

Golf NSW

RISK MANAGEMENT POLICY



May 2012

Version Control, Change History and Distribution

Version Control

Document Name:	Risk Management Policy
Prepared by:	Golf NSW Audit and Risk Committee
Endorsed by:	Golf NSW Board
Date endorsed:	8 May 2012
Version:	1.0

Change History

Amendment date	Version No.	Page No(s) replaced.	Description of change

Distribution

Golf NSW Intranet

Hard copy provided to all Board Members and Golf NSW staff

Table of Contents

1. INTRODUCTION	1
2. OBJECTIVES	1
3. DEFINITIONS.	1
4. RESPONSIBILITY	2
5. OUR RISK CATEGORIES	3
6. OUR RISK AREAS	4
7. RISK ASSESSMENT PLANS	4
8. REVIEWING OUR RISKS	4
9. THE RISK REGISTER	5
10. REVIEW OF GOLF NSW RISK MANAGEMENT POLICY	5
11. ASSISTANCE AND SUPPORT	5
APPENDIX 1: RISK MANAGEMENT PROCESS	6

1. Introduction

- 1.1. This Risk Management Policy provides a policy statement about Golf NSW's approach to the management of risk and the associated responsibilities of the Board, the Chief Executive Officer and Golf NSW employees.
- 1.2. Golf NSW is committed to achieving best practice in risk management and applying its principles and practices throughout Golf NSW in accordance with *AS/NZS ISO 31000:2009 Risk management - Principles and guidelines* and HB 246:2010 Guidelines for Managing Risk in Sport and Recreation.
- 1.3. Golf NSW recognises that risk management is an essential element of effective good governance that should be incorporated into all decision making processes.
- 1.4. Through the actions of the Board, the Chief Executive Officer and our staff we will ensure that the risks faced do not result in significant loss or harm to Golf NSW.
- 1.5. This Policy should be read in conjunction with Golf NSW's Risk Management Guidelines and Risk Register.

2. Objectives

- 2.1. The objectives for managing risk in Golf NSW are to:
 - assist the organisation:
 - meet its legal responsibilities under the *Corporations Act 2001* (Cth), Golf NSW Constitution and other legislation
 - meet its responsibilities as a State Sporting Organisation affiliated with the National Sporting Organisation for Golf (Golf Australia)
 - improve its overall levels of accountability and transparency in decision making
 - improve the delivery of services to its members and stakeholders
 - safeguard Golf NSW's assets – its people, property, finances, information and reputation
 - ensure that:
 - significant risks faced by Golf NSW are understood and managed
 - material risks are monitored through review processes and key actions to address them are reported to the Board on a regular basis
 - create an environment and culture across Golf NSW where risk management is widely understood and integrated into business planning and decision making processes, with employees assuming responsibility for managing risks

3. Definitions¹.

risk – effect of uncertainty on objectives

risk management – coordinated activities to direct and control an organisation with regard to **risk**

risk management framework – set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

risk management process – systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analyzing, evaluating, treating, monitoring and reviewing **risk**.

¹ Source: AS/NZS ISO 31000:2009

4. Responsibility

- 4.1. Ultimate accountability and responsibility for Golf NSW's performance lies with the Board of Directors and the Chief Executive Officer. This includes accountability for Golf NSW's overall management of risk.
- 4.2. While the Chief Executive Officer and Senior Managers are ultimately accountable for risk management, it is the responsibility of all staff to manage risk.
- 4.3. Specific responsibilities for the management of risk in Golf NSW are:

Board

- champion Golf NSW's governance and risk management processes
- determine Golf NSW's risk tolerance
- review Golf NSW's strategic risks at least annually
- review recommendations from the Audit and Risk Committee and determine future actions
- incorporate risk management into all strategic and operational planning processes at all levels within Golf NSW

Audit and Risk Committee

- oversee the risk management framework
- ensure the risk management framework is implemented and adopted
- review and approve Golf NSW's list of material business risks (risk profile) and risk treatment strategies
- monitor the implementation of the risk management program against the endorsed implementation strategy or plan
- confirm that the company's risk management process is continually maturing to reflect the changing environment and allows the company to identify and respond to emerging issues and risks
- receive reports from management on the effect of material business risks.

Finance Committee

- publicly report and make the necessary disclosures in the annual financial statements relating to financial risk as required by Accounting Standards.

Chief Executive Officer

- develop Golf NSW's strategic risk profile by identifying and prioritising material business risks
- review Golf NSW's risk profile periodically
- review and assess the current and planned approach to managing material business risks
- review and monitor the status of risk treatment strategies
- periodically report on material business risks to the Board/Audit and Risk Committee
- ensure the risk management framework is implemented across all areas of operations.

Senior Management

- monitor the material business risks for their areas of responsibility
- provide suitable information on implemented treatment strategies to the Audit and Risk Committee through the Chief Executive Officer to support ongoing reporting to the Board

- ensure staff are adopting Golf NSW's risk management framework as developed and intended

Risk Manager (or equivalent)

- coordinate the implementation of the risk management framework, risk profile and treatment strategies
- facilitate, challenge and drive risk management development within Golf NSW
- report to the Chief Executive Officer, Audit and Risk Committee or Board at regular agreed intervals on the risk process (not individual risks).

Individual staff

- recognise, communicate and respond to expected, emerging or changing material business risks
- contribute to the process of developing Golf NSW's risk profile
- implement treatment strategies within their area of responsibility.

5. Our Risk Categories

5.1. Golf NSW's business risks are categorised into one of the following three groups:

Category A: Strategic Risks

Strategic risks are the high level, long-term risks which are likely to have a material impact upon the direction and viability of Golf NSW to achieve our statutory objectives. Strategic risks for Golf NSW include:

- non-compliance with the Constitution including the statutory responsibilities of the Board, Council and the Chief Executive Officer;
- non-compliance with legal responsibilities under the *Corporations Act 2001 (Cth)*, *Work Health and Safety Act 2011 (NSW)* and other legislation;
- financial sustainability;
- the relationship with the National Sporting Organisation, Golf Australia;
- reputation and the delivery of services to Members in accordance with the objects of the organisation; and
- workforce profile.

Category B: Operational Risks

Operational risks are the day to day risks likely to have a material impact on Golf NSW's ability to achieve or deliver its key business activities, events, plans, services to members, and responsibilities as an employer.

Category C: Project Risks

Project risks are the risks unique to a specific project or a specific phase of a project. These risks are likely to relate to the ability to achieve a project's expected outcomes, for example on time; on budget, within available resources and to a quality standard acceptable to the Board, the Chief Executive Officer or the Members.

6. Our Risk Areas

6.1. Based on the business operations of Golf NSW the following key risk areas are to be considered when assessing our risks:

- **Governance:** risks associated with management and administration of Golf NSW as a company and covers important operational areas such as Board and/Committee structures and responsibilities, staff duties/responsibilities, risk management and ethical standards.
- **Finance:** risks associated with investments, sponsorships, theft, fraud, loans, license fees, membership fees, insurance costs, lease payments, pay-out of damages claims or penalties and fines by the government.
- **Administration and Planning:** risks associated with day-to-day operational and administration of the business and longer term strategic planning and business continuity.
- **Legal Obligations/Compliance:** risks associated with not complying with Golf NSW's Constitution, the *Corporations Act 2001* (Cth), *Work Health and Safety Act 2011* (NSW) and various external legislative requirements.
- **Information Technology and Communications:** risks associated with the potential loss/corruption of all information resources
- **Physical Assets and Insurance:** risks associated with the potential loss or damage to the assets of Golf NSW and failure to ensure adequate insurance coverage and maintain business continuity
- **Physical Environment:** risks associated with safety issues for workers (i.e. employees and volunteers) players and spectators covering any physical structures, golfing facilities in which activities may take place including the golf course, club house, surrounding areas etc.
- **Human Resources:** risks associated with the rights and responsibilities of employers and workers (i.e. employees and volunteers), and the provision of safe and enjoyable workplaces.
- **Reputation and Member Services:** risks associated with a failure to deliver specific services, support or events to an appropriate standard that may result in criticism (public and/or private) from our members and stakeholders and damage to our reputation
- **Sport Injury Risk Management:** deals with the prevention and management of injuries for representative squad members.

7. Risk Assessment Plans

7.1. Where the Board makes an initial assessment that a Strategic Risk, Operational Risk or Project Risk is likely to have an overall risk rating equivalent to or greater than '*Significant*' the Chief Executive Officer or the relevant Senior Manager must complete a formal Risk Assessment Plan for approval by the Board.

7.2. The Chief Executive Officer or Senior Managers are responsible for bringing to the immediate attention of the Board any material issues that represent a significant risk to the reputation or long terms financial sustainability of Golf NSW.

8. Reviewing our risks

8.1. The following minimum arrangements apply to review of risks that have an overall risk rating equivalent to or greater than '*Significant*':

Strategic risks - reviewed at a high level by the Board every twelve months based on advice from the Chief Executive and the Audit and Risk Committee.

Operational risks - reviewed by the Chief Executive and/or Senior Managers who are directly responsible for the respective business activity every six months.

Project risks - reviewed by the Senior Manager with major responsibility for delivery of the Project at regular intervals determined by the Chief Executive or the Board, usually determined at the inception of the Project.

9. The Risk Register

9.1. The details of all "Significant" risks are maintained on a central Risk Register.

10. Review of Golf NSW Risk Management Policy

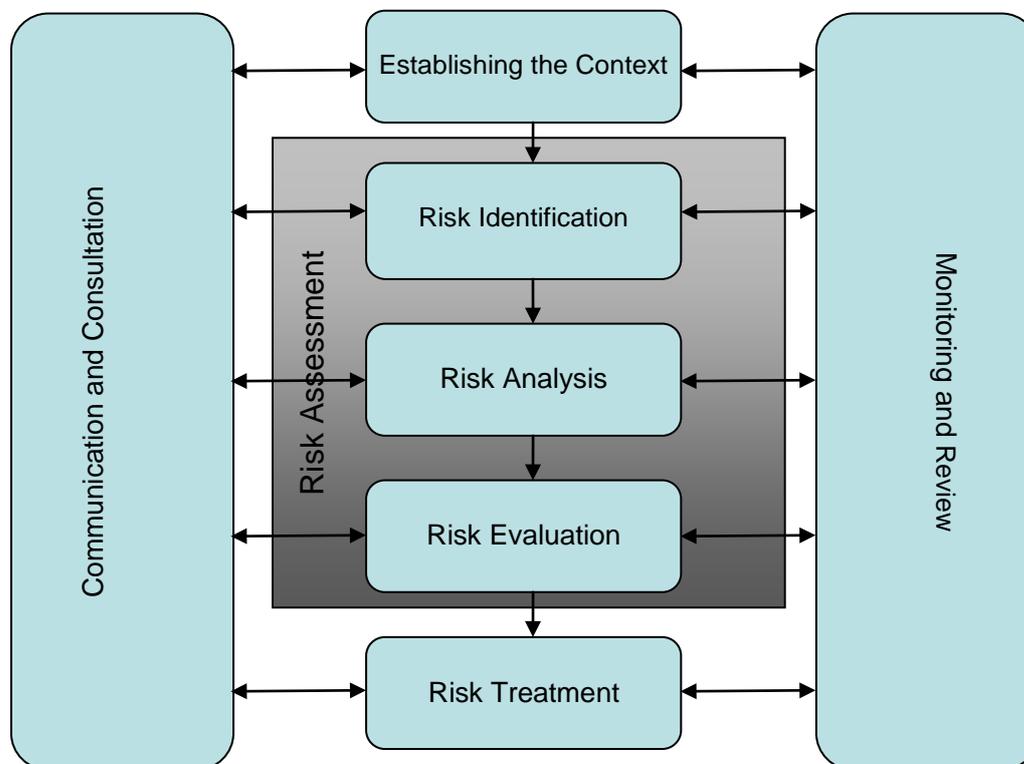
10.1. The Golf NSW's Risk Management Policy and supporting Guidelines will, as a minimum, be reviewed annually prior to the commencement of each financial year to coincide with the launch of Golf NSW Business Plan. The Policy and supporting Guidelines may be reviewed at other times during the year at the behest of the Board or the Audit and Risk Committee to reflect any major changes to the Golf NSW's business activities, staffing structure or changes in the overall operational risk and strategic risk profile of the Golf NSW.

11. Assistance and Support

11.1. The Risk Management Officer in Golf NSW, Mitsie Kent is available to provide support to staff in the effective identification, management, monitoring and reporting of risk.

APPENDIX 1: RISK MANAGEMENT PROCESS

The steps in the risk management process outlined below follow the principles of *AS/NZS ISO 31000:2009 Risk Management-Principles and guidelines*.



Establishing the Context means Golf NSW considers both external and internal factors when identifying and managing risks associated with the achievement of strategic and operational objectives.

Risk identification means identifying risk sources, areas of impacts, events, causes and possible consequences to form a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.

Risk analysis means considering the range of causes, sources of risk, consequences and likelihood to produce a risk rating. The rating can then be used to determine further management by Golf NSW.

Risk evaluation means the level of risk identified during risk analysis can be ranked and prioritised according to a consistent overall ranking and rating system.

Risk treatment means selecting one or more options for modifying risks including funding and other resource considerations.

Communicate and consult: Effective communication, consultation and education in risk management are necessary to achieve integration of the risk processes into the business.

Monitoring and review: Continual monitoring and reviewing of risk profiles is essential to maintain the effectiveness and appropriateness of Golf NSW's risk management profiles, including more specifically, risk treatment plans, risk assessments and to identify emerging risks.