

GolfWA Risk Management Policy

Approval History

Version	Date	Approved By	Date Effective	Responsible
Draft	10/07/2012	Chief Executive	Immediate	Chief Executive

Distribution

Audience	Access
GolfWA Staff	GolfWA Intranet, GolfWA Policy & Procedures Manual

Required Reading

- GolfWA Chief Executive, Golf Operations Manager

Revision Schedule

Date of Next Review: TBC

Reviewer/s: Chief Executive

Document History

Version	Date	Author	Description of Changes
DRAFT	TBC	Russell O'Callaghan (P&AA)	Original

Contents

GolfWA Risk Management Policy	1
Approval History	1
Distribution	1
Required Reading	1
Revision Schedule	1
Document History	1
Introduction and Purpose	3
Scope	3
Policy	4
Principles	4
Risk Management Framework	7
Roles and Responsibilities	9
Definitions	11
References	12
Required Reading Register - GolfWA Risk Management Policy	1

Introduction and Purpose

GolfWA has an obligation to manage the risks involved in its activities to maximise opportunities and minimise adverse consequences. The aim of this policy is not to eliminate risk but to:

- outline the principles of risk management which are to be applied by all GolfWA staff and contractors;
- describe GolfWA's commitment to defining a risk management framework and subsequent application of that framework; and
- clarify the roles and responsibilities for administering and implementing risk management processes as they are developed.

This document was adapted for GolfWA from the Australian Sports Commission Risk Management Policy, ASC TRIM ref. 2010/039181/D.

Scope

This policy applies to all areas of governance and operations of GolfWA as carried out by GolfWA staff and its representatives.

Policy

GolfWA needs to manage the risks involved in its activities to maximise opportunities and minimise adverse consequences. In order to achieve that, well established risk management principles and practices should be followed. At this stage of GolfWA's development as a newly formed State Sporting Association, GolfWA will need to follow the principles outlined below in defining a risk management framework that is applicable to its specific operations. Governance and procedures will be developed to work within that framework and support the organisation accordingly.

Principles

Risk management comprises the activities and actions taken to ensure that an organisation is conscious of the risks it faces, makes informed decisions in managing these risks, and identifies and harnesses potential opportunities.

For risk management to be effective in GolfWA, the Board, Committees and all staff and contractors are to strive to comply with the following principles.

1. Creates and protects value

Good risk management contributes to the achievement of GolfWA's objectives through the continuous review of its processes and systems.

2. Be an integral part of organisational processes

Risk management is not a stand-alone activity that is separate from the main activities and processes of GolfWA. Risk management is an integral part of good management practice and an essential element of corporate governance mechanisms within GolfWA. Risk management is to be embedded into:

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

3. Be part of decision making

To be effective, risk management must be a normal part of all decision making. All decision making within GolfWA, whatever the level of importance and significance, involves the explicit consideration of risks and the application of risk management to some appropriate degree. The process of risk management assists decision makers to make informed choices, identify priorities and select the most appropriate action.

4. Explicitly address uncertainty

Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed. By identifying potential risks, GolfWA can implement controls and treatments to maximise the chance of gain while minimising the chance of loss.

5. Be systematic, structured and timely

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

6. Based on the best available information

To effectively manage risk it is important to understand and consider all available information relevant to an activity and to be aware that there may be limitations on that information. It is then important to understand how all this information informs the risk management process.

7. Be tailored

Risk management needs to take into consideration its internal and external operating environment to obtain an understanding of all the factors that may have an influence on the ability of GolfWA to achieve its objectives.

8. Take into account human and cultural factors

Risk management needs to recognise the contribution that people and culture have on achieving GolfWA's objectives. Risk management needs to recognise the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of GolfWA's objectives.

9. Be transparent and inclusive

Communication and consultation with stakeholders, both internal and external, throughout the risk management process is key to identifying, analysing and monitoring risk. To ensure transparency and aid accountability, decision makers are to document risk assessments and risk treatment plans.

10. Be dynamic, iterative and responsive to change

The process of managing risk needs to be flexible. The challenging environment GolfWA operates in requires consideration of the context for managing risk to ensure risk treatments remain appropriate and effective as well as continuing to identify new risks that emerge, and make allowances for those risks that no longer exist.

All GolfWA staff are responsible for ensuring that the risks related to their particular area of work are managed effectively. To meet this responsibility, staff must:

- scan the GolfWA's internal and external operational environment to identify any new or emerging risks;
- monitor risks already identified;
- design, implement, monitor and improve risk treatments; and
- effectively communicate risk and its management to relevant stakeholders.

11. Facilitate the continual improvement of organisations

The GolfWA considers risk management performance assessment to be an integral part of its overall organisational performance assessment.

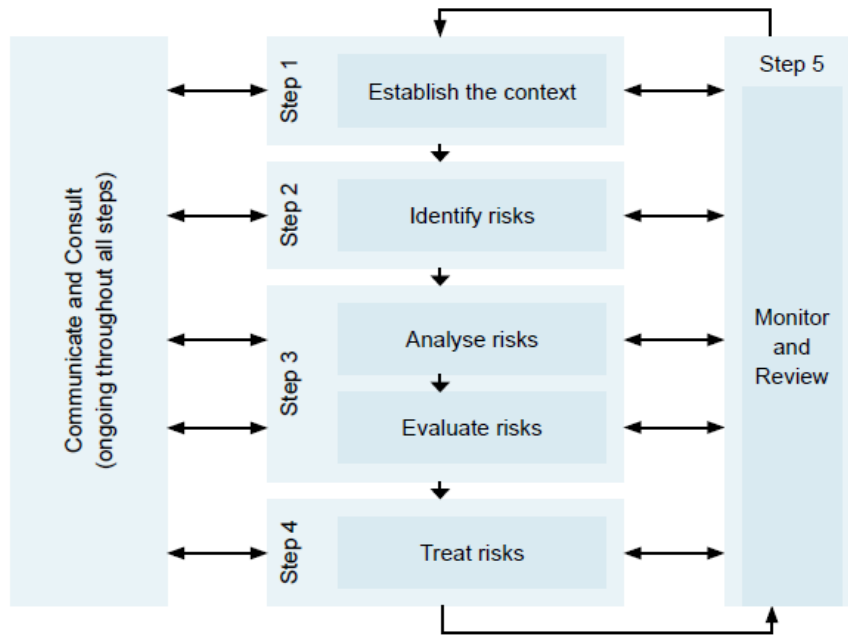
A strong risk management culture and supporting practices assists GolfWA to:

- efficiently achieve strategic objectives;
- improve governance and accountability;
- increase its ability to protect itself from adversity or to quickly take ameliorative action;
- improve decision making around processes and programs; and
- enhance the value of outcomes through flexibly leveraging opportunities and better managing uncertainties.

Risk Management Framework

A risk management framework defines the manner in which risk management is conducted throughout the organisation. Its purpose is to embed risk management across all major practices and business processes following the established risk management process pictured below.

RISK MANAGEMENT PROCESS



At this point as GolfWA is a newly formed organisation, it will design its Risk Management Framework in 2012/13 in accordance with *AS/NZS/ISO 31000:2009 Risk Management* standards.

The resulting framework will:

- Secure a mandate and commitment to the management of risk.
- Reflect an understanding of GolfWA as a not-for-profit State Sporting Organisation taking into account external and internal contexts.
- Update this risk management policy reflecting the establishment of a risk management framework in GolfWA.
- Commit GolfWA to accountability and ownership of risk.
- Embed risk management into GolfWA's organisational processes.
- Demonstrate that GolfWA has deployed or committed to deploy appropriate resources for the management of risk.
- Establish internal communication and reporting mechanisms that will promote accountability and ownership of risk in GolfWA.
- Establish an external communication and reporting mechanism for external stakeholders

Implementation of the framework will be managed over time according to agreed timelines.

Throughout implementation GolfWA will:

- Apply risk management policy and process to the organisational processes.
- Comply with any legal and regulatory requirements.
- Ensure that decisions and objectives are aligned with outcomes defined by risk management processes.
- Educate all stakeholders as to GolfWA's approach and procedures for risk management.
- Communicate and consult with stakeholders to ensure the framework remains relevant and appropriate.

Thereafter, the risk management framework will be subject to monitoring and review to encourage continual improvement.

Roles and Responsibilities

The following roles identify either individuals or groups who have responsibilities in the management of risk to GolfWA.

Responsibilities include:

- governance, operational or auditing activities of the risk management system;
- oversight of the risk management system;
- risk mitigation oversight;
- residual risk monitoring; and
- risk acceptance.

GolfWA Board

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

The Board may delegate their operational monitoring and reporting responsibilities to the Executive as appropriate, but retain ultimate responsibility for overseeing the risk management framework.

Audit & Remuneration Committee

The Audit & Remuneration Committee is responsible for the GolfWA audit plans. The Audit & Remuneration Committee will provide guidance when determining audit plans associated with risk monitoring, and will receive audit results from those activities for consolidation into overall agency audit reporting. In addition, any risk realisation in regard to financial information will be reported to the Audit & Remuneration Committee for further consideration in regard to the fraud risk assessment and fraud control plan.

Chief Executive

The Chief Executive (CE) is responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, the CE reviews the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives, with particular focus on risks to GolfWA rated as 'very high' and 'high'.

The CE will promote the culture of risk management practices and encourage and empower staff in the management of risk.

Managers and Golf Management Committee Members

Managers and the Golf Management Committee Members are responsible for the management of risks rated as 'high' and 'medium' and 'low' which are created by the

activities of their respective area of management and the reporting to the Risk Management and Audit section of those risks that are realised.

Managers promote the culture of risk management practices and encourage and empower staff within their division in the management of risk. Golf Management Committee members promote the culture of risk management practices and encourage and empower their Sub-Committees in the management of risk.

Sub Committee Members

Sub Committee Members provide collective advice and support to the Golf Management Committee on organisational matters of strategy implementation, environmental change and risk management pertaining to their respective areas of operations.

All Staff and Contractors

GolfWA staff are responsible for managing risk within their area of control, for promoting the application of risk management by contractors, and assisting with the identification of broadly based risks that could impact on the GolfWA as a whole.

Staff undertaking a risk assessment must forward a copy of the assessment to GolfWA's Policy and Administration section who are responsible for risk management administration and audit. The assessment will be added to the GolfWA's Risk Register. The Register is a central 'repository' where all GolfWA risks are recorded.

Risk Management and Audit

GolfWA's Policy and Administration section is the administrator of the risk management framework and is responsible for:

- monitoring all risks;
- instigating responses to reported realised risks;
- maintaining the GolfWA's risk register;
- defining and delivering risk management awareness;
- instigating required periodic reviews of risks; and
- reviewing the risk management framework.

Definitions

Risk

The Australian and New Zealand standard (AS/NZS/ISO 31000:2009 Risk Management) definition for risk is as *'The effect of uncertainty on objectives'*. Characteristics of risk include:

- an effect is a deviation from the expected, positive or negative;
- objectives can have different aspects (such as financial, health and safety and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product and process);
- risk is often characterised by reference to potential events and consequences, or a combination of these;
- risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence; and
- uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequence or likelihood.

Risk Management

The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects within the GolfWA's environment.

Risk Management Framework

A risk management framework defines the manner in which risk management is conducted throughout the organisation. Its purpose is to embed risk management across all major practices and business processes.

The GolfWA risk management framework is composed of this policy, guidelines, supporting procedures and tools. The GolfWA's risk management framework will be consistent with the Australian risk management standard defined in the publication *AS/NZS/ISO 31000:2009 Risk Management*.

Risk Management Process

The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Risk Assessment

The overall process of risk identification, risk analysis and risk evaluation.

Risk Identification

The process of determining what, where, when, why and how something could happen.

Risk Analysis

The systematic process to understand the nature of and to reduce the level of risk.

Risk Evaluation

The process of comparing the level of risk against risk criteria. Risk evaluation assists in decisions about risk treatments.

Risk Treatment

The process of selection and implementation of measures to modify risk. Risk treatment can include avoiding, modifying, sharing or retaining the risk.

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References

AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines

