



# POLICY: RISK MANAGEMENT

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Responsible person	CEO	Scheduled Review	Annually, inline with the new Board		

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## Purpose

Bowls SA is the governing body of lawn bowls in South Australia, a sport for all ages and abilities, from social to elite levels. Bowls SA is presented with tremendous opportunities which are accompanied by obligations, which carries risks. The Association has obligations to its members, staff and the communities it serves, as well as its regulators to manage risks of both a strategic and operational nature in order to ensure a safe and sustainable sport into the future. Bowls SA commits to identifying and managing risk in line with our values of collaboration, innovation, customer focus and inclusiveness.

The purpose of this Policy is to outline the principles that govern the management of risk at Bowls SA, and to define associated responsibilities for Bowls SA's risk management processes.

## Scope

This policy applies to all of Bowls SA operations, functions and people, including:

Staff	Board Members	Delegated Authorised Person(s)	Associations & Clubs	Volunteers	Players & Club Members	Contractors (including employees of contractors) & Suppliers	Consultants
✓	✓	✓		✓		✓	✓

## Definitions

Term	Definition
<b>Risk</b>	Possible outcomes that could adversely impact Bowls SA's people, financial performance, assets, reputation, or the achievement of its objectives
<b>Risk categories</b>	Areas of Bowls SA operations that carry risks
<b>Risk appetite</b>	The level of risk the organisation is willing to accept. <i>See page 3 for details of Bowls SA risk appetite</i>
<b>Risk profile</b>	Bowls SA's entire risk landscape reflecting the nature and scale of its risk exposures aggregated within and across each relevant risk category.
<b>Risk capacity</b>	The maximum level or 'ability' of Bowls SA to take risk in each risk category, while remaining within constraints implied by its capital and funding needs and its obligations to stakeholders.
<b>Risk appetite limits (upper and lower)</b>	The level of risk which, if breached by Bowls SA's risk profile, would necessitate immediate escalation and corrective action.
<b>Risk appetite trigger</b>	The level of risk which, if breached by Bowls SA's risk profile, would necessitate immediate escalation and corrective action. A risk appetite framework allows Bowls SA to identify and determine the relative positions of its risk capacity, risk profile and risk appetite when evaluating and pursuing its strategy as well as to take corrective action where necessary.

# Policy

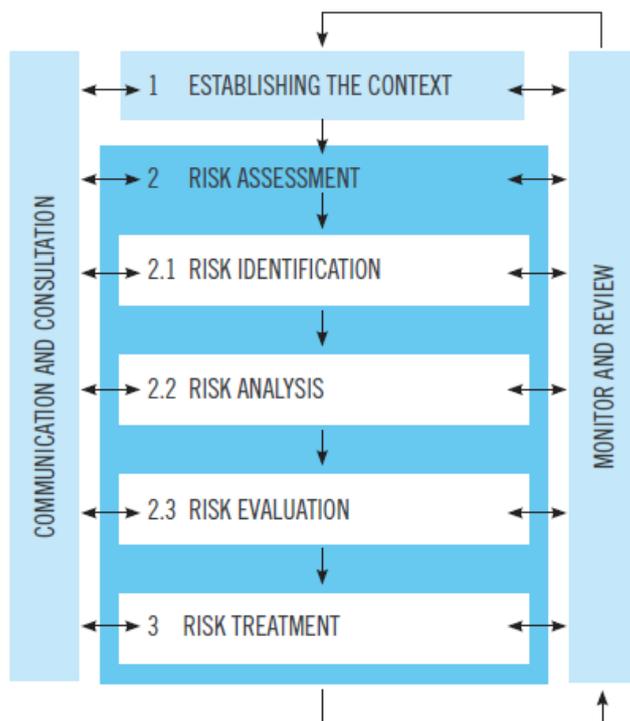
The Bowls SA Risk Management Policy and Framework is designed to create a system of risk management within the Association that is both appropriate and manageable within the constraints in place. This Policy forms part of a risk management framework established to ensure identification, assessment, treatment, and ongoing management of current and future risks in the business of Bowls SA.

The Bowls SA Board has the responsibility for ensuring that risk is managed effectively and efficiently. It will ensure that risk management is integrated into Bowls SA’s culture and business operations at a strategic, operational and project level.

Bowls SA will manage risks via adequate risk management and internal control mechanisms including:

- Review of the Bowls SA Framework and policies.
- Define and regularly assess its Risk Appetite.
- Assess risks utilising the approved Risk Matrix.
- Mitigate and treat risks.
- Regularly maintain a Risk Register.
- Utilise the skills and knowledge of the Finance, Risk and Audit Committee;
- Allocate appropriate funds for the development and training in risk management; and
- Report risks regularly to the board including but not limited to:
  - around October in line with the first meeting of the new Board
  - around May in conjunction with budget preparations.

DIAGRAM 2: RISK MANAGEMENT PROCESS<sup>2</sup>



<sup>2</sup> AS/NZS ISO 31000:2009 Risk management - Principles and guidelines

Figure 1: Risk Management Process

In line with the intent of this policy, Bowls SA staff will:

- Ensure that risk management is an intrinsic part of their work responsibilities and that all decisions made are in line with this policy, the Instrument of Delegation Policy and any other relevant policies;
- Review Bowls SA risks on an annual basis including the Bowls SA Risk Register and relevant event and program Risk Management Plans and ensure that appropriate risk mitigation strategies are in place;
- Through training and promotion, encourage all affiliate associations and clubs and their committees are aware of:
  - this policy and its scope



- their requirements and need to manage risks at their level; and
- actively encourage reporting of risk, real and potential, in order that such risks can be managed appropriately

## Bowls SA Risk Appetite

Risk appetite applies to the management of existing activities, as well as new opportunities. It is the responsibility of the Board, management and staff to continually review individual risks in decision-making.

Bowls SA's tolerance for risk is identified through the Risk Register. It is a written articulation of Bowls SA's risk appetite, as defined by the Bowls SA Board, to guide staff and volunteers in their daily roles.

It serves to:

- define the risk profile of Bowls SA;
- establish a consistent view of the risk parameters (risk appetite limits and triggers) and limits Bowls SA operates in; and
- establish boundaries for risk management activities to determine whether further risk mitigation strategies are required.

The Risk Appetite Statements are dynamic and will be reviewed on a regular basis in conjunction with Bowls SA's strategic planning cycle. All of the activities undertaken by Bowls SA can be so classified in terms of a risk appetite. Some areas of operation (risk categories) will have a higher risk appetite compared to others.

Risk appetite is an interaction of the Bowls SA's risk profile and capacity to take risks which enable the achievement of its strategic and operational objectives

### Risk Appetite Statement

Bowls SA's strategic objectives underpin the aspects covered in the Risk Appetite Statements below. The following table details the risk appetite established for each key risk category identified.

In order to achieve its objectives, Bowls SA must be willing to take and accept risk. Bowls SA is willing to take or accept a **moderate to high level of risk** in pursuit of its strategic priorities and the good of the membership base. There is **low** willingness to accept risks which have no alignment with Bowls SA's strategic direction or that may tarnish Bowls SA's credibility, role or its values.

		Appetite Range	Low	Moderate	High
		Approach to risk	Accepts as little risk as possible & takes a cautious approach	Balanced & informed approach	More aggressive approach for increased benefits to strategy
Area of Activity	Risk Appetite Statement				
Strategic	In order to achieve its objectives, Bowls SA must be willing to take and accept risk. Bowls SA is willing to take or accept a <b>moderate to high level of risk</b> in pursuit of its strategic priorities and the good of the membership base. There is <b>low</b> willingness to accept risks which have no alignment with our strategic direction or tarnish the Association’s credibility, role and its values.			●	
Governance, Legal and Compliance	Bowls SA is committed to good governance practices and with that, adhering to all legislative requirements. Our commitment to act transparently in our members interests mean we have a <b>low-risk appetite</b> for non-compliance with legislation, regulations and professional standards. This includes by-laws, policies and rules that Bowls SA administers. Bowls SA has <b>NIL tolerance</b> for illegal activities including fraud and corruption.	●			
Financial and assets	Bowls SA needs to remain financially viable and sustainable to continue to serve its purpose and achieve its vision. <ul style="list-style-type: none"> <li>We have a <b>low risk appetite</b> for irresponsible use of Bowls SA resources and unnecessary liabilities.</li> <li>However, we have a <b>moderate to high-risk appetite</b> for being more commercially adept and explore avenues to diversify revenue streams through commercially viable arrangements and partnerships. This is expressed in our Treasury Policy.</li> </ul>		●	●	
People / HR / Volunteer	In line with our values, Bowls SA strives to create a safe and happy workplace where staff, both paid and unpaid, can thrive and achieve great outcomes for the Bowls community. We have a <b>low risk appetite</b> for misconduct, fraud, harassment or discrimination and non-compliance behaviour that undermines the integrity of Bowls SA.		●		
Service Delivery: Events & Programs	Bowls SA has a <b>low risk appetite</b> for business interruptions at critical periods of operations impacting staff or members. Whilst the ability to support operations on a day-today basis is important Bowls SA has a <b>moderate risk appetite</b> for change to ensure that the Association has the right resources, staff capabilities and organisation structure to optimise performance. A piloting approach to new initiatives and ideas would be in line with this appetite.		●	●	
Reputation, Brand & Marketing	Bowls SA has a <b>moderate risk appetite</b> in the area of reputation, brand and marketing and will use a marketing science and expert informed approach to strategically safeguarding and improving upon its brand and reputation. Bowls SA notes at times it is necessary to make the “right” decision and not the “most popular” decision.			●	
Environmental	Bowls SA has a <b>moderate risk appetite</b> for environmental and sustainability risks. It recognises its operations have an environmental impact and seeks to minimise these impacts while balancing the needs of its members. Bowls SA complies with its regulatory obligations regarding sustainable development.		●	●	



## Responsibilities

The following outlines the roles and responsibility authorisation for all covered by this policy:

Role	Responsibilities
<b>Board</b>	<ul style="list-style-type: none"> <li>- Has the ultimate responsibility for ensuring that risk is managed effectively and efficiently</li> <li>- Determines the Association's Risk Appetite</li> <li>- Approves the Association approach to mitigating risks</li> </ul>
<b>Finance, Risk &amp; Audit Committee</b>	<ul style="list-style-type: none"> <li>- Oversee the updating of the risk register to ensure it is current and report to the board on mitigation strategies and actions</li> <li>- Refer to Finance, Risk and Audit Charter</li> </ul>
<b>CEO</b>	<ul style="list-style-type: none"> <li>- Delegated the day-to-day oversight of risk management activities</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>- To ensure that risk management is an intrinsic part of their work responsibilities and that all decisions made are in line with this policy.</li> </ul>
<b>Clubs and Associations</b>	<ul style="list-style-type: none"> <li>- Are aware of the policy and any relevant processes</li> <li>- Ensure that they understand the need to have risk management policies and practices in place at their club and Association</li> </ul>

## Breaches, Monitoring & Review

It is the Board responsibility to ensure that the CEO, with the support of Senior Management, has appropriate systems in place and that Bowls SA Board, Staff, Volunteers and Contractors covered by this policy, are adhering to it. Any breaches will be managed accordingly. Reviews of risks will occur at event, program and systems level, but as a whole, annually reviewed and reported to the Board.

## References, Legislation & Industrial Instruments

- Australian Standard on Risk Management (AS/NZ ISO 3100:2018)
- Risk Register
- Finance, Risk and Audit Charter
- Instrument of Delegation policy

This policy & procedure is not intended to override any industrial instrument, contract, award, or legislation.

## Policy Reviews and Updates

### Version History

Version	Changes	Endorsement date:	Endorsed by:

Please note, most recent version information needs to be located at the top of the table

# Appendix 1: Assessing Risks - The Process

## Step 1: Identify Risk

Risks can occur at any stage and risk management exists to reduce the likelihood of these risks eventuating using careful management.

In particular, Bowls SA shall assess risk for the following:

- Events or programs expected to involve more than 50 people
- Large sporting activities
- New business strategies and/or activities
- For activities with a budget over \$10,000 expenditure
- Any others deemed necessary by the CEO or the Bowls SA Board

Risks shall be recorded and assessed using the Risk Management Register. There are some anticipated risks which are address by Bowls SA Policies.

## Step 2: Assessment of Risk

Risks are assessed by Bowls SA using the following system of assessing likelihood and consequences – Risk Priority Matrix.

### Risk Priority Matrix Table

The risk evaluation process gives each identified risk a priority rating based on the likelihood of the risk occurring and the consequence if it does occur. The Risk Priority Matrix provides a calculation and measure of risk:

Risk Matrix		Consequence:				
		<b>Insignificant:</b> Minimal impact or no discernible impact	<b>Minor:</b> impact not significant or permanent. Loss of less than 1% of turnover; No regulatory consequence, minor adverse publicity; minor reversible injury	<b>Moderate:</b> significant effect on short term performance and reputation; loss of up to 2% turnover; limited regulatory consequence; local adverse publicity; major reversible injury	<b>Major:</b> Serious effect on performance or reputation in medium term; loss of over 2% in turnover; major savings program required to address; major restructuring program required to address; significant regulatory consequence; negative national headlines; irreversible injury or death	<b>Catastrophic:</b> serious effect on performance or reputation in long term; loss of over 2% turnover in consecutive years; substantial regulatory consequence; sustained negative headlines in national press; irreversible injury or death;
Likelihood:	-	1	2	3	4	5
Almost Certain (50%+)	E	Moderate	High	High	Extreme	Extreme
Likely (20%)	D	Moderate	Moderate	High	Extreme	Extreme
Possible (10%)	C	Low	Moderate	Moderate	High	Extreme
Unlikely (5%)	B	Low	Low	Moderate	High	High
Rare (2%)	A	Low	Low	Moderate	Moderate	High



The following two tables are used to determine a risk incident's risk matrix level.

### Table 1: Likelihood of Identified Risk Occurring

The following is used to determine likelihood level of a risk incident occurring:

Score	Likelihood	Definition/Parameter
5	Almost certain	Is expected to occur in most circumstances.
4	Likely	Will probably occur in most circumstances.
3	Possible	Might occur at some time.
2	Unlikely	Could occur at some time.
1	Rare	May occur in exceptional circumstances.

## Table 2: Consequence of Identified Risk Occurring

The following is used to determine consequence (intensity) level of a risk incident occurring:

Score	Risk Rating	Impacts	Description of Impacts
5	Catastrophic	Financial and Assets	Revenue loss or increased expense >\$500K
		Strategic	90% of major strategic plan objectives not achieved
		Governance, Legal and Compliance	Fraud or legal action costing Bowls SA \$500k or more
		People / HR / Volunteers	Long-term workplace/volunteer/community harm; turnover rate of 50% or more in a year or whole leadership team
		Service Delivery, Events, Programs	Cessation of more than 50% of services or programs
		Environment	Permanent long-term environmental harm; loss of significant environmental assets or impact on the way we can do business
		Reputation, Brand, Image	Long-term damage and loss of confidence by community
4	Major	Financial and Assets	Revenue loss or increased expense >\$200K but <\$500k
		Strategic	75-89% of strategic objectives not achieved
		Governance, Legal and Compliance	Fraud or legal action costing Bowls SA \$50k-499k; Board sacked by membership
		People / HR / Volunteers	Loss of 30-49% of workforce (staff or volunteers) or two of the leadership team; industrial action during many months; significant injury or harm to volunteers or participants
		Service Delivery, Events, Programs	Cessation of 20-50% of services or programs
		Environment	Significant long-term environmental harm, loss and damage of significant environmental assets
		Reputation, Brand, Image	Sustained damage and loss of confidence for many months
3	Moderate	Financial and Assets	Revenue loss or increased expense >\$50K but <\$200k
		Strategic	50-74% of strategic objectives not achieved
		Governance, Legal and Compliance	A pattern of membership complaints about our governance practices; more than 20% of policies not reviewed according to schedule.
		People / HR / Volunteers	Poor performance on the part of one or more staff, volunteer or member, causing management to invest time in performance management; injury or harm to volunteers or participants
		Service Delivery, Events, Programs	Disruption to 10-20% of services or programs

Score	Risk Rating	Impacts	Description of Impacts
		Environment	Significant release of pollutants with mid-term recovery; significant but temporary damage to environmental assets
		Reputation & Image	Significant but short-term damage to reputation/image
2	Minor	Financial and Assets	Revenue loss or increased expense >\$10K but <\$50k
		Strategic	Minor parts of strategies not achieved
		Governance, Legal and Compliance	A membership complaint about our governance practices; up to 20% of policies not reviewed according to schedule.
		People / HR / Volunteers	Extended illness or absence of a staff member or critical volunteer, minor injury or harm to volunteers or participants
		Service Delivery, Events, Programs	Some disruption to services or programs
		Environment	Minor transient environmental harm; minor temporary damage to environmental assets
		Reputation & Image	Some damage and loss of confidence for a short time (hours or days, not weeks or months)
1	Insignificant	Financial and Assets	Revenue loss or increased expense <\$10k
		Strategic	No effect on strategies or objectives
		Governance, Legal and Compliance	Up to 10 % of policies not reviewed on time
		People / HR / Volunteers	Incident without workforce, volunteer, or community harm
		Service Delivery, Events, Programs	No interruptions to services or programs
		Environment	No environmental damage or loss
		Reputation & Image	No damage to reputation

## Step 3: Mitigation

For the relevant risks, mitigation is necessary. This shall be a meaningful review of the risk, identification of ways in which the risk can be reduced, and then include a final post mitigation risk assessment.

Mitigation can include things such as the following:

- Providing training or first aid services
- Determining costs associated with business ventures
- Completing safety checks
- Providing instructions and guidance
- Establishing a code of behaviour
- Ongoing risk management and monitoring

The following table provides a definition for each risk rating and the actions to be undertaken.

Risk rating	Required action
Low	<b>Acceptable:</b> Unlikely to require specific application of resources; manage by routine procedures. <b>Action Required:</b> Nil
Moderate	<b>Generally, not acceptable unless mitigation occurs:</b> Likely to cause some damage, disruption or breach of controls. <b>Action Required:</b> Finance, Risk and Audit Committee attention needed, and officer/management responsibility specified. Treatment plans to be developed and endorsed by the Board
High	<b>Not acceptable unless mitigation occurs:</b> Highly likely to cause some major damage, disruption, or breach of controls. <b>Action Required:</b> Board attention needed, and officer/management responsibility specified. Treatment plans to be developed and endorsed by the Board
Extreme	<b>Not acceptable:</b> Likely to threaten the survival or continued effective functioning of the program or the organisation, either financially or politically. <b>Action Required:</b> Immediate action required; must be managed by a designated officer of the organisation and a detailed treatment plan reported to the Board.

## Step 4: Ongoing Monitoring

Risks identified as high shall be monitored regularly at agreed and recorded intervals for compliance with mitigation activities and to reduce the likelihood of serious risk.