



DBNSW RISK MANAGEMENT POLICY

Policy Name:	Risk Management
Policy Number:	3.1.1
Primary Policy Holder:	CEO, DBNSW
Applies to:	DBNSW and all Members of DBNSW
Issued:	July 2019
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Approved by:	DBNSW Board

PURPOSE

The purpose of this policy is to:

- state DBNSW's commitment to managing enterprise-wide risks;
- outline the principles of risk management which are to be applied by DBNSW's Board, management, staff and volunteers;
- describe DBNSW's risk management framework;
- establish clear roles and responsibilities for administering and implementing risk management processes; and
- provide a high-level statement relating to risk management for use by DBNSW, its clubs and members.

A strong risk management culture and supporting practices assists DBNSW to:

- efficiently achieve strategic objectives;
- improve governance and accountability;
- protect itself from adversity or quickly take ameliorative action;
- improve decision-making in relation to programs and processes;
- enhance the value of outcomes through flexibly leveraging opportunities and better managing uncertainties; and
- improve brand protection and reputational risk.

Risk is inherent in all aspects of our sport and DBNSW's activities and, whilst many of the risks cannot be eliminated, they can be identified, controlled and managed. Risks that impact on the objectives of DBNSW can offer both opportunity and threat.

SCOPE

This policy applies to DBNSW Board, DBNSW Management and Staff (whether employees or contractors), DBNSW Member Clubs and Volunteers (including but not limited to Club Members).

DBNSW'S COMMITMENT TO RISK MANAGEMENT

DBNSW's Board, Chief Executive Officer (CEO), Management and Staff are committed to creating a strong risk management culture within the organisation.

To achieve this DBNSW has created a Risk Management Framework that includes:

- this policy;
- risk management procedures; and
- an organisational risk register.

OBJECTIVES

The Australian / New Zealand Risk Management Standard (AS/NZS ISO 31000:2018) defines risk management as the “coordinated activities to direct and control an organisation with regard to risk”.

This policy confirms that DBNSW is committed to implementing a strategic, consistent and structured enterprise-wide approach to risk management in order to effectively manage opportunities for gain and minimise the impact of threats causing losses.

This policy is aligned to reflect AS/NZS ISO 31000:20018 Risk Management – Principles and Guidelines which provides the framework used to develop the DBNSW Enterprise-Wide Risk Management Framework.

Risk will manifest itself in many forms and has the potential to impact health and safety, environment, members, reputation, compliance, operational, IT, and financial performance of DBNSW and, thereby, the achievement of the Organisation’s objectives.

By understanding and managing risk, DBNSW will provide greater certainty and confidence for Members, employees, sponsors, suppliers and the community.

RISK MANAGEMENT PRINCIPLES

For risk management to be effective, Directors, Management, Staff, Clubs (DBNSW Members) and Volunteers (Club Members) are to comply with the following principles.

Continual improvement

Continuous review of DBNSW’s processes, systems and experiences to identify opportunities to further the achievement of DBNSW’s objectives.

Integration

Risk management, through the regular review and maintenance of an Organisational Risk Register, will be embedded into our business activities, functions and processes, particularly:

- organisational culture;
- decision making and change management processes;
- business information systems;
- strategic and operational planning of programs and activities
- values and culture; and
- business and financial processes.

Systematic, structured and timely

The process of risk management will be applied consistently across DBNSW to ensure efficiency, consistency and the reliability of results.

The Organisational Risk Register will be monitored quarterly and reported through the DBNSW Board Meetings.

Risk issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used.

Risk controls will be designed and implemented to reasonably assure the achievement of organisational objectives. The effectiveness of these controls will be systematically reviewed and, where necessary, improved.

Risk management performance will be monitored, reviewed and reported. Review and oversight of the effectiveness of our risk management processes will provide assurance to executive management, the Board and members.

The effective management of risk is vital to the continued growth and success of DBNSW. Risk understanding and our tolerance for risk will be key considerations in our decision making.

Best available information

DBNSW will consider all available information relevant to an activity, ensuring it is timely, clear and available to all relevant stakeholders. It is also important to be aware that there may be limitations on the information and expectations that are used to inform risk management.

Customised

Consider the internal and external operating environment to understand all of the factors that may have an influence on the ability of DBNSW to achieve its objectives.

Take into account human and cultural factors

Recognise the capabilities, perceptions and intentions of internal and external parties that can facilitate or hinder achievement of DBNSW's objectives.

Inclusive

Communication and consultation with stakeholders, both internal and external, to ensure transparency and aid accountability.

Dynamic

The challenges of the environment DBNSW operates in requires consideration of the internal and external contexts as well as continuing to identify emerging, changing or disappearing risks to respond in an appropriate manner.

GOVERNANCE FRAMEWORK – ROLES & RESPONSIBILITIES

At DBNSW, risk management is not the sole responsibility of one individual but rather occurs and is supported at all organisational levels.

Board

The key role of the Board is to provide oversight and review of this Policy.

The Board has ultimate responsibility for the successful implementation of DBNSW's risk management framework and for monitoring the management of all risks, with particular attention to risks of DBNSW rated "very high" or "emerging risks that move to "high".

The Board is responsible for reviewing the recommendations of the CEO and the endorsement of DBNSW's risk management framework and processes.

Chief Executive Officer (CEO)

The key role of the CEO is to drive a culture of risk awareness and compliance, identify new and emerging risks, maintain risk management framework and prepare reports.

The CEO is responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility the CEO reviews the adequacy, efficiency and appropriateness of internal controls to ensure they are operating effectively and are appropriate for achieving DBNSW's goals and objectives, with particular focus on risks to DBNSW rated "very high" and "high".

The CEO is responsible for:

- monitoring all risks;
- ensuring responses are instigated to realised risks;
- maintaining DBNSW's risk register;
- raising and maintaining risk management awareness;
- instigating required/scheduled periodic reviews of risks; and
- reviewing the risk management framework.

The CEO shall promote a culture of compliance with risk management practices and encourage and empower staff in the management of risk.

Member Clubs

The key role of Member Clubs is to comply with risk procedures, identify risks and promote a safe culture to members and stakeholders within their club.

The Member Club is responsible for:

- Understanding and adhering to State and National Policies relating to Risk and Safety;
- monitoring all risks within their club;
- ensuring responses are instigated to realised risks;
- maintaining a club risk register;
- raising and maintaining risk management awareness;
- instigating required periodic reviews of risks; and
- reviewing the risk management framework.

Staff and Club Volunteers

The key role of DBNSW Staff and Club Volunteers is to comply with risk procedures and identify risks.

DBNSW staff and volunteers are responsible for managing risk within their area of control and assisting with the identification of risks that could impact on DBNSW as a whole.

Staff and volunteers undertaking a risk assessment must forward a copy of the assessment to the CEO for adding to the DBNSW organisational risk register, a central repository where all DBNSW's risks are recorded.

POLICY REQUIREMENTS

DBNSW risk management processes need to ensure compliance with regulations and policies of organisations it is affiliated with, including where appropriate:

- AusDBF;
- IDBF;
- Sport Australia;
- NSW Maritime legislation and;
- Australian Sports Anti-Doping Authority

As part of DBNSW's risk management framework, it will develop and maintain appropriate policies required to effectively govern the sport in NSW, which will be located on the DBNSW website.

Review and approval

The DBNSW risk management framework, including this policy, shall be reviewed annually by the CEO as part of the annual business planning and budgeting process. Following the CEO's annual review, the risk management framework shall be tabled at the next Board meeting for approval.

Access to the policy

The entire DBNSW risk management framework, including this policy, shall be accessible electronically by the Board and employees, and highlighted to each new Board member, staff member and volunteer as part of their induction process.

RISK FRAMEWORK

A risk rating for an individual risk is determined by determining the likelihood of the risk eventuating and the consequence if the risk eventuated, and then multiplying the likelihood by the consequence. The risk rating can be expressed as a number, or a level and is often colour coded in a risk matrix.

The probability and consequence levels and definitions for DBNSW are set out below.

Probability Framework:

Likelihood	Likelihood Description
Probable	Is expected to occur in most circumstances as there is a history of regular occurrence. Risk will occur within a short to medium timeframe.
Likely	Will probably occur as it has happened before. Risk likely to occur within a short to medium timeframe.
Possible	Risk may occur within a short to medium timeframe. Few recorded incidents, or very few incidents in comparable organisations.
Unlikely	Hasn't happened yet but it is possible that it could. Risk not likely to occur in a short to medium timeframe.
Rare	Risk will only occur in exceptional circumstances. Risk not likely to occur, even in the long term.

CONSEQUENCE ANALYSIS

DBNSW will use the following risk appetite table to determine the appropriate consequence rating to be assigned to each risk. The risk appetite should be determined by the Board and reviewed on an annual basis.

Consequence	Finance	Health and Safety	Reputation	Legal/Regulatory	Services
Insignificant	Low financial loss < 1% of annual revenue or profit.	First aid treatable injury. No days lost.	Minor complaint. Localised issue. Quickly forgotten. Free to operate unaffected. Self-improvement review.	Legal action unlikely. Regulatory or legislative infringement that can be managed by routine procedures.	Temporary suspension <2hr. No material disruption.
Minor	Minor financial loss Between 1% and 3% of annual revenue or profit.	Minor injury. Medical treatment and some days lost.	Short term, localised issue. Low level social or other media. Some impact on local level activities. Reduced support from small group of stakeholders. Direct communication with affected stakeholders required. Short term impact on staff morale.	Low-level legal matter. Minor breach of regulatory or legislative obligations requiring management attention.	Short term temporary suspension. Backlog cleared in < 1 business day.
Moderate	Medium financial loss Between 3% and 5% of annual revenue or profit.	Serious injury / moderate impairment. Possible hospitalisation. Numerous days lost.	Persistent interest on social and other media. Decrease in support from some stakeholders. Low staff morale. Potential brand implications.	Minor legal issues. Breach of regulatory or legislative obligations resulting in a small fine or sanction.	Medium term temporary suspension. Backlog cleared in 1 day to 1 week.

Consequence	Finance	Health and Safety	Reputation	Legal/Regulatory	Services
Major	High financial loss Between 5% and 10% of annual revenue or profit.	Multiple serious injuries. Long term illness, or numerous people affected.	Persistent intense media scrutiny. Reputation impacted with significant number of key stakeholders. Definite brand implications. Operations significantly restricted. Loss of key staff.	Serious breach of regulatory or legislative obligations resulting in a large fine or sanction and/or criminal investigation.	Prolonged suspension of work. Performance affected for 1 to 2 weeks.
Catastrophic	Major financial loss > 10% of annual revenue or profit.	Fatality(ies) or permanent disabilities. Epidemic.	Sustained adverse media coverage. Reputation impacted with majority of key stakeholders. Public statement/apology required. Brand impact significantly affects organisational abilities. Forced removal of key staff or Board members.	Extreme breach of regulatory or legislative obligations resulting in large fines or sanctions and/or criminal prosecution.	Indeterminate prolonged suspension of work. Non-performance for > 2 weeks.

RISK MATRIX

For example, a risk may be possible and have a moderate consequence. In this case, as depicted below, the risk rating would be High.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Probable	H	H	E	E	E
Likely	M	H	H	E	E
Possible	L	M	H	E	E
Unlikely	L	L	M	H	E
Rare	L	L	M	H	H

RISK TOLERANCE

Risk Level	Action
VERY HIGH (E)	<p>Intolerable level of risk</p> <p>Immediate action to mitigate the risk is mandatory.</p> <p>Activity should be discontinued until level of risk is able to be reduced.</p> <p>Management and Board to be informed and provide urgent attention.</p> <p>Risk treatment plans must be established, implemented and incorporated into management and operational processes ASAP.</p> <p>Ongoing monitoring of risk and progress of risk response or treatment plans is required.</p> <p>Any related strategic risks must be reassessed.</p>
HIGH	<p>Tolerable level of risk</p> <p>Mitigation of the risk is mandatory.</p> <p>Risk treatment plans must be established, implemented and incorporated into operational processes within 6 months to ensure risk level is As Low As Reasonable Practicable (ALARP).</p> <p>Ongoing monitoring of risk and progress of risk response or treatment plans is required.</p> <p>If level of risk is ALARP continue to manage using WHS and Risk Management Frameworks.</p> <p>Any related strategic risks should be reassessed.</p>

<p>MODERATE</p>	<p>Tolerable level of risk</p> <p>Ensure risk level is As Low As Reasonable Practicable (ALARP).</p> <p>Mitigation of the risk is dependent on a cost benefit analysis of the implementation of measures and resulting reduction in risk.</p> <p>Risk should be regularly monitored in conjunction with a review of the effectiveness of existing controls.</p> <p>Further management measures / controls may be considered, if resources permit.</p> <p>If level of risk is ALARP continue to manage using standard operating procedures, WHS codes of practice, intuitive risk management.</p>
<p>LOW</p>	<p>Tolerable level of risk</p> <p>No change required.</p> <p>Significant management effort should not be directed towards these risks.</p> <p>Risk can be managed by routine controls and procedures.</p> <p>Risk should be monitored periodically in conjunction with a review of the effectiveness of existing controls.</p>