



*Leaders in Martial Arts*

**TAEKWONDO**

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# **Risk Management Policy**

## **JULY 2012**

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## **Risk Management Policy statement**

### Policy

Tan's Taekwondo aims to use best practice in risk management to support and enhance our activities in all areas of our organisation. We will ensure risk management is an integral part of all our decision making process.

We will use a structured risk management program to minimise reasonably foreseeable disruption to operations, harm to people and damage to the environment and property. We will identify and

take advantage of opportunities as well as minimising adverse effects.

We will assist our people to implement risk management effectively. We will strive to continually improve our risk management practices.

### Responsibilities

The Risk Management Officer appointed by the Director is accountable to the director for the implementation of the risk management process and ultimately responsible for the management of risks in the organisation.

All key personnel are responsible for managing risks in their areas.

### Process

A risk management procedure has been established, based on the Australian Standard AS/NZ 4360:1999. Everyone involved with the application of risk management should use this process for guidance.

### Monitoring and review

The Risk Management Officer will monitor and review the implementation of the risk management program and report to the Director when applicable

The Risk Management Officer will facilitate the development of a common risk management approach across areas of our organisation by:

- Implementing the risk management program
- Sharing information with broad applicability across all areas
- Reporting on the progress of implementing the risk management program.

For further information on this policy and the risk management procedures, contact:

- The Risk Management Officer – Claudia Tan, tel: 07 3311-1991
- The Director – Michael Tan, tel: 0040 052609



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### What is Risk?

Risk is the chance of something happening that will have an impact upon objectives - AS/NZ 4360. It is measured in terms of likelihood and consequences.

Here are some examples of what is at risk (at a high level) for our sport:

Objectives	What is at risk?
Sporting success	Competitive results, international, national Level of participation, memberships Better sporting and recreational outcomes
Health and Safety	Safety for players, activity participants, members, coaches, officials, referees, spectators, volunteers
Cost and Financial viability	Direct costs Loss of revenues, Budget uncertainties Sponsorships and fundings
Compliance	Compliance with the law, The constitution and regulations Standards and codes of behaviour Duty of care, negligence, rules Strategic and Business plan
Image and reputation	Public image and reputation with stakeholders, regulators, sponsors, media



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**Why do we need to manage risk? Here are some examples of benefits for our sport:**

Risk is inherent in our sport and martial art activity. The law and our stakeholders and our members expect us to develop and practice risk management and loss control programs to ensure safe environment for all who participate in our sport and martial art recreational activity.

- It is good business and management practice
- It assists our strategic planning and business planning
- It reduces unexpected and costly surprises
- It provides for more effective and efficient allocation of resources, effective management of our assets, events, programs and activities
- It provides for better results from projects and programs, lower costs and increases our budgetary and financial certainty
- It assists us to clearly define our insurance needs
- It provides for better information for decision making
- It improves our compliance with the law, regulations and other formal requirements
- It assists in the preparation for auditing
- It lessens risks and encourages more people to participate in our sporting and martial art activity
- It balances opportunity and risks
- It enhances our image and reputation leading to:
  - increased interest from the public and members
  - greater participation, leading to increased memberships
  - more financial support, eg tapping into our sources (private or government)
  - a wide range of other less intangible benefits

The SCORS report – March 2002, identified a high percentage of NSO's (62%) have a form of risk management plan, including 58% that have a formal plan.

The report recommended that S&RO's (Sport and Recreation Organisations) demonstrate a need to implement formal risk management plans.

It is generally accepted that, insurers look favourably at S&RO's that have a comprehensive Risk Management Program and insurance premiums reduced.

Some states such as NSW provides funding assistance on condition that the SSO has a form of risk management program in place. It is not unreasonable to expect that this will flow-onto other states and the national level.



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## What is Risk Management?

Risk management is a procedure to assist in achieving objectives whilst reducing potential legal liability. It seeks to address potential problem areas before they occur and aims to be proactive rather than reactive. It is a process through which existing control measures are tested regarding their effectiveness against something happening that might result in someone or the organisation getting hurt. (injury, litigation, image, financial etc).

Risk Management integrates a systematic and rigorous approach to what people do on a daily basis. It is about creating opportunities, understanding the risks and managing them to achieve desired outcomes. It can be applied to strategic national, state and even club level. It can also be applied at a broader organisational level where it feeds into our normal business planning and day-to-day operations and processes at BOM, Executive, and functional boards.

**The AS/NZ Standards sets out a systematic risk management approach, using the following steps:**

### **1. Establishing the risk contexts**

- a. scope the Tan's risk management
- b. aims and objectives of Tan's risk management program, SWOT analysis
- c. who are the stakeholders
- d. Identify the key elements
- e. determine the criteria for treating risks

### **2. Identifying the risks**

- a. from experience, reports and records,
- b. systems analysis, brainstorming
- c. audit and other reports
- d. what can happen, lists events that might happen
- e. how and why it can happen, list causes and scenarios

### **3. Assessing each Risks (analysis and evaluation)**

- a. likelihood (probability – how likely is it to occur?) and consequences (outcome being a loss, injury, disadvantage or gain) of risk occurrence.
  - i. *likelihood scale - almost certain, likely, moderate, unlikely, rare*
  - ii. *consequence scale – catastrophic, major, moderate, minor, negligible*
- b. look at adequacy of existing controls
- c. decide which risks are to be treated or accepted, prioritise
  - i. *risk priority scale: extreme, high, medium, low*



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#### 4. Treating the risks (action plans)

- reduce the likelihood and reduce the consequences of occurrence, modified rules, safety rules for the activity playing or practice environment,
- transfer the risk eg insurance, waivers, indemnity clauses, release,
- accept the risk, low risk, low potential loss,
- avoid the risk, high risk, high potential loss
- removal of risk altogether.

#### 5. Ongoing Monitoring and Review

- risk reviews
- claims performance reports
- audits (internal and external)
- education and acceptance
- progress of the risk treatment implementation

#### 6. Communicating and consulting

- communicate between affected parties, stakeholders and members
- effective communication media, written, electronic, verbal,
- risk reports
- risk register
- risk management plan

#### Risk Management Approach Model:

