it is a medium risk that is possible to arise over a five year period but can be easily remedied.

Question: Step 4 Treat the risk

How should it be treated?

Answer: Step 4 and 5.

Include a requirement to Check the Venue for sharps in an Event Management Plan and ensure all volunteer event organisers are aware of their obligations under their risk management plan. Club office bearers should ensure that volunteer Event Managers receive the appropriate training, information and compliance checklists and provide feedback. They should have first aid kits and medical plan.