Bulleen Templestowe Basketball Club

Club Policy – Risk Management
April 2010 (v2 – Final)

Rationale

The Bulleen Templestowe Basketball Club (BTBC) is committed to the provision of quality services. As part of its overall quality framework, Risk Management is a key component of ensuring safe service provision and a safe work environment through the early and ongoing identification and mitigation of risk to the organisation.

Risk should be managed continuously. Risk is inherent in every decision that is made at all levels of the Club including at a corporate level, a program level, a team level and on an individual level.

The purpose of this policy is to ensure that BTBC has in place a strategy to identify potential risk outcomes and to set up plans and processes to eliminate risk, or to mitigate the impact should a risk outcome eventuate.

Definitions

Risk is the chance of something happening that will have an impact upon the organisation's objectives and sustainability. It is measured in terms of type, origin, consequence and likelihood.

Risk Management is the culture, process and structures that are directed towards the effective management of potential opportunities and adverse effects.

A Risk Management Process is the continuous and systematic application of management policies, procedures and practices to the tasks of:

i.   identifying risk
ii.   analysing potential impacts
iii.   evaluating potential impacts against the sustainability of the organisation
iv.   discussing potential impacts on organisational sustainability which lead to decisions about treatment of potential impacts to facilitate sustainability
v.   Monitoring and evaluating the adequacy and effectiveness of the organisation's responses to identified (or unidentified) risks

Guidelines

1. BTBC is committed to eliminating unnecessary risk, minimising unavoidable risk and managing as far as practicable all risks to our employees, clients and visitors, and to our financial and material resources.

2. BTBC program areas will develop, review, update and monitor their Risk Profile annually as part of the yearly Planning and Evaluation process.

3. Areas nominated as "high risk" will be identified to the Committee of Management (CoM) and mitigation strategies will be monitored through a 6 monthly Committee reporting cycle.

4. The key areas of potential risk have been identified as follows:

Financial Management Risk	Risk of financial loss through inadequate information, loss of opportunity, bad decisions, theft, fraud, breakdown in internal control procedures or inappropriate investment.
Contract Management Risk	Risk of financial or resource loss due to inappropriate contract management practices.
Compliance Risk	Risk of sanctions through non-compliance with legislation and government regulations.
Legal Risk	Risk of loss, through litigation or otherwise, which arises from inadequate legal advice, poor legal planning or in a failure in the Risk Management Process.
Industrial Relations Risk	Risk of interruption to services and loss through industrial disputations and proceedings in the Industrial Relation Commission or Equal Opportunity Commission.
Occupational Health and Safety Risk	Risk of injury or illness to staff, clients, community members and contractors as a result of a breakdown in Occupational Health and Safety Procedures.
Human Resources Risk	Risk of not recruiting or retaining quality staff as a result of lack of an HR policy which is benchmarked to an appropriate standard and is properly resourced.
Facilities Risk	Risk or not of: • properly planning where facilities are situated to economically and effectively deliver services. • choosing, designing and maintaining premises or facilities to ensure suitability to their intended use and purpose.

5. Training and information will be provided for all CoM members, Convenors and Co-ordinators regarding this policy.
6. Each Program area will develop and/or review its Risk Register annually as part of each program planning cycle – the Club Manager will assist with this process

7. An overall Club Risk Register to be developed and reviewed annually as part of the Club planning cycle – this register is to be tabled and ratified by the CoM.

Evaluation

This policy will be evaluated every three years as part of the Club's policy review cycle.

Adoption

Date approved by the Committee of Management (CoM): 19th August 2010

Appendix – Risk Management Process

A formal step-by-step process involving establishing the context, identification, analysis, evaluation, treatment, monitoring and review will be applied to decision making in all levels of the organisation.

Step 1: Identify the Risks

The Committee of Management (CoM) is ultimately responsible to ensure the continued viability and sustainability of BTBC and it is thereby ultimately responsible to ensure the effectiveness of the Risk Management Process. The CoM has set this overall Risk management policy framework and it is the responsibility of the Club Manager to implement it.

The Club Manager and CoM members must take the lead on implementing the Risk Management Policy to identify and manage risks in the organisation and within their individual areas of responsibility.

Decisions concerning risk acceptability and risk treatment may be based on operational, technical, financial, legal, social or other criteria often found in internal policy, goals and objectives. Criteria should also include a costs/benefits analysis where appropriate.

The risk identification processes include audits and inspections, brainstorming, examining of local and overseas experience, flowcharting system design, history or failure analysis, interviews or focus groups, judgemental, modelling, personal experience, SWOT analysis, surveys and questionnaires.

Risk analysis separates the minor acceptable risks from the major unacceptable risks and provides data to assist in the evaluation and treatment of risks. Risk analysis involves consideration of the sources of risks, their consequences and the likelihood that these consequences may occur.

Step 2: Determining the Likelihood

Determine the impact of an occurrence utilises the following criteria:

Descriptor	Description
Almost certain	Is expected to occur in most circumstances.
Likely	Will probably occur in most circumstances.
Possible	Might occur at some time.
Unlikely	Not expected to occur.
Rare	May occur in exceptional circumstance.

Step 3: Determining the impact to Service

Determine the impact of an occurrence utilises the following criteria:

Descriptor	Description
Extreme	Catastropic consequences that threatens the survival of the organisation, causing major problems for clients and administration of the service. Revenue loss greater than 50% and/or extreme consequences financially, morally, legally and politically.

Very High	Major consequence that would threaten the survival or continued effective functioning of a program. Revenue loss between 20-50% and/or high consequences financially, morally, legally and politically.
Medium	Moderate consequences that would not threaten the survival of a program but would mean that the administration of a program could be the subject of significant review or change in operations. Revenue loss between 5-20% and or medium consequences financially, morally, legally and politically.
Low	Minor consequences that would threaten the efficiency and effectiveness of some aspects of the program. A loss of revenue below tolerance level of 5% and low consequences.
Negligible	Insignificant consequences dealt with by routine operations.

Step 4. Evaluation of Risks

Likelihood and impact are combined to produce the level of risk as detailed in the matrix below.

	Impact				
Likelihood	Negligible	Low	Medium	Very High	Extreme
Almost Certain	High	High	Extreme	Extreme	Extreme
Likely	Medium	High	High	Extreme	Extreme
Possible	Low	Medium	Medium	Extreme	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Rare	Low	Low	Medium	High	High

Step 5. The Treatment of Risk

The result of the analysis (above) will determine the treatment / intervention mitigation required for each category of risk.

Extreme Detailed research, planning and management required at Senior level. Immediate action required.

High Urgent Senior Management attention is required and management responsibilities specified.

Medium Managed by specific monitoring or response procedures.

Low Managed by routine procedures, unlikely to need specific application of resources.

Step 6. Monitoring and Review of Risks

It is necessary to monitor risks, the effectiveness of the risk treatment plan, strategies and the management of systems which are set up to control implementation. Risks and the effectiveness of control measures need to be monitored to ensure changing circumstances do not alter risk priorities. Few risks remain static.