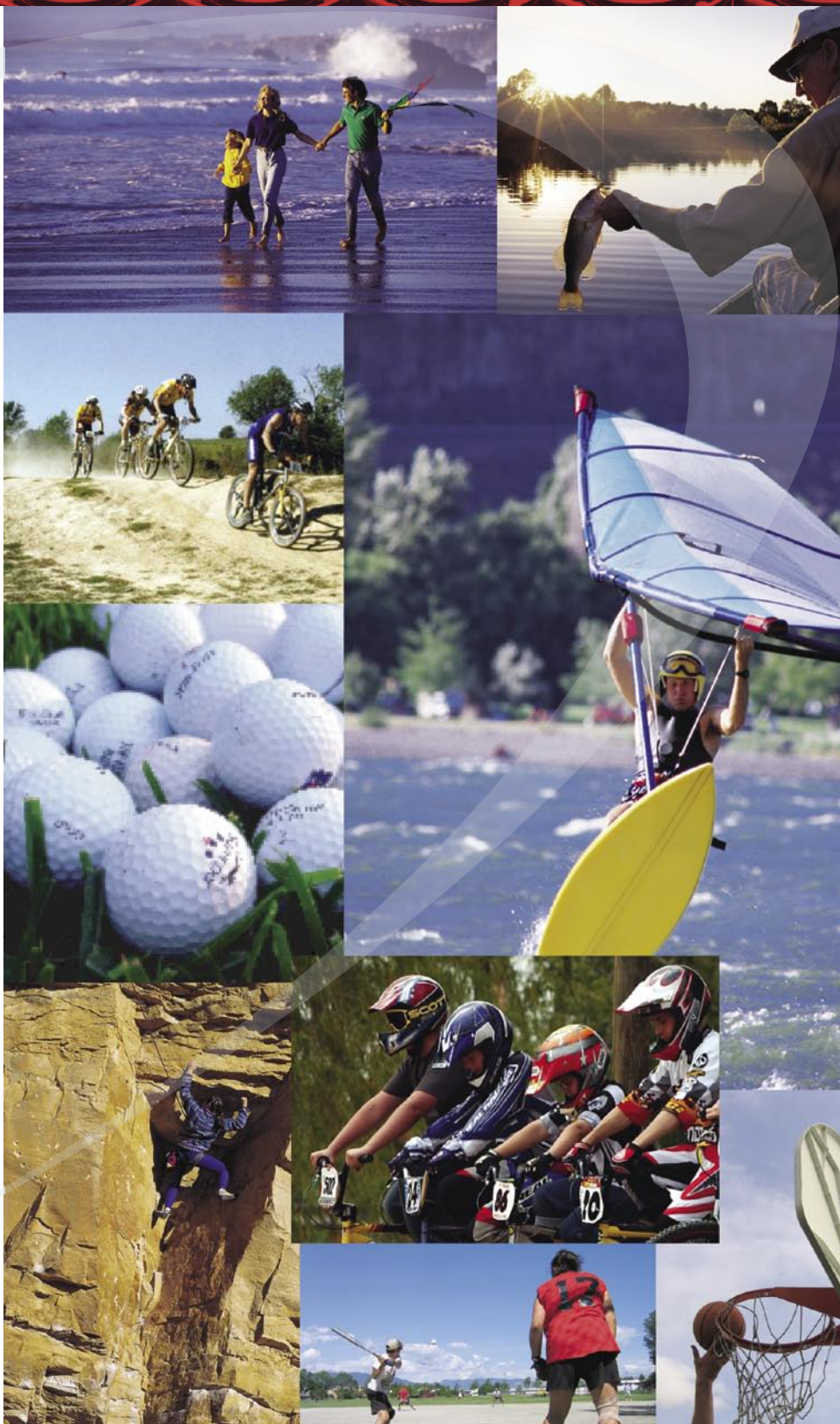


Guidelines for Risk Management in Sport and Recreation

SNZ HB 8669:2004



COMMITTEE

Standards New Zealand Committee P 8669 Risk Management in Sport and Recreation was responsible for the preparation of this Guide.

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OTHER RISK MANAGEMENT STANDARDS AND HANDBOOKS

AS/NZS 4360:1999	<i>Risk management</i>
SAA HB 141:1999	<i>Risk financing guidelines</i>
SAA HB 142:1999	<i>A basic introduction to managing risk</i>
SAA/SNZ HB 143:1999	<i>Guidelines for managing risk in the Australian and New Zealand public sector</i>
SAA/SNZ HB 221:2003	<i>Business continuity management</i>
SAA/SNZ HB 228:2001	<i>Guidelines for managing risk in the healthcare sector</i>
SAA/SNZ HB 231:2004	<i>Information security risk management guidelines</i>
SAA HB 240:2000	<i>Guidelines for managing risk in outsourcing utilizing the AS/NZS 4360 process</i>
SAA HB 246:2002	<i>Guidelines for managing risk in sport and recreation</i>
SAA HB 254:2003	<i>Guide to control assurance and risk management</i>
SNZ HB 4360:2000	<i>Risk management for local government</i>
SNZ HB 8156:2003	<i>Ambulance service sector standard assessment workbook</i>

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Guidelines for

**RISK MANAGEMENT IN
SPORT AND RECREATION**

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Review of Handbook

Suggestions for improvement of this Handbook will be welcomed. They should be sent to the Chief Executive, Standards New Zealand, Private Bag 2439, Wellington 6020.

NEW ZEALAND HANDBOOK

GUIDELINES FOR RISK MANAGEMENT IN SPORT AND RECREATION

PART 1

1 Foreword

1.1 Purpose of this Guide

The Standards New Zealand Committee P 8669 Risk Management in Sport and Recreation has prepared these Guidelines in accordance with the joint Standard AS/NZS 4360 *Risk management*, to enable better understanding and application of risk management within the sport and recreation sector.

This Guide seeks to promote the use and benefits of good risk management practices across all aspects of sport and recreation organisations, from strategic and operational management to planning and delivering events.

The Guide provides a broad approach, including definitions, processes, tools and examples to help sport and recreation organisations understand and implement risk management. It provides an overview of the generic risk management process as defined in AS/NZS 4360, along with guidance to enable the user to apply this process in the New Zealand sport and recreation context, including:

- (a) A high level framework of risk categories relevant to the sector;
- (b) Templates; and
- (c) An overview of legal requirements in New Zealand.

This Guide is not designed as an instant solution. While the Guide is meant to provide a simple and user friendly framework, managing risk still requires thought and ongoing attention on the part of all involved.

1.2 Who should use this Guide?

This Guide has been designed for everyone involved in the governance, management or delivery of sport and/or recreation events and programmes (including both paid people and volunteers). The Guide can be applied at any level in the hierarchy of a sport or recreation organisation from national body to regional club.

This Guide is not designed to apply to volunteering activities which are not related to sport and recreation, or to the commercial horse-racing industry.

1.3 How to use this Guide

This Guide is designed to be useful to a wide range of people in the sport and recreation sector. People involved in the sector range from very knowledgeable and experienced in relation to risk management, to those for whom this is a new responsibility.

Experienced people may wish to refresh their knowledge of the risk management process and take advantage of the templates provided. People who are new to risk management may wish to use the Guide as an introductory tool and to continue their learning using some of the references provided. Regional and national sport and recreation organisations

should use this Guide as the basis for working with member organisations to train staff and volunteers and implement consistent risk management across their associations.

Don't panic! The Guide is not intended to impose a rigid set of requirements. It is designed to help you understand the key elements of good risk management, but the extent to which you apply the framework is up to you. The approach and the sample forms provided may be customised to suit your needs and available resources. You don't need to build the Queen Mary to punt down the Avon River; but neither would you go over Huka Falls on a lilo.

The risk management pathway

You can think about risk management as a pathway. At this point you may be anywhere on the pathway from just getting started to delivering model risk management. You might start by making a commitment to learning the core principles of risk management and thinking about them as you go about your work. At a suitable point in the future you may decide to begin formalising your approach. Eventually you might progress to a fully documented and integrated risk management framework. **The most important thing is to get started.**

2 Introduction

2.1 What is risk?

AS/NZS 4360 defines risk as, “the chance of something happening that will have an impact upon objectives.” Risk may have a positive or negative effect, and is measured in terms of consequences and likelihood.

Risk is inherent in everything we do. In general, we take a risk in order to benefit from an opportunity. For example, a person may accept the risks related to riding a bike in order to keep fit, or to win a race. A sport or recreation organisation may risk some of its funds on new equipment in the hope that it will attract new members or improve performance in competitions. When we consider opportunities, we weigh up the risks, look at the benefits we might achieve, and make our decisions accordingly.

Perfect safety is unattainable, and even undesirable. If we decided to eliminate all risk we would never drive a caravan on a gravel road, never run onto a rugby field, never undertake business activities – in fact we might never get out of bed. Of course, choices like these create other risks to our physical and emotional health.

There are three ways of looking at risk*:

Absolute risk – The overall risk inherent in a situation that has no controls present – the worst thing that could happen if you didn’t do anything about a risk.

Residual risk – The level of risk remaining after risk treatment measures have been taken – after you have decided to do something about a risk, there still may be a chance that it will happen.

Perceived risk – An individual’s subjective assessment of the risk present at any time – how risky you think the situation is.

Take jumping off a high bridge for example. The **absolute risk** is extreme – if you jump off the bridge, it might be fun for a few seconds, but you will probably die. You can reduce the risk by tying bungee cords to your ankles. If the bungee is secure and of the right length, the **residual risk** is pretty minimal. Different individuals, however, may **perceive** quite different levels of risk depending on their own personalities and experiences.

The concept of risk also covers “hazards.” Hazards are situations which give rise to risk. For example, think of a fire hazard. The possibility of fire is the risk; a pile of paper near a heater is a hazard.

See Appendix A for a glossary of definitions.

2.2 What is risk management?

As individuals and as a society we constantly respond to risk, often without even realising it. Sometimes we do respond to it consciously, but we don’t always do it systematically.

The purpose of risk management is to apply a process to identify risks, set an acceptable level for risk, and take steps to keep residual risk at that level.

How we decide what is an acceptable level is influenced by legal standards, our personal risk tolerances and societal views. Legal standards are established in legislation (such as the Health and Safety in Employment Act 1992) and in common law (also known as judge-made law) through lawsuits brought by people when things go wrong. An individual’s risk tolerance is the level of risk that he or she is willing to take considering the opportunity at hand.

* Adapted from Priest and Baillie, 1987

Note: Common law covers wrong-doing where specific statutes do not apply. “Judge-made law” refers to decisions (precedents) made by judges in common law suits. See Appendix B for more information about legal issues.

We manage risk by developing responses to reduce the consequences of adverse incidents, their likelihood, or both. In order to do this, we need to identify risks, assess their potential consequences and likelihood, and design a treatment (response) plan.

2.3 Why manage risk?

The management of risk was once prompted by self-preservation or by a moral duty to others. These days, legal and economic imperatives also provide a powerful incentive to take a systematic approach to managing risk.

We manage risk to optimise the balance between risk and opportunity. That is, we want to increase the chances that we will achieve something, and reduce the chances that anything will go wrong.

By managing risk, you can also improve your performance. A key way to reduce the likelihood of something untoward happening and to achieve the best possible results is to apply best practice. For example, you might apply good accounting or investment practices to reduce your risk of losing money. As an added benefit, you may find that you improve your financial position.

3 Risk in New Zealand Sport and Recreation

3.1 The environment

Many New Zealanders have valued sport and recreation, both as participants and as spectators. Our passion for sport and recreation has been driven from the nation's grass roots and, in turn, the sport and recreation sector has provided key social forums for participants and their families.

In the modern era, our dedication to and expectations from sport and recreation have evolved. Participation and support have new drivers and new challenges. Sport and recreation provide an increasing range of economic opportunities including: paid professional contracts; equipment and apparel sales; live and televised events; and so on. The health sector has an interest in promoting participation in physical activity to enhance fitness and well-being across New Zealand society.

The availability of no-fault insurance cover through the Accident Compensation Corporation (ACC), and the lack of a right to sue for personal injury have been seen by some as leading to complacency about the safety of others. However, an increase in investigations into incidents, and prosecutions by the Police has served to remind us of this responsibility. These and other developments have created new challenges for sport and recreation management and risk management.

3.2 What sets sport and recreation apart?

All types of organisations face risk. While the principles of risk management apply irrespective of the type of organisation, the New Zealand sport and recreation sector has a unique set of characteristics that should be explored as part of understanding the sector's general risk context.

Sport and recreation often involves taking risks – many sports and recreational activities involve high impact collisions, pushing hearts and lungs to extremes of exertion, exposure to heights, depths and speeds, facing fears and reputation challenges, as well as environmental factors such as the weather and wild animals. When we engage in sport and recreation we accept that there is risk involved.

Sport and recreation organisations have a distinctive business profile as well. The sport and recreation sector in New Zealand is generally not about profit, but about achieving sporting and recreation related goals.

The sector relies on a high proportion of volunteers and part-time staff. A volunteer's relationship with an organisation is generally less formal than an employee's; there is a higher degree of uncertainty around volunteer performance.

In the New Zealand sport and recreation sector, individuals and organisations often fit within a hierarchy. For example, an individual may be a member of a club; the club may be a member of a regional body; the regional body may be a member of a national association; the national association may be a member of an international federation. Each separate body is accountable both to its members and to its parent body. It is a generally accepted principle of law that the rules of an incorporated society constitute a contract between the incorporated society and its members, just as a constitution of a company creates a contract between it and its shareholders. Members can enforce the contractual obligation of an incorporated society to comply with its rules. ➤

Sporting and recreational organisations are generally funded differently from commercial organisations. These organisations are concerned with maintaining income streams from membership, event participation, and sponsorship rather than the product or service/sales focus of commercial businesses.

3.3 Key sport and recreation risk categories

The management of sport and recreation organisations in New Zealand involves handling subscriptions and other sources of funding, ensuring that venues are available and assets are maintained, organising safe competitions and events, and attracting participants, coaches and officials.

In achieving these things, sport and recreation managers need to address physical risks to people, business risks and legal compliance.

Business and legal compliance risks are sometimes not as obvious or immediate as physical risks, but their impact on a club or association can be just as serious. Sport and recreation risk management, therefore, needs to encompass business and compliance risks.

See Appendix C for a structured list of possible sport and recreation sector risk categories to guide you in identifying your own risks.

3.3.1 *Physical*

Some degree of physical risk is inherent in many sport and recreation activities. People and groups involved in organising opportunities for others to take part in sporting and recreational activities have a responsibility to take reasonable steps to ensure the safety of participants. Because risk can spill over from the arena to viewing areas, they must also take steps to ensure the safety of spectators, paid and volunteer staff, and the public at large.

The risk of injury could arise from a number of causes: from poor event planning and management, from a failure to attract and properly train marshals and officials, from poor coaching methods, or from poorly maintained venues and equipment, to name a few.

Injuries and deaths are obviously serious problems in and of themselves, but they can also give rise to further risk of dissatisfied members and sponsors, prosecutions, and financial impacts.

3.3.2 *Business*

Sport and recreation organisations need to set goals, attract funding, maintain assets, meet member expectations, deliver programmes, and manage budgets, staff and volunteers. In addition, they may have requirements and constraints placed on them by a parent organisation. As for any business, sporting and recreational organisations face risks in relation to these activities.

Goals for sport and recreation organisations may range from aspiring to stay afloat and focus on providing a social venue, to winning a key trophy and attracting or developing elite athletes. Organisations need to manage the risks that may prevent them achieving their goals.

Funding may come from subscriptions, “fundraisers”, sponsors and the government. Organisations can lose funding if they don’t comply with the terms of any grants, funding or sponsorship arrangements. They can expose themselves to financial loss if they don’t

properly manage budgets and financial reserves. Risks arise from poor accounting practices and business controls. They can lose value if they don't enforce quality and timeliness terms of contracts with suppliers. They may have contracts and leases in place for premises, equipment, communications, maintenance, and event management.

Note: A business control is a procedure designed to prevent error or fraud. For example you might require two signatures on cheques to reduce the chance that someone in the organisation might decide to drain the bank account and flee to a tropical island.

Sport and recreation organisations may have assets in the form of buildings, vehicles or equipment. They will need to maintain these assets to preserve their value and functionality.

All organisations need people in order to function. Whether paid staff or volunteers, organisations face risks relating to attracting and retaining quality people.

Sport and recreation organisations will need to focus on members as customers, stakeholders, and sometimes as assets and employees. A single member may have a range of expectations depending on the nature of their involvement with the organisation. If those expectations are not met, there is a risk that the member will leave.

Organisations need to manage risks that could prevent the regular Saturday game or the annual national tournament from coming off successfully. Risks include mistakes in scheduling bookings, poor co-ordination of transportation and equipment, or not communicating instructions effectively to participants, spectators or officials.

3.3.3 *Compliance*

Legal compliance means the things that people and organisations must do to comply with legislation and "judge-made law", irrespective of whether they directly contribute to achievement of the club's goals. For sport and recreation organisations, this will often include compliance with best practice and competition rules. Organisations and individuals risk lawsuits, prosecution, fines and sanctions if they do not comply with these requirements.

See Appendix B for a more detailed discussion of legal responsibilities.

3.3.4 *Summary*

Sport and recreation organisations face risks like any other business. The general principles are the same, but the sector has its own particular context and general risk profile. The three main categories of sport and recreation sector risk are: physical, business and compliance.

Effective risk management in this sector is about balancing risk and reward. Successful sport and recreation organisations need to manage risk rather than avoid it; they need to focus on goals and safety, not just compliance.

PART 2

4 A Framework for Managing Risk

4.1 Overview

A framework for managing risk needs to incorporate a number of elements. An effective framework starts with a mandate. Responsibility and accountability for managing risk needs to be assigned to appropriate people. The framework needs a process and procedures, as well as a schedule of activities. The process should be supported by tools, information and documentation to ensure that it is carried out completely and consistently.

4.2 Mandate

A governance level risk management policy and/or charter is important to record the organisation's commitment to managing risk, the principles it will apply, who will be responsible and accountable for aspects of risk management, and when key activities will be undertaken. A documented policy provides the formality to ensure that risk management receives the intended level of attention. This does not need to be a large or complicated document, but it should be developed with careful thought about the commitment being made and the resources available. Like any policy document, it should be reviewed regularly and revised when necessary. A sample policy statement is attached in Appendix D.

There are at least five possible levels of commitment along the risk management pathway. You could:

- (a) **say** that you are going to "do" risk management;
- (b) **learn** about risk and its management;
- (c) **think** about risk management;
- (d) take an **informal** approach to managing risk;
- (e) take a **formal** approach to managing risk.

By making a commitment at any of the last four levels, you will, no doubt, achieve some benefit for your organisation. The level of commitment you make will be influenced by the time and resources you have available, but ultimately it will be determined by what motivates you and by how concerned you are that something adverse might happen.

Whether you lie awake at night worrying about what could go wrong, or you are quite complacent, working through the risk management process can be a valuable exercise to align attitudes with reality. In other words, you may find there is a lot less to worry about than you think, or you may find ways to manage risk so that you don't have to worry so much. Equally, you may find out that there are big risks that you should be doing something about.

When you are ready to make a firm commitment to systematically address risk in your organisation, you will need to document it in a risk management charter or policy. Documentation will provide formality and a basis for consistency in your approach.

4.3 People

In order for risk management to be effective, responsibility for making it happen must be assigned to specific people. Ultimately risk management is everyone's business. Just like the Silver Ferns working as a team towards the common goal of winning the world championships, an organisation must assign different aspects of risk management to different members in order to meet its goals. For example, the executive of a sports club is responsible for fundraising and finances along with the associated risk and compliance issues. Coaches are responsible for ensuring participants know how to prevent injuries through maintaining fitness, developing technical skills and knowing the rules of the sport. Referees are responsible for ensuring players play within the rules of the sport. Players are responsible for maintaining their own fitness and technical skills, and for playing responsibly to minimise the likelihood of injury. Volunteers and event staff are responsible for understanding and carrying out the instructions given to them.

Everyone involved in a sport or recreation organisation or event needs to be informed and aware in order to participate in the risk management process, and to pragmatically address the myriad risks they face every day. That said, certain individuals must be responsible for driving risk review processes, for maintaining registers and monitoring and reviewing risks, for running communication and consultation processes, and for educating and training people throughout the organisation on risk management.

4.4 Process

Section 5 explains the generic risk management process as set out in the Standard AS/NZS 4360 *Risk management*. While the Standard does not aim to promote uniformity of risk management systems, it sets out the elements of an effective risk management process.

Risk management should be part of everything you do, not a separate management process. However you approach managing your organisation, there will be opportunities to build risk management disciplines into your current processes. Whether your planning processes are formal or less structured, as you set goals you should be asking yourself, "What could go wrong?" "What could prevent me achieving these goals?" and, "What should I be doing about it?" Strategic and business planning, operational planning, and planning for projects and events should all have risk management firmly embedded within them.

As you monitor and review the organisation's performance, you should look for risk information. You might require a risk section to be included in management reports. Discussion of risk should be a standing agenda item for all meetings whether at board, management, team or project level.

Encourage people at all levels to think about risk and what they should do when they recognise a risk or a hazard as they go about their daily activities. If an individual identifies a risk that they can't handle alone, or that is significant in terms of its likelihood and potential impact, there should be a process to bring it to the attention of their manager. If the manager is unable to deal with the issue within the scope of their responsibilities and delegation, they should take the issue further. This principle of escalation is key to enabling people at all levels to participate effectively and safely in managing risk. It also ensures that each risk is dealt with at the appropriate level.

4.5 Tools

In order to facilitate the process of managing risk, it is important to have adequate tools. Tools can include forms to use when identifying and assessing risks, or computer databases to organise information. Tools might also include methods to help with risk identification and analysis, such as SWOT Analysis, Monte Carlo Analysis, or the Cost Price Income Matrix (CPIM), a tool designed to help manage the risk related to pricing for events.

The Risk Analysis Management System (RAMS) and Safety Action Plan (SAP) are tools commonly used within the New Zealand Sport and Recreation sector. Appendix E provides some sources of risk management tools.

A set of straightforward forms to use in identifying, analysing, assessing and ranking risks is provided in Schedules 1 – 5.

4.6 Information

The risk management process outlined in Section 5 will help you gather risk information about your organisation. You may also need information to help you decide on good practices, appropriate risk treatments, on the environment you operate in, on different techniques for analysing and ranking risks. In Appendix E, we provide some ideas for accessing information from relevant sources in New Zealand and from around the world.

4.7 Documentation

You should keep records of your risk management activities. Records will provide an audit trail should they be required by stakeholders or regulators. They will provide a history for reference so you won't have to start future activities from scratch. Good records will also ensure that your perception of the organisation's risk and how you communicate this to staff and stakeholders are consistent. Your risk management documentation should include:

- (a) your risk management policy;
- (b) your context statement;
- (c) your list of risks (risk register);
- (d) plans to deal with (treat) identified risks;
- (e) risk analysis research;
- (f) monitoring and reporting information; and
- (g) review procedures.

5 The Risk Management Process

5.1 Overview

The risk management process involves two on-going activities and five logically sequenced stages:

On-going activities:

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole.

Monitor and review the performance of the system and changes that might affect it.

Process stages:

Establish the context for managing risks, including criteria for evaluating them.

Identify risks and how they can arise.

Analyse how often risks are likely to occur and the impacts they would have.

Evaluate each risk's likelihood and potential impacts against your evaluation criteria.

Treat unacceptable risks to reduce the chance that they will happen or the impact they would have if they did.

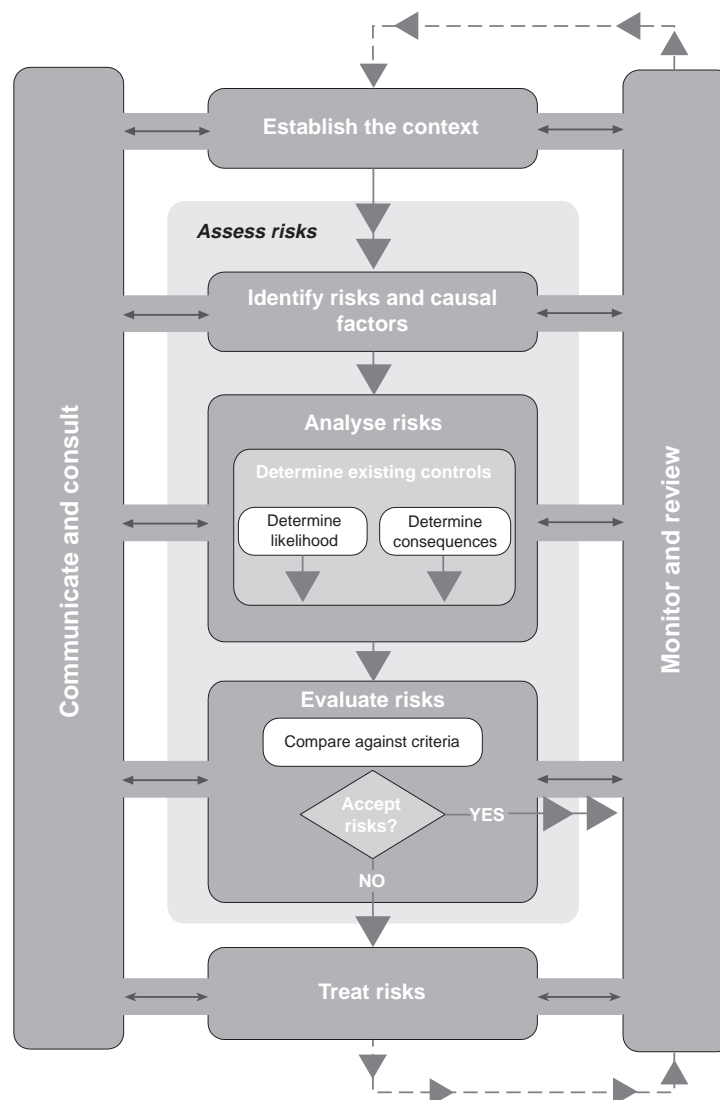


Figure 1 Risk management overview (adapted from AS/NZS 4360)

The following provides more detail on each stage in the process, including an overview, guidance on what to think about, and key steps.

5.2 Communicate and consult

5.2.1 *Overview*

Communication and consultation are important elements of the risk management process. Communication is not a stage in the process, but the means of involving and informing stakeholders continually throughout the process.

5.2.2 *Who to communicate and consult with*

You need to communicate and consult with your stakeholders, including: boards, staff, volunteers, members, players, participants, sponsors, funders and the community.

5.2.3 *What to communicate and consult about, and why*

Communication and consultation are critical for a number of reasons. You need to bring together the knowledge and perceptions of a range of people in and around the organisation to ensure that you develop a comprehensive view of risk. Even where your risks are simple to identify, risk management is enhanced by bringing together different ways of thinking and different points of view.

Risk management is everyone's responsibility and should be integrated into planning and thinking at all levels. Good communication is essential to establish a risk management culture; to ensure that everyone is aware of their roles and responsibilities, and the programme and procedures for addressing risks. Staff and volunteers need to know the procedures for processing financial transactions, and marshals need to know the procedures for managing events. Players and participants need to know the risks associated with the activities they are engaging in and their responsibilities for minimising them. Poor communication could create an environment for disaster, even if plans and procedures have been developed.

Stakeholders need to be aware that the organisation is systematically addressing risk, whether they are in governing roles responsible for the organisation's overall performance, or parents who need to know their children's safety will be addressed. Stakeholders' views need to be considered in developing the criteria for evaluating risk (see Establish Your Context, section 5.3), in order to reflect their tolerance for different kinds of risks.

By developing not only awareness, but a culture of responsiveness to risk, your organisation will begin to develop a commitment to continuous improvement.

5.2.4 *How to communicate about risk*

Different stakeholder groups may need different forms of communication. As for other management activities, the formality and structure of communication will depend on your circumstances and the level of the activity.

To communicate with external stakeholders, you will probably use a more formal approach, documenting your commitment to risk and responses to key risks in your annual plans and reports. You might use internal and external newsletters to reinforce messages about risk management and specific instructions or codes that members, staff and volunteers are expected to adhere to. For formal, organisation-wide risk reviews, you might decide to use a structured process and invite stakeholders to workshops to gather information from them about risks, and controls and their effectiveness. Or you may opt to circulate questionnaires. You will certainly need to give staff and volunteers clear directions about

the role you expect them to take and their specific responsibilities in managing risk. You would probably circulate this in written form rather than verbally.

On a day-to-day basis, a less formal approach may be appropriate. You could ensure that managers' doors are always open to talk to staff and volunteers about risk and that risk is discussed regularly in team meetings.

It is important to communicate consistently so that stakeholders are clear about the organisation's commitment to risk management, about the approach to managing risk in general, and about managing specific risks.

5.3 STAGE 1 – Establish your context

5.3.1 Overview

Establishing your context is about understanding how your club or association fits into the world. What is the environment you work in? Why does your organisation exist? Who are you here for? What factors limit what you can do?

The reason you need to work through this stage is to understand the goals and boundaries for managing risk. Understanding your goals and boundaries is important to help you focus on the risks you are responsible for in managing your organisation. Once you have done this, your context statement will help you ensure that you don't overlook anything during Stage 2 – Identify Risks.

In order to establish your context, you will need to work through several steps:

- Scan the **external** environment
- Review your **internal** situation
- Outline your business **structure**
- Develop risk evaluation **criteria**

It is important to document the information as you create it. Use bullet points and key words, or descriptive paragraphs, or any other style that suits you. This document will be a key tool for you to refer to through the rest of the process. Schedule 1 on page 49 provides a template that you may find useful.

5.3.2 Scan the external environment

To complete this step, you should ask yourself the following questions (the right-hand column provides an example of possible answers for a soccer club):

Some questions and considerations	Some examples
<i>What environment do we operate in?</i>	New Zealand sport and recreation sector Provincial/regional soccer Event promotion
<i>Who are our stakeholders?</i>	The community The government Sponsors Players, participants Spectators and families

Some questions and considerations	Some examples
What factors exist to limit how we run the club?	We need to comply with the National Rules Our relationship with players and parents Sponsorship agreements
What opportunities exist in our environment?	There is an increasing interest in soccer Opportunity to host next major championship
What threats exist in our environment?	Our competitors are presenting stronger teams We are competing with other sports and recreational opportunities for members
What else should we think about?	Are there any other questions or issues that are relevant for your organisation?

The examples presented are meant to provide some ideas and to provoke thought. You should define your context the way you see it, and in words that work for you.

5.3.3 Review your internal situation

To complete this step, ask (the right-hand column provides an example of possible answers for a soccer club):

Some questions and considerations	Some examples
What is the purpose of my club or association?	We exist to provide an opportunity for people to play soccer
What are our goals?	We strive to win the local championship We want to help kids develop as far as they can
What are our strengths?	We have a strong membership and subs base We have good people involved in running the club
What are our weaknesses?	We have not been able to attract and retain enough / the right people to sit on the management committee We are running out of money
What are our business objectives?	We want to upgrade the nets this year We aim to have a surplus of funds We want to employ a manager this year We are planning a major event this year.
What is the state and extent of our plans, policies and procedures?	We (don't) have good plans and policies in place We have plans and policies and/but are (not) meeting / complying with them
What other internal issues should we consider?	Are there any other questions or issues that are relevant for your organisation? (Refer to business plans and budgets)

5.3.4 *Outline your business structure*

To complete this step, consider (the right-hand column provides an example of possible answers for a soccer club):

Some questions and considerations	Some examples
What operational activities do we undertake?	Coaching / training activities Weekly games during the season Annual major events Funding and support for clubs Community programmes Child care / creche Holiday programmes
What internal business functions do we have?	Finance Employee and volunteer management Management committee IT management
How do we deliver these activities and functions?	Paid staff Volunteers Consultants, outsourcing Parents
How is the organisation structured?	You may want to draw a chart of how these activities and functions relate to each other and who is accountable to whom? For example, do you have managers for HR, Finance and IT responsible to a CEO, who is in turn responsible to the Board? Or, you may have a part-time manager who reports to a management committee.
What are our main processes?	Event planning Game planning Membership management Governance, committee, and management processes Risk management

5.3.5 *Identify types of consequences (impact)*

In this step, you need to think about your context, and list the types of effects risks could have for your organisation. This will form the basis for developing specific criteria to allow you to measure your risks.

Although you have not yet identified any particular risks, you probably have at least some initial ideas about what kinds of impacts your organisation could suffer. For example, you might be aware that your organisation could suffer impacts that could cost money, that could reduce membership or participation, or that could hurt your reputation. ➤

The table, below, provides some examples of categories and the measures that might be applied to them:

Types of consequences:	Measured in (for example):
Financial	Dollars
Injury	Seriousness
	Recovery time
	Need for hospitalisation
	Permanence of the injury
	Time off the field
Reputation	Press coverage
	Membership/participation numbers
	Stakeholder / member satisfaction
	Political fallout
Competitiveness	Ranking

5.3.6 *Establish risk evaluation criteria*

The purpose of criteria is to allow you to measure things and make decisions about them. Risk evaluation criteria allow you to understand the relative significance of your risks, to help you decide what to do about them, balancing costs, benefits and opportunities.

At this stage you will be developing an initial set of criteria; as you go through the rest of the process, you will probably continue to add and refine criteria. Through the processes of identifying and analysing risks you will probably gain a great deal of insight that you will need to reflect in your criteria. For example, you may decide to add more categories, or you may decide that your scale needs adjustment.

Establishing your risk evaluation criteria at this stage rather than later in the process helps to ensure that your criteria and tolerances are defined by your business and stakeholder needs rather than by the risks themselves.

A key reason to develop criteria is to ensure that all parts of an organisation are applying similar tolerances. If your organisation is small and only a few people are involved in the risk management process, you may decide to apply a less structured approach to establishing criteria, however, it is important to understand the principles set out below.

Remember that a risk is the chance of an adverse incident happening, and is measured in terms of consequences (or impacts) and likelihood. So, you need to establish separate sets of criteria for consequences and likelihood. In Stage 4 Evaluate Risks (some sectors refer to this step as “Risk Analysis”), you will score each of your risks against your criteria. Then you will combine the scores to get an overall level of risk.

5.3.6.1 *Consequences criteria*

If an adverse incident happens, it will cost your organisation something: maybe money, maybe reputation, maybe a trophy, maybe membership. When you define risk criteria, you will decide what is a little, what is a medium level, what is a lot, and what is major for each type of cost or consequence that you identified in clause 5.3.5 (and those that you have added subsequently – remember, in practice, you will probably revisit previous stages as you work through the process).

Decide on a scale

You have already identified some categories of impacts in clause 5.3.5. In this step, you need to develop a scale of significance. First, you need to decide on how many impact levels you want to work with. You may decide to use a simple scale of Minor, Moderate and Major, or you could have more levels.

Define the levels

Once you decide on your scale, you need to define the levels for each type of impact. For example, you may decide that any adverse incident that could have a financial impact of less than 2 % of your budget is Minor; between 2 % and 5 % is Moderate, and over 5 % is Major.

For adverse incidents that cause injuries, you might say that a Minor impact involves no blood, no broken bones and no loss of consciousness; a Moderate impact might involve blood or broken bones, but no overnight hospitalisation; a Major impact might mean longer term or permanent injury.

It is easy to set specific boundaries for quantitative impacts, like money, but much harder to define them for qualitative things like injuries, or your reputation. You may have to use subcategories and descriptive terms to create some types of criteria.

It is important to note that if you assign values or scores to represent the level of consequence (a semi-qualitative method), the relative value of the scores you assign need to reflect the social or financial significance of the consequence. The span of scores must cover the full range for all types of consequence being considered.

The following tables illustrate a simplified set of consequences criteria, and are an example only:

Score	Scale	Financial
1	Minimal	<1 % of budget
10	Minor	1-2 % of budget
100	Moderate	2-5 % of budget
1,000	Major	5-10 % of budget
10,000	Catastrophic	>10 % of budget

Score	Scale	Injury
1	Minimal	Bruises, scrapes, no recovery time
10	Minor	Contusions, sprains and/or <1 week recovery
100	Moderate	Blood, broken bones, and/or 1-6 weeks recovery
1,000	Major	Hospitalisation and/or >6 weeks of recovery
10,000	Catastrophic	Death, permanent disability

Score	Scale	Competitiveness
1	Minimal	No relegation
10	Minor	Relegation by 1 level
100	Moderate	Relegation by 2-3 levels
1,000	Major	Relegation by 4-5 levels
10,000	Catastrophic	Bottom of the table

5.3.6.2 Likelihood criteria

Likelihood is the chance that something will happen in a given timeframe. It is expressed in terms of the anticipated number of incidents per time period or series of activities. There are two sub-steps to establishing likelihood criteria.

Remember, the scores you assign need to reflect the actual likelihood of the incident.

Decide on a likelihood scale

You can use as many levels as you think are necessary to allow you to sort the risks your organisation faces. You might choose a scale such as: *Almost Never*; *Sometimes*; *Frequently*. Or you might choose a five level scale as illustrated below.

Define the levels of likelihood

Once you have decided on a scale, you need to define what each level means. You might say that *Almost Never* means less than once in ten years, *Sometimes* means will happen once every 1 – 10 years, and *Frequently* means it will probably happen at least once per year.

Again, once you have defined your levels, assign scores that reflect the social or financial significance of the consequence.

The following table provides an example of a set of likelihood criteria:

Score	Scale	Description
0.1	Rare	The incident may only occur in exceptional circumstances (for example, once in 10 years, or 1 in 10 events)
0.2	Unlikely	The incident could occur at some time (for example, at least once in 5 years, or 1 in 5 events)
0.3	Possible	The incident will probably occur at some time (for example, once in 3 years, or 1 in 3 events)
0.6	Likely	The incident will probably occur in most circumstances (for example, once per year, or 2 out of 3 events)
1.0	Almost certain	The incident is expected to occur in most circumstances (for example, more than once per year, and almost guaranteed in each event)

5.3.7 Documentation

Schedule 1 on page 49 provides a sample form to help you document your context statement.

5.4 STAGE 2 – Identify risks

5.4.1 Overview

Once you have started your risk management process by establishing your context, you can move to Stage 2. The objective of this stage is to identify your risks. This stage involves two steps: determining what can go wrong, and establishing how it can happen.

5.4.2 What can go wrong?

In this step you will identify all the things that could go wrong for your organisation.

When you established your context, you looked at the external environment, your internal situation and your business structure. This created a framework for you to think about what you are trying to achieve (your goals), your business structure for achieving your goals, and the external and internal factors that affect how you work.

The introduction to this Guide suggests a framework of physical, business and compliance risks that must be managed in the New Zealand sport and recreation sector. Appendix C provides a generic framework to help you ensure that you consider all aspects of your organisation when looking for risks. You can customise this list for future use. In order to ensure that you are able to identify all of your risks in these categories, you should refer to your context statement and ask:

- (a) What could harm our people?
- (b) What could go wrong in our business (club/association)?
- (c) What legal obligations could we be at risk of breaching?

The table, below, provides some high level examples of risks.

Risk area	Examples of what could go wrong (risks)
Physical	Someone could be hurt
Business	We could fail to survive another year
	We could fail to win the trophy
	We could fail to deliver key programmes and services
	We could lose members, staff and volunteers
	We could lose money
	Our reputation could be damaged
Legal	We could breach civil obligations
	We could breach legislation

This list is provided as an example, to help you think about what could go wrong for an organisation in the sport and recreation sector. As for establishing your context, you need to examine your own organisation and environment to identify what could go wrong. You should use the style and level of descriptiveness that suits your needs and fits with your management style.

5.4.3 *How can these things go wrong?*

In this step you will identify all the ways these risks could happen. As you consider each risk (the second column from the table above), think about what could happen in the external environment, in your internal situation, or from your business approach that could cause these risks to happen. Don't forget to consider hazards that exist in your business and physical environments.

These risks could happen . . . if we . . . (causal factors)	
Someone could be hurt	don't plan events well
	don't adhere to our code
	don't have well-trained coaches and marshals
	are irresponsible or negligent
We could fail to survive another year	don't maintain funding levels
	don't maintain membership/participant levels
	mismanage the business
We could fail to win the trophy	lose key players
	fail to attract or keep skilled coaches
We could fail to deliver key programmes and services	have inadequate plans, people or funding to deliver programmes
We could lose staff and volunteers	fail to look after them
	communicate poorly
	don't comply with employment laws
	don't ensure their jobs are well defined
We could lose money	don't manage contracts well
	don't protect and maintain our assets
	get burgled
	get sued or fined
	suffer fraud
Our reputation could be damaged	do something embarrassing
	aren't responsible hosts
We could incur civil liability	are negligent about safety
	create a nuisance on club nights
We could breach legislation	are unaware of our obligations
	do not comply with specific requirements

This list is designed to illustrate that risks can have more than one cause. These causal factors are provided as examples only. You need to identify your own risks and then work through the causes that give rise to your organisation's specific risk profile.

5.4.4 Techniques

There are a number of resources and techniques you can use to help identify risks and causal factors:

- (a) brainstorm with a team;
- (b) review the organisation's management and delivery processes, look for points where things can go wrong;
- (c) internal audits;
- (d) examine records of previous plans, reviews, and incidents;
- (e) talk to other organisations about their approaches and the risks they have identified;
- (f) talk to stakeholders, circulate documents;
- (g) undertake physical inspections of venues and equipment;
- (h) observe people (e.g. coaching techniques), activities and events;
- (i) hire a risk consultant;
- (j) engage a sector specialist;
- (k) consult relevant professional organisations (e.g. the Hospitality Association of New Zealand);
- (l) conduct research using industry publications, newspapers and the Internet.

5.4.5 Documentation

When you have identified your risks you should record them on a risk register. Schedule 2 on page 52 provides a sample risk register.

5.5 STAGE 3 – Analyse risks**5.5.1 Overview**

Now that you have identified your risks, you need to analyse them to understand how often they might happen, and what the impact would be if they did. You will be making an educated guess about these things because you are looking at what might be. You will need to look at past events, your current approach to management of risks, the environment and anything else that you think will affect how often an incident might happen, or how serious it might be. You should ask: what have we got in place already? How often does/will each incident happen under our current system? What would the actual outcome be if the thing happened?

At this stage, you are compiling the raw data about each risk. You will not apply your criteria to score your risks until the Stage 4 – Evaluate risks.

In order to get a reasonable understanding of how often an incident might occur and the impact potential of each risk, you may need to:

- review records of the organisation's performance and incidents
- talk to people running similar organisations
- seek legal or specialist advice.

Sometimes it won't be easy to pin these factors down. However, if you decide later that something is probably going to happen more often, or have a different type or level of impact, you can always go back and revise your analysis.

5.5.2 *Consider existing “controls”*

A control helps to ensure that things are done in a certain way, for example, to prevent error, fraud, or injury. A control might be a policy, a procedure, a barrier around a course, or a person who makes sure things happen the way they are supposed to.

For each risk, look at each causal factor and identify what is already in place to reduce the chances of the risk occurring, or to reduce the impact if it does happen. You might identify your team of marshals in place to prevent accidents on a course, or accounting procedures to ensure that your revenue is protected. While in reality, most incidents have more than one cause, it only takes one cause for a risk to happen. So even if you have strong controls for nine causes out of ten, if the tenth is weak, you could still experience a catastrophe.

Once you have identified the controls, consider how effective they are. Are your marshals well-trained, committed, and attentive? Does your accountant apply the correct accounting procedures? Are the procedures well enough defined and implemented to prevent someone draining the bank account?

5.5.3 *What impacts could we face if the incident happens?*

In this step, you should note all of the consequences that could happen if the risk were to become a reality. Any incident could have a range of impacts from financial costs (including costs of repairs, fines, increased insurance) to damaged relationships, and loss of standing or market share.

You need to express the potential impacts of each risk in the same terms as the criteria you created in Stage 1 – Establish your context. Using the sample criteria provided in 5.3.6, you would express consequences in terms of dollars, injuries, or competitiveness. Remember, you are applying the categories and measures, but not the scoring system at this point. In other words, you are trying to identify the likely number of dollars an incident might cost, or the probable number of weeks a player might be off the field. You are not yet trying to determine which level of your criteria the risk would slot into.

You also need to consider whether your activities create risks that will impact on other people. Even where there may be minimal chance that your organisation may face consequences should the risk happen, you should consider the potential impacts on others.

In working through this stage, you may identify another type of impact that you hadn't included in your evaluation criteria. If it isn't adequately covered by the criteria set, you will need to go back and add it.

5.5.4 *How often might the incident happen?*

Is the incident likely to happen once per year? Every quarter? Once in a lifetime? Keep in mind any controls you have in place that might help reduce the chances of the thing happening. In order to gather reliable information about how often incidents are likely to happen, you may need to review your records of past performance and incidents, or talk to other, similar organisations about their experiences. A variety of agencies may be able to provide you with statistics, for example, the Accident Compensation Corporation (ACC) maintains injury statistics.

The table below provides a simple example of risk analysis; you may wish to be more specific when you analyse your own risks.

Risk	Cause	Controls / Effectiveness	How often	Consequences / Outcome
Someone could fall from a cliff	Poor event planning	Good planning process in place, we use a facilitator and an event specialist	Once every 3 years	Person could be killed, 6 months news coverage, could be sued, face exemplary damages of \$100K
	Don't adhere to code	Do an annual code audit, regular training		
	Poorly trained coaches and marshals	Regular training, but high turnover reduces effectiveness		
	Lack of awareness of hazards	We have not got comprehensive OSH procedures in place		
	We are irresponsible	Regular training, review, consultation		
Office supplies could be pilfered	We don't store them securely	Consumables are stored in an unlocked cabinet	Weekly during the playing / event season	\$5 – \$10 lost value per week (in accordance with the sample financial criteria, this value would now need to be translated into a percentage of budget)
	Don't monitor usage	Consumables are freely available		

5.5.5 Documentation

Schedule 3 provides a sample form to help you document your risk analysis.

5.6 STAGE 4 – Evaluate risks

5.6.1 Overview

Evaluating risks is about **scoring** them using the **evaluation criteria** you developed in **Stage 1– Establish your context**. You will need to confirm your criteria, score your risks, and find the overall level of risk for each one.

5.6.2 Review and confirm your risk evaluation criteria

You established your risk evaluation criteria in Stage 1. Since then you have examined your organisation critically, looking for risks. In doing so, you have probably updated your criteria, as you have learned more about what you are doing, the things that could go wrong, and the impacts that incidents could have. Now is the time to look over your criteria and make sure that they capture all the types of impacts that could affect your organisation, and that the scales are defined to allow you to evaluate your risks meaningfully. For example, if a broken leg and a sprained finger would be on the same level and that doesn't feel right for you, you need to adjust your scale.

5.6.3 Score your risks

For each risk, compare the consequences you identified in your risk analysis with your consequences criteria, and note the score. Compare how often you thought the incident might happen with your likelihood criteria and note the score for that. Where a risk has more than one possible impact or likelihood, and they are at different levels, note the highest score – the worst part of the potential outcome.

The table, below, provides an example of scoring for the risks we analysed in Stage 3. For the first risk, we decided that someone could be killed. Against our consequences criteria, a death would be catastrophic, so we would give that risk a score of 10,000 for consequences. With our current controls, we thought that this might happen every three years. Against our likelihood criteria, that would be “possible” and receive a score of 0.3.

Risk	Consequences	Likelihood
Someone could fall from a cliff	10,000	0.3
Office consumables could be pilfered	1	1

5.6.4 Find the overall level of risk

Once you have given each item a consequence (impact) score and a likelihood score, you multiply the two factors to get an overall level of risk.

Risk	Consequences	Likelihood	Risk level
Someone could fall from a cliff	10,000	0.3	3,000
Office consumables could be pilfered	1	1	1

5.6.5 Determine whether the risks are acceptable

Now that you have an overall risk level for each item, you need to decide how to deal with them. In general, you can decide to:

- (a) accept some risks without doing anything about them;
- (b) take action to reduce the chances of some risks happening, or the impacts if they did;
- (c) avoid some risks altogether.

To help you define levels of acceptability (or treatment effort), you can create a matrix that multiplies likelihood and consequences scores from your two sets of criteria. This gives you all your possible levels of risk. You should find that the resulting risk level will accurately reflect the level of importance or tolerance that your organisation places on the risk.

Likelihood	Consequences				
	Minimal	Minor	Moderate	Major	Catastrophic
	1	10	100	1,000	10,000
0.1 Rare	0.1	1	10	100	1,000
0.2 Unlikely	0.2	2	20	200	2,000
0.3 Possible	0.3	3	30	300	3,000
0.6 Likely	0.6	6	60	600	6,000
1 Almost certain	1	10	100	1,000	10,000

As illustrated by the shading in the table, above, you may decide that any risk that scores less than 50 is considered low priority and is tolerable without further work, any risk between 50 and 500 could be considered a medium priority, and therefore should be dealt with to reduce either the likelihood that it will happen or the impact it would have if it did happen as far as that is possible, and any risk scoring over 500 is unacceptable – a high priority and must be eliminated or otherwise reduced regardless of cost or implications.

Referring to the example in 5.6.4, then, the level of risk of falling from a cliff would be unacceptable, and so the activity that gives rise to the risk would need to be avoided (unless, of course, the risk could be reduced). Given that you are using the same scale for all types of risk, the risk of office consumables being pilfered would be considered low priority, but you may decide to take some action to reduce the likelihood of it happening (the impact already being at the lowest level).

SAA/SNZ HB 436:2004 provides further information on determining the level of risk and establishing the acceptability or tolerability of risk.

5.6.6 Documentation

Schedule 3 provides a sample form to help you document your analysis.

5.7 STAGE 5 – Treat risks

Treating risks involves identifying options for responding to individual risks, assessing and selecting the most appropriate options, compiling the selected options into a plan, and implementing the plan. You might already be familiar with this concept as “managing risk” or “risk reduction strategy”.

5.7.1 Identify options

This step focuses on working out what you can do about the risks that you decided you cannot accept in their current state.

You could decide to avoid, reduce or share the risk.

Avoid the risk

If a risk is just too big, you may decide to not undertake the activity that would give rise to it. For example, if you felt that jumping out of an airplane was just too risky, you would probably cancel your plans to do it.

But, before you make that decision, you would also need to consider whether cancelling the event will create bigger risks. If the event was planned as a fundraiser, and you had collected \$1 Million in pledges to give to a children's charity, you might decide that reducing your risk is a better choice than cancelling altogether.

Reduce the risk

Reducing risk is about diminishing the likelihood that something will happen, or the impact that it would have if it happened. This might include designing an information management policy, developing safety procedures, getting specialised investment advice, or replacing old equipment. Since jumping out of a plane gives rise to the risk of injury, you would probably reduce the likelihood of your being damaged by wearing a parachute and seeking training. You might reduce the likelihood further by stipulating that you will only go in good weather.

Even with excellent plans in place to reduce the likelihood of your risks, incidents may still happen. Your risk treatment strategy therefore should include plans for reducing the impact if an incident should occur. For example your strategy may include incident response, disaster recovery or business continuity plans. When planning your skydiving trip, you might decide to request a backup parachute and an ambulance to stand by in case anything does go wrong.

For repeated activities you may be able to update and reuse existing plans. Updates need to consider changes in the external environment or your internal situation, as well as incidents and impacts you experienced since the plan was last used or updated.

A key way to reduce risk is by applying best practice for the activity that gives rise to the risk. Appendix E is designed to help you identify and access best practice resources.

Best practice is an evolving concept. In sport and recreation, as in management or any other activity, tools and techniques are being developed all the time. Similarly, stakeholders' expectations about outcomes are subject to change. You need to ascertain what constitutes best practice by considering what is accepted, appropriate and reasonable in the circumstances.

Share the risk

Sharing risk means letting someone else bear some of the risk for you. Generally you do this by paying another party to do something for you, for example:

- hiring a qualified instructor to teach participants about a dangerous activity
- insuring against financial risks – if your business burns down, you can take out insurance to cover the cost of rebuilding, lost business time, and interim office space.

You may also be able to share some of your risk by using waivers and disclaimers to make it clear to participants that they should be aware of the potential consequences of an activity and that they should take responsibility themselves if those consequences arise.

Waivers and disclaimers are not always appropriate or valid, and courts will not always uphold them. Waivers and disclaimers cannot be used to avoid statutory obligations. You should always seek legal advice when developing and intending to rely on them. If properly used, waivers and disclaimers will emphasize that an activity may have risks associated with it and is not to be undertaken lightly. In assessing their validity, the courts will examine the circumstances in which they are used and how they are implemented.

For example, participants' ages and capacity for understanding the waiver or disclaimer, how it was explained to and acknowledged by participants (e.g., by signing) are key factors courts would consider.

If you share risks, you need to make sure that the party you share them with is able to manage them. Your insurer needs to be viable; your expert needs to be capable. Otherwise, you may find that you have spent good money, only to face the consequences yourself.

Retain the risk

Once a risk is reduced to a suitable level, you can decide to retain (accept) it in that state.

5.7.2 *Assess options*

When you have identified risk treatment options, you need to decide which ones to apply. As you assess them, you need to consider the opportunities or benefits that the organisation or its stakeholders get from the activity that the risk relates to. You need to think about whether the treatment options would create further risks, or open up further opportunities. For example, a club may decide that, in light of a spate of incidents, a regular kayaking event is too risky. But, before deciding to cancel the event altogether, officials should consider the benefits that participants gain from the activity. Benefits might include social interaction, developing physical skills, and gaining confidence. On reflection, they may decide that there are ways to make kayaking trips safer.

In assessing options, there are several questions you should ask:

- Is a combination of options better than one big hit?
- How do the costs of an option weigh up against its benefits?
- Is more than one option necessary to reduce the risk to an acceptable level?
- Does the option reduce the risk but also reduce the opportunities?

You should consider the values and expectations of stakeholders before selecting options. If, for your fundraising skydive, you decide to share your risk with a professional parachutist, will your public be disappointed?

5.7.3 *Compile a risk treatment plan*

Your risk treatment plan must clearly document the options you have selected, who is responsible for carrying them out, and any timing requirements. Your plan should also note reporting requirements, and who is responsible for managing the overall programme of activity.

Options designed to reduce the impact of a risk may need to be quite detailed. Some of these options require a course of action once the risk has happened. In some cases this will be an emergency response plan, and its success will depend on having people and resources in place, and perhaps on having rehearsed scenarios.

While your responses to risk should be integrated into your strategic, business and operating plans, you may decide to establish a separate risk management plan to encourage focus on risk. A risk management plan should include:

- (a) your context information (including risk evaluation criteria);
- (b) the list of risks identified;
- (c) your risk evaluation and priorities;
- (d) strategies/actions to treat risks;
- (e) monitoring processes and review procedures;

5.7.4 *Implement treatment plan*

To get to this point, you have worked through five stages and 15 steps of the risk management process. You will have arranged meetings, and gathered facts. You have collated information and sifted through it to make sense of it and to identify your priorities. You probably have a clearer understanding of your organisation and its risks than ever before. And, yet, all of this effort will go to waste if you don't implement your risk treatment plan.

Implementation means to ensure that the activities on the plan are carried out. If the plan is well developed, this should happen easily because all the tasks will be clear and will be delegated to specific people. Of course, it is critical that the plan be communicated to all those who will be responsible for carrying out actions, to those whose co-operation is required, and to all those whose involvement could have an effect on the success of the plan.

Even if your plan is well developed, accurately identifies all the ways things can go wrong, and identifies an appropriate treatment for each one, disaster could strike if even a small aspect of the plan isn't properly put into action.

In the 1998 Queenstown Classic Car Race two men were killed and two others were injured when a vehicle went out of control and careered up a grass bank into a group of spectators. A detailed race plan had been prepared in which the grass bank was not designated as a spectator area on the race plan. Unfortunately spectators did sit on the bank. The deaths occurred as a result of a lack of co-ordination among the various officials, and a failure to ensure implementation of a key aspect of the race plan: to ensure that spectators only sat in designated areas.

5.7.5 *Documentation*

Schedule 4 provides an example of a form you might use to assess treatment options. Schedule 5 provides a sample form to help you develop your risk treatment plan.

5.8 **Monitor and review**

Congratulations! If you have carefully completed the previous five stages of the risk management process, you probably have a risk management system in place. Now you need to monitor the programme to ensure it is effective.

5.8.1 *What to monitor*

To ensure that your risk management programme is effective, you need to keep an eye on several elements.

Monitor your context

If anything changes in terms of your goals, the environment you operate in, or your internal situation, it could affect your risks in any number of ways. For example, it could give rise to new risks, make some more or less significant, change how effective individual risk response activities are, or change how much you can invest in risk management. An internal change in staffing could mean a key risk will be left unmanaged unless you reassign responsibility. You could find a new income stream that means you have more value at risk, but more to spend to protect it. The legal environment could change, increasing the compliance requirements you must meet.

Changes in your context could also mean that your risk evaluation criteria may change. As a business grows and creates more value, some risks that once may have been critical may not even be significant any more, or alternatively, as your business grows, risks may become more significant.

Monitor your risks

Your risk profile can change if you change goals, if the environment changes, even if your stakeholders and members change. Risks change in terms of their likelihood and impact potential. New risks can arise, and old ones can disappear.

Monitor your risk treatment plan

As risks and circumstances change, the effectiveness of responses to individual risks can change. You should adapt your risk treatment plan as appropriate when circumstances change. You also need to monitor to see whether risk response activities actually work the way they are supposed to. You may find that some activities don't control risks as well as you thought they might, others may have flow on benefits or create new issues that you didn't expect. After an incident, you should undertake a review to identify unexpected causal factors and better ways to prevent or respond to incidents in the future.

Monitor your risk management process

As you practise risk management, you may find that some parts of your process work well, but others need to be refined. You can monitor the process by first hand observation, by seeking feedback from other participants, and by seeing whether the results of the process meet expectations.

5.8.2 *How to monitor and review*

Context, risks and criteria

To monitor your context and risks, regularly review your documented context statement and risk profile. Walk through the key steps of the risk management process and think about whether anything has changed. If anything has, update the documentation and any other aspects of your plan as necessary. For example, if you have experienced an increase in sponsorship, you will need to update your risk profile to take account of the greater value of income to protect, and any requirements of the sponsorship agreement. If the amount of funding is significant, you will need to update your risk evaluation criteria, and your treatment plans.

Risk treatment plans

To ensure that your risk treatment plans are effective, you need to keep track of incidents and consequences as against your risk evaluation criteria. For instance, if you expected that two players per year would probably suffer moderate injuries, but in fact four players per year were getting injured, you might conclude that your risk treatment was not working as well as you need it to.

If you were experiencing the number of incidents you expected, but the financial and reputation costs were significantly higher, you would want to review, and possibly revise, both your risk analysis and your risk treatment plan.

How to gather performance information

In order to assess the effectiveness of your programme, you will need information about what is actually happening in the organisation. You might gather some information from management and volunteers through regular reporting channels. You may need external help to evaluate some factors. For example, you may need a specialist market researcher to help you survey and evaluate member and stakeholder satisfaction.

There are three key types of review that you might undertake:

- (a) Self review
- (b) Peer review
- (c) Independent review.

Self review is about regular, even continuous, internal assessment of your risks and your risk management programme. Some organisations schedule annual formal internal reviews. Peer review involves asking a member of a similar organisation to look at your programme. Your peer may ask that you return the favour and review their programme. Peer review is an excellent way to learn and share information about risk and best practice. Occasionally you may wish to seek a review from an independent, accredited expert. While such reviews are generally more costly than peer reviews, they ensure a level of expertise and objectivity in risk management that you may not be able to access through peer reviews.

6 Summary

The generic risk management process as set out in AS/NZS 4360, involves the following two on-going activities and five process stages:

Communicate and consult with internal and external stakeholders throughout the process to inform and involve them. Gather input from them on risks and their characteristics, evaluation criteria, satisfaction with the process and with the risk treatment plan. Provide them with information on the organisation's risk management policy and process, controls and their responsibilities.

Establish your context to consolidate your understanding of the factors that will guide how you manage risk, considering both internal factors (e.g. goals, relationships, activities and capabilities) and external factors (e.g. social standards, legal context). In this stage, you also develop your risk evaluation criteria which you will use to prioritise your risks.

Identify your risks - what potential losses (or opportunities) could the organisation and its people face?

Analyse your risks by determining what impacts they would probably have, and how often they are likely to happen, considering controls you already have in place.

Evaluate your risks against your risk evaluation criteria, and establish the overall level of risk, to determine whether each risk is acceptable or unacceptable.

Treat risks - you might decide to retain a risk, avoid it altogether, reduce the likelihood or impact, or share it with someone else.

Monitor and review your risk management process, your context and risks, your treatment plan and results.

While the generic Standard sets out five logically sequenced stages, you may find that you work backward and forward as you gather information and learn things about the organisation and its risk profile. For example, we note in several stages the need to revisit your risk evaluation criteria. You may start identifying risks and realise that you need to include a further type of impact in your criteria. As you start analysing risks you might find it necessary to go back and refine the list of risks you identified previously.

Risk management is set out in the Standard and in this Guide as a discrete process. It is helpful to look at it this way so that you understand the principles, but ideally, risk management should be part of everything we do. Now that you know the principles of risk management, you can apply them formally and informally, at a high level or a detailed level, as a discrete process, or as an aspect of strategic, business, operational and project planning and delivery.

Organisations operate on many levels; at times we need to focus on the strategic, sometimes on more immediate business level needs, sometimes on day-to-day operational delivery. Depending on the focus, we may do things in a more formal, structured manner, or we might make decisions and respond to issues in a more informal or ad hoc way. While the degree of formality might differ, good managers will still apply basic management principles: ensuring compliance with organisational policies, ensuring their decisions are aligned with the organisation's goals, ensuring that action is taken once a decision is made, and checking to see that the action has brought about the desired results. At the strategic and business planning levels, this will be done through a fairly formal process, and the decisions will be documented and reported against. In the field, decisions and checking are often done quickly and verbally.

Similarly, the level of resources in your organisation will influence your approach to both management and risk management. Smaller organisations with simpler management and risk situations will probably apply less complicated risk management approaches. Larger, more complex organisations may need to use a more refined process and tools.

While the Standard (AS/NZS 4360), and this Guide, are designed to provide you with a process and some tools to assist you with managing risk, they cannot eliminate the need for you to think critically about your organisation, its goals, its environment, and its risks and opportunities.

Appendix A

Glossary

Board	A governing or advisory body comprised of directors, which may include committees of management.
Coach	A person responsible for leading, training or instructing, who could be a fitness instructor, outdoor recreation guide, group leader, mentor or team coach.
Consequences	The outcomes of an event expressed qualitatively or quantitatively, being loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.
Director	A person, usually a member of a board of directors, responsible for governance of an organisation. Note: "Directors" could include committee members.
Duty of care	Responsibility to refrain from causing other people injury or loss.
Governance	The system by which organisations are directed and controlled.
Insurance	A contract whereby the insurer agrees, for payment of a premium by the insured, to indemnify the insured against loss resulting from certain events. The policy is the document which contains the insurance contract.
Liability	Subject to legal obligation; or the obligation itself. A person who commits a wrong or breaks a contract or trust is said to be liable or responsible for it.
Likelihood	Likelihood is the chance that something will happen in a given timeframe. It is expressed in terms of number of incidents per time period or series of activities.
Official	A person, involved in delivering an event, who could be a director, manager, umpire, referee, judge, steward or team manager.
Organisation	A body, association, company, firm, enterprise, or other legal entity, whether incorporated or not, public or private, that has its own function(s) and administration.
Risk	The chance of something happening that will have an impact upon objectives. Risk may have a positive or negative effect.
Risk assessment	Assessing an identified risk is a two-step process involving analysis to determine the level of risk, and evaluation to decide whether it is acceptable or unacceptable.
Risk management	The culture, processes and structures directed towards the effective management of potential opportunities and adverse effects.
Sport and recreation sector	The sport and recreation sector includes any person or organisation involved in any capacity in sport and recreation in New Zealand.
Stakeholders	Those people and organisations who may affect, be affected by, or perceive themselves to be affected by, a decision or activity – including members, staff and volunteers, event organisers and participants.
Volunteers	Individuals who freely give their time, skills and experience to support sport and/or recreation.

Appendix B

Legal Responsibility

B1 Introduction

The purpose of this Appendix is not to identify specific legal risks for sport and recreation organisations, but to help you learn to recognise your legal responsibilities and their associated risks. Where you identify an exposure to a specific legal risk, you need to analyse the risk to understand the possible impacts to your organisation, and how likely they are to happen. If you don't have the knowledge or expertise to do this, you should research further, or get specialist advice.

There are many sources of legal responsibility. Legal requirements can be codified into statutes and local authority bylaws, developed through judges' decisions (common law), or created by contracts.

B2 Statutes

By definition, we must comply with all statutes. However, our risk of breaching some statutes is greater than for others, depending on what we are doing. There are certain statutes that all sport and recreation organisations should be familiar with, and others that are applicable to particular activities.

Form of organisation

All organisations need to be aware of the responsibilities and accountabilities for their form of organisation. For example, incorporated societies need to review their responsibilities under the Incorporated Societies Act 1908; trusts need to be familiar with the Trustee Act 1956 and/or the Charitable Trusts Act 1957. Companies have extensive obligations under the Companies Act 1993.

Registration of an organisation as a trust, an incorporated society, or company creates a legal entity, which is seen by the law as distinct from the people who own or manage it. One of the advantages of incorporation is that (subject to certain exceptions) the individuals involved in the organisation cannot be held personally accountable for liabilities incurred by the entity. For example, the Incorporated Societies Act 1908 says:

Except when otherwise expressly provided in this Act, membership of a society shall not of itself impose on the members any liability in respect of any contract, debt, or other obligation made or incurred by the society.

The exceptions in respect of an incorporated society include situations where the activity undertaken is illegal, is not authorised by the Rules, or is undertaken for the financial gain of the members. For example, liability may follow if a manager, while working on behalf of an incorporated society, knowingly carries out an act that is illegal, or is negligent and causes harm (see discussion of negligence, below), then they cannot necessarily avoid liability based on the fact that they were acting on behalf of the organisation.

Crimes

All sport and recreation sector organisations need to be aware of the Crimes Act 1961. This Act defines an "offence" as "any act or omission for which any one can be punished under this Act or under any other enactment ...".

The Act itself defines a range of crimes against public order (piracy, treason, etc.), the administration of law and justice, (bribery, perjury, etc.), against morality and against people (manslaughter, criminal nuisance, injuring by an unlawful act, etc.) and so on. For persons

who undertake dangerous acts or who are in charge of dangerous things, the Act imposes duties to take reasonable care to avoid danger to human life.

Many other laws define offences relating to their specific purpose. For example, the Health and Safety in Employment Act 1992 creates specific offences, which can be prosecuted, for instance:

- (a) If you don't comply with certain sections of that Act.
- (b) If any act or omission contrary to any requirement of the Act causes any person serious harm.

Employment

All employers must be aware of their responsibilities under a variety of Acts relating to employment including: the Employment Relations Act 2000, the Holidays Act 2003, and the Health and Safety in Employment Act 1992, the Income Tax Act 1994, the Tax Administration Act 1994, and the Injury Prevention, Rehabilitation and Compensation Act 2001. If you contract athletes who are under the age of 18 you should be aware of the Minors' Contracts Act 1969. Given the reliance of the New Zealand sport and recreation sector on volunteers, it is important that sport and recreation organisations understand how employment legislation relates to volunteer staff.

The Health and Safety in Employment (HSE) Act has particular relevance to managing risk in the New Zealand sport and recreation sector in that it contains specific safety requirements. The Act contains requirements for injury prevention, for responding to incidents and reporting cases of serious harm.

The HSE Act was amended in 2002 to clarify the coverage of volunteers under the Act. Particular sections apply to volunteers where their work situation satisfies certain criteria (such as where volunteers do work similar to that done by paid staff) and the type of voluntary work is not specifically exempted. Volunteers assisting with sports and recreation for sport or recreational institutions, and for educational institutions are exempted. Sections 3C and 3D are essential reading.

Volunteers who are not afforded specific and enforceable coverage are provided a general declaratory coverage under section 3D. While this coverage is not enforceable, there is provision for OSH inspectors to be involved in the effective management of hazards that are brought to their attention.

Privacy

You should be aware of your responsibilities under the Privacy Act 1993, which sets out the principles to be applied when collecting information about individuals. The Act applies to any information you hold about members, staff and volunteers and covers its collection, use, storage, dissemination and destruction.

Activities

Even within the Sport and Recreation sector, different organisations will have different exposures depending upon their activities:

- (a) Those involved in **fundraising** activities will need an awareness of the Gambling Act 2003.
- (b) If your club or association owns a **building** you will need an understanding of the Building Act 1991 which sets out requirements relating to usage, safety and fire escapes.

- (c) Some clubs will make **liquor** available and therefore need to have concern for the Sale of Liquor Act 1989.
- (d) If your organisation is engaged in **selling** products or services, you need to be familiar with the Goods and Services Tax Act 1985, and the Fair Trading Act 1986.

The above analysis is not exhaustive. It would be impractical to attempt to set out in this Guide all of the legislation that may apply to sport and recreation organisations, and all of the offences contained in New Zealand legislation that sport and recreation organisations might be at risk of committing. By becoming involved in some activities, for instance, hiring staff, some government agencies, such as the IRD and ACC, will inform you of your responsibilities under the relevant legislation. For others, you will need to take care to discover the requirements for yourself. Your risk identification strategy should include reviewing the organisation's activities, support processes, and functions and thinking about what legislation applies. Appendix E includes references to useful legal resources.

B3 Bylaws

Local authorities are specifically empowered to make bylaws for the purposes of:

- (a) protecting the public from nuisance;
- (b) protecting, promoting, and maintaining public health and safety; and
- (c) minimising the potential for offensive behaviour in public places.

Each local authority will have its own set of bylaws. Organisations that organise events in public places will need to be aware of the local bylaws that apply.

B4 Common Law

Common law is also referred to as “judge made law.” It is not written into statute, but is based in decisions made through a long history of court proceedings.

Common law allows individuals to sue each other for “damages” (compensation) for “civil wrongs” (also known as “Torts”). This differs from the idea of “crime” which allows the state to punish you for wrong-doing. There are specific types of Torts including (but not limited to) defamation, nuisance and negligence.

Defamation

Publishing or broadcasting untrue statements about another person which might have an adverse effect on that person's reputation or bring that person into hatred, ridicule or contempt.

Nuisance

Using land in a manner that would unreasonably affect the use of adjacent land by the owner or occupier of that land.

Negligence

Not taking “reasonable steps” to prevent a foreseeable harm to a person or property in a proximate relationship to you.

To translate: if you are in a position to recognise that a situation could be dangerous (you can “foresee” harm) to anyone or anything, you must take steps to avoid the harm.

A “proximate relationship” taken literally means “near” you; in this context it means anyone or anything that you can see, or that you should know, is in the vicinity of potential harm. If you organise an activity, you know that the activity will affect participants, who engage in the activity, spectators who come specifically to watch, and the general public, who may

be unaware of the activity. You need to consider carefully whether anyone could face some harm as a result of the activity, about what could happen and how, and how to prevent it.

If you should have foreseen harm and didn't, and damage or injury results, you may find yourself held liable.

Assessing what will amount to "reasonable steps" depends on the circumstances of each activity, but it would encompass things like ensuring that you properly planned an activity, applied a risk management process, and effectively communicated the risk to those who might be in harm's way.

While the ACC scheme generally removes the right of individuals to sue for damages for personal injury, they can sue if their injury is not covered by ACC. In the case of "gross negligence," you could be sued for "exemplary damages." Gross negligence is a reckless disregard for the safety of others. A person would be grossly negligent if, even though they may not have directly intended to cause harm, they did intentionally avoid taking reasonable care to prevent harm. Exemplary damages are designed to separately punish a grossly negligent person, over and above any compensation for the person who was hurt.

B5 Contracts

Contracts are enforceable agreements; they are not always in writing. Contracts always involve an exchange, for example, money given for goods or services. A contract will include performance requirements for each party. For instance, it will set out for one party the amount of money, and how and when it will be paid, and for the other party, the goods or services, when they will be delivered or performed and what quality standards they must meet.

A contract can be for employment, to retain an athlete, to engage a consultant for managing an event, a sponsorship agreement, a lease, or for any number of other arrangements. Special rules apply to contracts for employment, the sale of land, the sale of goods, and the enforceability of contracts against minors (normally persons who are under the age of 18).

B6 Conclusion

While the list of potential exposures is enormous, you shouldn't be unduly worried. Most compliance requirements (like tax) are easily identifiable, and the enforcing agencies will remind you about them.

Other liabilities can be avoided through good management (encompassing both planning and execution) and common sense. Incidents will happen, and most of us will naturally work to avoid them whether they might hurt us or others. If you are able to demonstrate that you maintained an awareness of risks and hazards, took all reasonable steps to mitigate them, and had measures in place to deal with an emergency, you will probably avoid liability.

When you are unsure, seek expert advice.

Appendix C

Key Sport and Recreation Risk Categories

C1 Overview

This appendix is designed to assist you to think about where risk can arise in organisations in the New Zealand sport and recreation sector. Not all organisations will have all the elements or attributes listed below. The list is not exhaustive, and is provided to help you take a general, holistic view of sport and recreation organisations. You may customise this list to provide a more relevant guide for your organisation.

C2 Business risk areas

1 Strategic

- (a) Effectiveness of the governing body and CEO
 - Skills
 - Directing (setting goals)
 - Stewardship (monitoring performance and holding management to account)
 - Leadership
 - Committees (structure and performance)
- (b) Achievement of goals and elements of strategy
- (c) Relationships
 - Sponsors
 - Government
 - Key stakeholders

2 Management

- (a) Setting objectives, planning and budgeting, action planning
- (b) Policies, procedures and delegation
- (c) Performance monitoring and management response
- (d) Financial management
 - Funding
 - Accounting
 - Treasury (fund) management (e.g. investing)
- (e) Staff and volunteers
 - Competency
 - Recruitment
 - Retention
 - Remuneration, reward
 - Training and development
 - Succession planning

- (f) Suppliers
 - Purchasing
 - Contract management (suppliers, consultants)
- (g) Assets
 - Purchasing, depreciation and disposal
 - Maintenance
 - Buildings, IT, Information
 - Equipment
- (h) Membership
 - Recruitment
 - Subscriptions
 - Satisfaction
 - Project planning and management

3 Operations (see also C3 Sport and Recreation Event Risk Areas below)

- (a) Planning services and activities
- (b) Delivering service and activities
 - Logistics
 - Communication

C3 SPORT AND RECREATION EVENT RISK AREAS

1 Fundraising events

- (a) Planning
 - Product or service
 - Compliance (gaming, fair trading, etc.)
- (b) Delivery, logistics
 - People, communication
 - Transport
 - Product distribution
 - Money collection

2 Sporting events

- (a) Planning
 - Good event management practice
 - Compliance with local and central government requirements and expectations
- (b) Logistics
 - Transport
 - Equipment
 - People, communication
- (c) Injury risks



3 Coaching / training

- (a) Attracting, retaining, developing coaches
- (b) Coaching competency and effectiveness

4 Other club activities (e.g. social)

- (a) Host responsibility
- (b) Member expectations (social activities provided, venue, etc.)

5 Physical risk

- (a) People
 - Players
 - Participants
 - Staff
 - Spectators
- (b) Events
 - Training
 - Workplace
 - Social
- (c) Equipment
- (d) Environment

C4 COMPLIANCE RISK AREAS

1 Code

- (a) Competition rules
- (b) Club rules

2 Legislative

- (a) Form of organisation and accountability requirements
- (b) Financial and taxation
- (c) Health and safety
- (d) Contracts (funding and suppliers)
- (e) Employment
- (f) Human rights and privacy
- (g) Liquor and food hygiene
- (h) Environment
- (i) Bylaws

3 Common law

- (a) Negligence
- (b) Nuisance
- (c) Defamation.

Appendix D

Suggested Risk Management Policy Format

Policy

[Statement of policy, for example:

(Organisation) will apply best risk management practice as set out in AS/NZS 4360 *Risk management*. We have documented our approach in (manual) which sets out procedures, a schedule of activities, forms and documentation requirements.]

Process

[Refer to manual, guidance material]

Monitoring, review and process improvement

[What (the risk management process, and risk treatment plan)

How (by what means)

How often]

Responsibilities

[A statement outlining roles and responsibilities, e.g.

Everyone is responsible for managing risk, however, certain roles carry certain responsibilities:

Board (e.g., input into risk register, confirmation of risk evaluation criteria, approval of risk treatment plan and costs)

Risk

Committee (Monitoring of risk treatment plan, review and improvement of policy, process)

CEO (e.g., implementation of the process, management of the risk treatment plan, reporting to the board on progress)

Staff (e.g., participating as required in the process, carrying out aspects of the treatment plan, identifying, addressing, escalating risks on a day to day basis)

Volunteers (e.g., participating as for staff, adhering to code of conduct which may reference risk management responsibilities)

Members (e.g., adherence to code of conduct, input into risk identification and treatment)]

Training

[A statement to the effect that appropriate training will be provided and to whom this responsibility is delegated.]

Signature (*President/Club Manager*)

Signature (*CEO*)

For further information on this policy and the risk management procedures contact:

[insert name, title and phone number]

Effective: _____

Review: _____

Appendix E Resources

This Guide is designed to assist you to understand risk management within the context of the New Zealand Sport and Recreation sector. It provides a framework for thinking about business risks, injury risks and legal compliance. It cannot, however, provide a complete list of risks and treatments for all organisations in the sector. The table, below, is designed to help you identify sources of information to assist you to locate further information on:

- (a) Risk management;
- (b) The New Zealand sport and recreation sector;
- (c) Legal compliance;
- (d) Injury risk management;
- (e) Sports management;
- (f) Governance and management;
- (g) Event management;
- (h) Statistics;
- (i) Quality assurance.

Important risk management resources include published information, other organisations delivering similar services, associations providing specialist sport sector or management information, and paid advisors including lawyers and consultants.

Information Area	Website
<i>Risk management</i>	
AS/NZS 4360 Risk management	www.standards.co.nz
Global, e.g. the Institute of Risk Management (US)	www.theirm.org
New Zealand Society for Risk Management	www.risksociety.org.nz
Outdoor Safety – risk management for outdoor leaders	www.mountainsafety.org.nz
<i>NZ sport and recreation sector</i>	
National Association of Out of School Care and Recreation (OSCAR)	www.naoscar.org.nz
Other sport and recreation organisations within your association, or outside, e.g. the New Zealand Mountain Safety Council	www.mountainsafety.org.nz
Safety and EOTC – A good practice guide for New Zealand schools, Ministry of Education	www.tki.org.nz/e/community/eotc
SPARC	www.sparc.org.nz
<i>Legal compliance</i>	
Australian and New Zealand Sports Law Association	www.anzsla.com.au
New Zealand legislation	www.legislation.govt.nz
Your legal advisor	

Injury risk management

ACC	www.acc.co.nz
OSH / Department of Labour	www.dol.govt.nz

Sports management

Global, e.g. South African Sports Commission	www.sasc.org.za
SPARC	www.sparc.org.nz

Governance and management

Global, e.g. OECD	www.oecd.org
Institute of Directors in New Zealand	www.iod.org.nz
New Zealand Institute of Management	www.nzim.co.nz

Event management

Events NSW	www.events.nsw.gov.au
Queensland Events	www.queenslandevents.com.au
Regional and City Councils around New Zealand	www.localgovt.co.nz/aboutcouncils/councils
Safety Planning Guidelines for Events, Ministry of Civil Defence and Emergency Management	www.mcdem.govt.nz
Temporary Traffic Management Code of Practice, Transit New Zealand	www.transit.govt.nz
Victorian Major Events Company	www.vmec.com.au/index.html

Statistics

ACC	www.acc.co.nz
Statistics New Zealand	www.stats.govt.nz

Quality assurance standards

ACC PoolSafe Quality Management Scheme	www.poolsafe.org.nz
International Standards Organization	www.iso.com
OutdoorsMark	www.outdoorsmark.org.nz
QualMark	www.tianz.org.nz
Recreation Standards	www.recreationstandards.org.nz

For specific sport and recreation activities, a library or web search on key words related to the activity will usually return useful targets from New Zealand and around the world.

Caution: Just because an organisation has published a guide, it isn't necessarily best practice. You must still use judgement before applying any advice.

Appendix F Referenced Documents

Reference is made in this Handbook to the following:

JOINT AUSTRALIAN/NEW ZEALAND STANDARDS

AS/NZS 4360:2004 Risk management (in draft)

SAA/SNZ HB 436:2004 Risk management guidelines – A companion to AS/NZS 4360:2004 (in draft)

OTHER PUBLICATIONS

Priest, S., & Baillie, R. Justifying the risk to others: The real razor's edge. The Journal of Experiential Education. Vol 10 (1), 16-22 (1987).

NEW ZEALAND LEGISLATION

Building Act 1991

Charitable Trusts Act 1957

Companies Act 1993

Crimes Act 1961

Employment Relations Act 2000

Fair Trading Act 1986

Gambling Act 2003

Goods and Services Tax Act 1985

Health and Safety in Employment Act 1992

Holidays Act 2003

Income Tax Act 1994

Incorporated Societies Act 1908

Injury Prevention, Rehabilitation and Compensation Act 2001

Minor's Contracts Act 1969

Privacy Act 1993

Sale of Liquor Act 1989

Tax Administration Act 1994

See Appendix B for a discussion of legal issues.

Latest revisions

The users of this Handbook should ensure that their copies of the above-mentioned New Zealand Standards and referenced overseas Standards are the latest revisions or include the latest amendments. Such amendments are listed in the annual Standards New Zealand *Catalogue*, which is supplemented by lists contained in the monthly magazine *Standards Update*, issued free of charge to committee and subscribing members of Standards New Zealand.

Schedule 1 – Context Worksheet

Stage 1: Establish context

Scan the external environment

What environment do we operate in?	
Who are our stakeholders?	
What factors exist to limit how we run the club?	
What opportunities exist in our environment?	
What threats exist in our environment?	
What other things should we think about?	

Page of . Compiled by: _____ Date: _____

Schedule 1 (continued)**Stage 1: Establish context*****Review our internal situation***

What is the purpose of my club or association?	
What are our goals?	
What are our strengths?	
What are our weaknesses?	
What are our business objectives? (Refer to business plans and budgets)	
What is the state and extent of our plans, policies and procedures?	
What other internal considerations?	

Schedule 1 (continued)**Stage 1: Establish context*****Our business structure***

What operational activities do we undertake?	
What internal business functions do we have?	
How do we deliver these activities and functions?	
How is the organisation structured?	
What are our main processes?	

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Schedule 2 – Risk Register

Stage 2: Identify risks

What can happen? (risks)	How can it happen? (causal factors)

Page of . Compiled by: _____ Date: _____

Schedule 3 – Risk Analysis and Evaluation Worksheet

Stages 3 and 4: Analyse and evaluate risks

Risk	Stage 3: Analyse risks		How often will it probably happen? (with current controls in place)	Stage 4: Evaluate risks		
	What controls are in place to prevent it happening or reduce the impact if it does?	What impacts will it have if it happens? (with current controls in place)		Consequences score	Likelihood score	Overall risk rating

Page _____ of ____ . Compiled by: _____ Date: _____

Schedule 4 – Risk Treatment Option Worksheet

Stage 5: Treat risks

Use this worksheet to compile options for responding to individual risks. Once you have assessed the cost/benefit of all the options, you decide which one, or which combination, provides the best balance for the risk.

Risk: _____

Identify options	Assess options				Cost/Benefit (depending upon the risk and potential impacts, this may be expressed in dollars, numbers of events, or in descriptive terms)
	Cost of option	Affect of option on overall risk level (new score if response were implemented)	Affect on other risks, rewards		

Schedule 5 – Risk Response Treatment Plan

Stage 5 Treat Risks

Use this form to compile your selected risk response options into a comprehensive plan.

Risk	Response	Responsible person	Due date	Reporting requirements

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NOTES

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