

Risk management

Details



Risk Management: Have No Fear.

Does the term “risk management” fill you with dread? Does it all seem too complex and time-consuming? Well, here’s the good news: it’s not really that hard and it can be done in five steps.

A well thought-out, effective risk management plan can save your club time and money. It may even save your club from financial ruin or help one of your members to avoid injury or worse.

1. Acknowledge and commit

Risk is a reality for any organisation. Planning for those risks in order to minimise the consequences just makes sense. The alternative – practiced by many sporting clubs – is to just pretend risk doesn’t exist or to simply operate as if “It won’t happen to us.” Well, it’s time to acknowledge the risks, to document them and deal with them.

Once you’ve started, you will realise that your club is actually already managing risk in one way or another. Do coaches have to be qualified in first aid? Are there policies and rules in place for juniors travelling to away games? Are two signatories required for all cheques?

Going through the process of developing a risk management plan will ensure current risk management strategies are not only documented but also reviewed and it will enable your club to identify other areas of risk that have perhaps been overlooked.

2. Identify the risks

When it comes to risk, every organisation is different. However, most sport clubs can broadly categorise risk into the following groups:

Governance and administration: the management of the club, including the structure of the board or committee and their responsibilities, financial management practices and ethical standards for example.

Physical environment: any physical structures or grounds in which activities may take place, including fields of play and surrounding areas, club rooms, change rooms, car parks and kitchens, etc.

Legal obligations and industry standards: the various external requirements organisations are expected to abide by. These can be legal or legislative or imposed by a national or international sporting organisation.

Human resources: the rights and responsibilities of employers and employees, both paid and volunteer, and the provision of safe and enjoyable workplaces.

Member services: issues related to specific member support, such as terms and conditions of membership, member protection policies and privacy rights.

Sport injury: the prevention and management of injuries.

Think about these six areas of operation. What are the risks associated with each? What things can (and do) go wrong? Have a brainstorming session with the key people in your club. What's gone wrong in the past? What stories have you heard about other clubs? Make a comprehensive list.

This is the most time-consuming part of the process but well worth the effort. You may be surprised by how many risks you can identify.

3. Evaluate and prioritise the risks

Once you have identified all the risks you possibly can, it's time to evaluate each risk. This involves working out the *likelihood* of the risk occurring and the *consequence* to the organisation or a member (or members) if that risk eventuates.

Decide how *likely* it is a risk will occur during the course of a year, ranking it from 1 to 5 (1 for Almost Certain, 2 for Likely, 3 Possible, 4 Unlikely, 5 Rare).

Next rank each risk in terms of the *consequence* (ie. the severity of the result to the club or a person or people). Use the same numbers but use the following words: Extreme, Major, Moderate, Minor, Negligible.

Now you can order all the identified risks according to those rankings. For example, a risk with 1-1 beside it will almost certainly come to pass in the course of a year and the consequences will be extreme. It will have priority over a 3-2 risk which could eventuate but with major consequences or a 5-5 risk that is deemed to occur very rarely and have negligible impact.

4. Accept or treat the risks

Some risks are acceptable simply because the level of risk is so low it doesn't justify action. For example minor bruises or injuries (depending on the sport) are generally considered "part of the game" and therefore an acceptable risk. However, those risks that can't be classified as "acceptable" need to be treated.

In treating a risk you may decide to:

Avoid the risk by cancelling an event or ceasing a program.

Reduce the risk by taking actions that reduce the likelihood of a risk occurring or minimise the consequences, by modifying or changing the rules of a game, by backing up club data or having two signatories on club accounts.

Transfer the risk by taking out insurance or using indemnity releases to transfer the whole or part of the responsibility for the risk to another party.

5. Develop and implement a risk management strategy

This is the final step in the process. With all the hard work already completed, it's time to document your strategies in a format that can be clearly understood by administrators and members, current and future. Think about and answer the following questions:

- How will the risk be managed?

- What resources are required?
- Who will be responsible for managing the risk?

One final word of advice: A risk management plan is worth nothing if it's left in a draw or on a computer where only a few can read it. Make your plan available to all members, post a copy on your website and implement the strategies in order of priority. Refer to the plan when talking about risk and its management and schedule annual reviews to ensure your strategies are current and relevant.

For more information about how to manage risks in your club or association go to <http://playbytherules.net.au/managing-risks/>