



Risk Management Policy

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Version: 2

Controlling Body: Lacrosse WA



Version	Date reviewed	Date endorsed	Purpose	Author
Draft A	28/10/2016		Initial creation	Executive Officer
1	28/10/2016	30/10/2016	Issued for Use	Executive Officer
2	07/04/2020	20/04/2020	Updated and re-issued for Use	Executive Officer



PURPOSE

The purpose of this Risk Management Policy is to communicate Lacrosse WA's (LWA) commitment to managing organisation-wide risks and to establish clear responsibilities for itself in order to maximise strategic and operational achievement.

SCOPE

This policy applies to directors, staff, officials, volunteers, and members of LWA.

LWA is committed to the formal, systematic and structured proactive management of risks across the organisation.

Risk is inherent in all aspects of LWA's activities and whilst many of these risks cannot be eliminated they can, however, be identified, quantified and controlled. Risks that impact on the objectives of LWA can offer both opportunity and threat. This Policy is designed to provide LWA personnel with a systematic framework in order to minimise threats and maximise opportunities to LWA.

KEY OBJECTIVES

- a) The Australian Risk Management Standard (AS ISO 31000:2009) defines risk management as “coordinated activities to direct and control an organisation with regard to risk”.
- b) This Policy confirms that LWA is committed to implementing a strategic, consistent and structured approach to risk management in order to effectively manage opportunities for gain and minimise the impact of threats causing losses.
- c) This Policy is aligned to reflect AS ISO 31000:2009 Risk Management – Principles and Guidelines which provides the framework used to develop the LWA risk management framework.
- d) Risk will manifest itself in many forms and has the potential to impact the health and safety, environment, community, reputation, regulatory, operational, and financial performance of LWA and, thereby, the achievement of the organisation's objectives.
- e) By understanding and managing risk, LWA will provide greater certainty and confidence for our stakeholders, LWA directors and employees, participants, and for the communities in which we operate.
- f) LWA will use risk management capabilities to maximise the value from assets, projects, programs and other business opportunities and to assist in fostering participation and/or performance in LWA.
- g) Risk management will be embedded into business activities, functions and processes. Risk understanding and tolerance for risk will be key considerations in decision making.
- h) Risk issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used.
- i) 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.
- j) Risk management performance will be monitored, reviewed and reported.
- k) The effective management of risk is vital to the continued growth and success of LWA.



RISK MANAGEMENT REQUIREMENTS

- a) Risk management will be incorporated into the strategic and operational planning processes of LWA;
- b) Risk and the management of risk will be identified and monitored according to the LWA risk management policy;
- c) Risk assessments will be conducted on all new ventures and projects prior to commencement to ensure alignment with the LWA risk appetite and organisational objectives;
- d) Risks will be identified, reviewed and monitored on an ongoing basis;
- e) Risks will be assessed and evaluated against the LWA Risk Management Framework;
- f) Relevant risks that are identified will be recorded within LWA’s Risk Management Register;

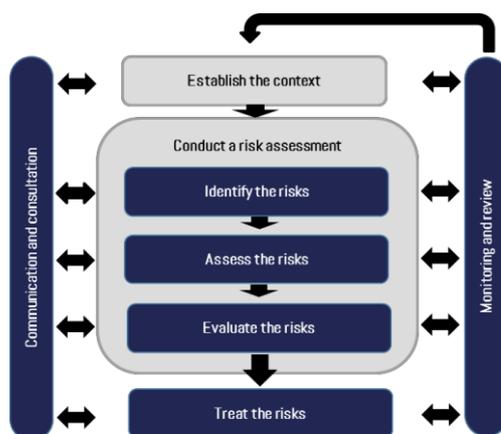
RISK MANAGEMENT PRINCIPLES

LWA has adopted the principles detailed in AS ISO 31000:2009, to ensure risk management is effective within the organisation. These principles are:

- a) Risk management creates and protects value;
- b) Risk management is part of decision making;
- c) Risk management explicitly addresses uncertainty;
- d) Risk management is systematic, structured and timely;
- e) Risk management is based on the best available information;
- f) Risk management is tailored;
- g) Risk management takes human and cultural factors into account;
- h) Risk management is transparent and inclusive;
- i) Risk management is dynamic, iterative and responsive to change; and
- j) Risk management facilitates continual improvement of the organisation.

RISK MANAGEMENT PROCESS

The LWA risk management process is based upon the AS ISO 31000:2009 Risk Management Process as shown in Figure 1 (below). Risks identified will be managed according to this process.



Above: AS ISO 31000:2009 Risk Management Process



RISK MANAGEMENT COMPLIANCE AND CONTROL

In developing a culture of risk management, the LWA Board is responsible for appropriate responses to manage risk, aided by the risk action plans and the creation of a risk register.

To enable this, LWA:

- a) Has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks;
- b) Provides the necessary tools and resources to employees to support the effective management of risks; and
- c) Reviews and communicates risk management best practice on a regular basis.

ASSESSMENT OF EFFECTIVENESS

LWA assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed. This includes ongoing feedback loop via regular senior management meetings and appraisal of risk owners' actions taken to manage risks via employee performance management.

REPORTING REQUIREMENTS

The LWA Executive Officer, ensures that the Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis. The following reporting process is in place:

- a) The LWA Board will regularly review the risk register and update the mitigation strategies and perceived level of risk as appropriate.
- b) New risks will be added to the register through a formal notification process.
- c) A "top five" list of major risks to be discussed at monthly Board meetings (fixed agenda item), together with any new or emerging risks.
- d) The Board will be updated at each meeting through the Executive Officer Board report.

RISK MANAGEMENT RESPONSIBILITIES

Lacrosse WA Board:

The LWA Board is responsible for overseeing the establishment and implementation of risk management systems and reviewing the effectiveness of these systems.

The Board's role in relation to risk includes:

- a) Overseeing the creation, implementation and maintenance of the risk management system of LWA and its internal control framework, including information systems;
- b) Establishing a risk profile for LWA setting out both financial and non-financial material and/or strategic risks facing LWA;
- c) Reviewing the effectiveness of LWA's implementation of its risk management systems and internal controls on an on-going basis and reviewing the outcome of any non-financial audits;
- d) Seeking to reach a common understanding about the risk management process, key financial and regulatory risks and related controls including focusing on the "key" risks which are considered to be currently, or may in the future be, more significant or more likely to occur;



- e) Analysing the effectiveness of LWA’s risk management and internal compliance systems and the effectiveness of their implementation;
- f) Ensuring that the LWA appointed auditor states in writing to the Board annually that the statement given to the Board that LWA’s financial reports present a true and fair view, in all material respects, of LWA’s financial condition and operational results and are in accordance with the relevant accounting standards, are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- g) Reviewing insurance coverage and claims trends.
- h) Ensuring staff understand their responsibilities with respect to operational risk management;
- i) Developing a risk aware culture within their area of responsibility;
- j) Advising the Executive Officer of needs for any training, development and facilitation; and
- k) Maintenance of risk registers within their areas.

Lacrosse WA Executive Officer

The Executive Officer is responsible for:

- a) Identifying legislation, policy and guidelines affecting risk management practices at LWA;
- b) Maintaining LWA’s Risk Register;
- c) Providing assistance and support throughout LWA for risk management;
- d) Organising appropriate risk management education and training for the LWA Board and staff; and
- e) Monitoring the implementation of the LWA Risk Management Framework across the association.

RISK FRAMEWORK

Risk Matrix

Risk Matrix		IMPACT					
		Insignificant	Minor	Medium	High	Extreme	
		1	2	3	4	5	
PROBABILITY	Rare	1	Low	Low	Low	Moderate	Moderate
	Unlikely	2	Low	Low	Moderate	High	High
	Possible	3	Low	Moderate	High	High	Extreme
	Likely	4	Low	Moderate	High	Extreme	Extreme
	Almost Certain	5	Moderate	High	High	Extreme	Extreme



RISK GRADING CRITERIA – IMPACT RATINGS

The risk be assessed over the following categories in relation to impact (consequence):

- Financial – impact on LWA finances;
- Operational – impact on provision of LWA’s products, projects and services;
- Brand/Reputational – impact on LWA’s brand and general credibility;
- Physical/Safety – impact on the safety and well-being of people;
- Regulatory/Legal – impact on LWA’s regulatory exposure;
- People/Participation – impact on corporate knowledge / continuity.

Impact levels and criteria are shown in the following table:

			Financial	Operational	Brand/ Reputational	Physical/ Safety	Regulatory/ Legal	People/ Participation	
IMPACT	5	Extreme	A risk that can prove catastrophic or terminal for the whole organisation.	More than \$100,000	Unable to deliver product/ services. Widespread migration of members to competitor organisation. Prohibited from delivering competition at any level.	Collapse of organisation. Major inquiry into systemic misconduct. Wholesale resignation of Board Members.	Death or total permanent disability of player/ participant due to compromised safety standards. Preventable death of a member of the public.	Criminal prosecution of organisation and/or Board due to failure to comply with the law.	Active participation declines by more than 25%.
	4	High	Risks which can significantly jeopardise some aspects of the organisation, but which will not result in organisational failure.	More than \$25,000 but less than \$100,000	Widespread failure or loss of product/service standards. Increasing migration of members to competitor organisations. Unable to deliver a National Championship/ Tournament.	Loss of affiliated clubs/providers. Investigation of serious individual misconduct. Loss of significant skills from Board.	Serious injury of player/ participant due to compromised safety standards. Preventable serious injury of member or public.	Civil action against organisation and/or Board due to negligence. New regulations that impede operations.	Active participation declines by more than 15%, but less than 25%.
	3	Medium	Risks which will cause some problems, but nothing too significant.	More than \$10,000 but less than \$25,000	Moderate impact on product/service standards. Unable to deliver local sports competitions. Widespread discontent by members/ participants.	Threats of withdrawal from affiliated clubs/providers. Failure of prominent branded project or product. Failure of a club or provider. Individual or group misconduct. Sustained public criticism of the organisation.	Systemic injuries of players/ participants and/or public. Increased frequency of near misses.	Regulatory/ police investigation with adverse findings against organisation and/or Board.	Net active participation declines by more than 5%, but less than 15%.
	2	Minor	Any risks which will have just a mild impact but should be addressed.	More than \$1,000 but less than \$10,000	Minor impact on product/service delivery. Competitive threats to membership. Constrained capacity to meet the demands of existing or new members/ participants.	Localised negative media coverage.	Minor injuries of players/ participants and/or public.	Regulatory/ police investigation of organisation and/or Board without adverse findings.	Net active participation declines by more than 0%, but less than 5%.
	1	Insignificant	Risks which do not pose any significant threat, and which can be left unmitigated without special action.	Less than \$1,000	Very minor, temporary product/service disruption.	Media interest in local issue.	Insignificant injuries of players /participants and/or public.	Persistent complaints against organisation and/or Board.	Stable net active membership.



Risk Grading Criteria – Likelihood Ratings

The following probability thresholds and ratings in relation to assessing risks be used.

LIKELIHOOD	5	Almost Certain	Will probably occur more than once within 12 months
	4	Likely	High probability that will occur at least once within next 24 months
	3	Possible	Reasonable likelihood that could occur more than once in 24 months
	2	Unlikely	Not likely to occur within next 24 months
	1	Rare	Not impossible but highly unlikely

Risk to Tolerance Levels

The following risk tolerance thresholds be used in relation to the actions the LWA Board and staff shall take in relation to managing risks.

RISK LEVEL	REQUIRED ACTIONS
EXTREME	<p>Intolerable</p> <ul style="list-style-type: none"> Operations / activity should be <u>discontinued</u> until level of risk is able to be reduced (or written authorisation to continue is provided by the LWA Board). Consider options for reducing the impact or probability of the risk. LWA Board to be informed ASAP and provide urgent attention, guidance and approval of mitigation strategy. Consider external advice (legal, insurance or risk advisor).
HIGH	<p>Tolerable level of risk – significant management & monitoring required</p> <ul style="list-style-type: none"> Action should be taken to ensure risk level is As Low As Reasonable Practicable (ALARP). Consider options for reducing the impact or probability of the risk. If level of risk is ALARP, continue to manage using documented operating procedures. Increase monitoring of controls to ensure effectiveness in managing the risk.
MODERATE	<p>Tolerable level of risk – follow operating procedures</p> <ul style="list-style-type: none"> Ensure risk level is ALARP. If level of risk is ALARP, continue to manage using standard operating procedures with normal monitoring protocols.



LOW	Tolerable level of risk. <ul style="list-style-type: none">• Maintain existing controls. No additional controls required.
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REVIEW, ADDITIONS OR AMENDMENTS

This policy will be regularly evaluated and revised through consultation to maintain continuous improvement in our governance, structure, programs, services and facilities. In addition to the annual review of this policy, recommendations for changes to the policy may be submitted to the board for consideration at any time.

Adopted by the board: *30 October 2016*

Reviewed and updated: *20 April 2020*

Scheduled review: *April 2021*