



Football Federation Tasmania Risk Management Plan

Risk Management Framework

Risk management involves the culture, structures and processes that are directed towards identifying and realising potential opportunities whilst managing adverse effects.

Applying risk management means adopting a systematic approach to how FFT views its environment, identifying issues that face FFT and developing strategies to address significant risk and take advantage of opportunities. Not all risks are significant. However, their relevance and nature can and does change.

Risk management helps FFT to identify which risks are really important, what we can do and how we can allocate resources to deal with the risk.

Risk management is not a stand alone function. It is an integral component of FFT's normal management practices. This includes incorporating treatment strategies and control mechanisms into FFT's plans, and risk treatment actions and treatment monitoring and reviews into FFT's processes and procedures.

The key components of FFT's Risk Management Framework include:

- a) Risk Management Policy - outlines the risk management culture of FFT and the commitment and expectations of the Board for the management of risk;
- b) Risk Management Plan - designed to guide the implementation of the Risk Management Policy;
- c) Risk Register - a risk reporting tool to centrally store all strategic and operational risk information; and
- d) Risk monitoring and reviews - the ongoing assessment of the effectiveness of risk treatment measures, and identification of new risks, and an annual review as part of the strategic planning process.

The publication "*Can You Risk it? An Introduction to Risk Management for Community Organisations*" is to be read in conjunction with this framework.

FFT's Risk Management Policy provides the framework for the development of this Risk Management Plan. Implementation of the Risk Management Policy, through this Plan will ensure Management can demonstrate that risks are being identified and managed in a way that is appropriate for the business environment and FFT's goals and objectives.

Objectives

The Board's objectives in adopting a Risk Management Framework are to:

- a) allow the Board to proactively manage risks in a systematic and structured way and continually refine its approach to risk management;
- b) embed the risk management process to ensure it is an integral part of FFT's planning at a strategic and operational level;
- c) ensure that actual and potential risks are identified, understood and appropriately managed within available resources;
- d) help create a risk aware culture for the Board and staff from a strategic and operational perspective;
- e) clearly identify responsibilities and accountability for financial, operational and risk management issues; and
- f) protect FFT's image as a professional, responsible and ethical organisation.

Overview

FFT has adopted a risk management framework designed to identify and assess the impact of any current or future risks that may have a material effect on the performance of FFT.

Risk Management Framework

FFT's process of risk management and internal control includes:

- a) undertaking an annual strategic planning process to establish FFT's strategies and objectives for the year ahead and strategic direction for the next five years;
- b) reviewing in detail the success or otherwise of the previous strategic plan as part of the annual strategic planning process;
- c) monitoring the outcomes of the strategies implemented against FFT's objectives;
- d) undertaking internal and external environmental reviews to identify actual and potential risks;
- e) risks that may materially impact the ability of FFT to carry out its strategies;
- f) monitoring the environment regularly to assess the status of identified risks and any trends that may have significantly changed the nature or potential impact of those risks; designing and implementing appropriate risk management policies and internal controls; and

- g) assessing the effectiveness of the risk management system and internal control mechanisms.

Development of Risk Register

As part of the risk management system, Management will develop a Risk Register to record the findings of the internal and external environmental reviews undertaken, and actual and potential risks identified. As part of the risk register process, Management will develop appropriate mitigation strategies (as approved by the Board) and assign action plans to individuals within FFT to implement those strategies.

Responsibilities

The Board has ultimate responsibility for:

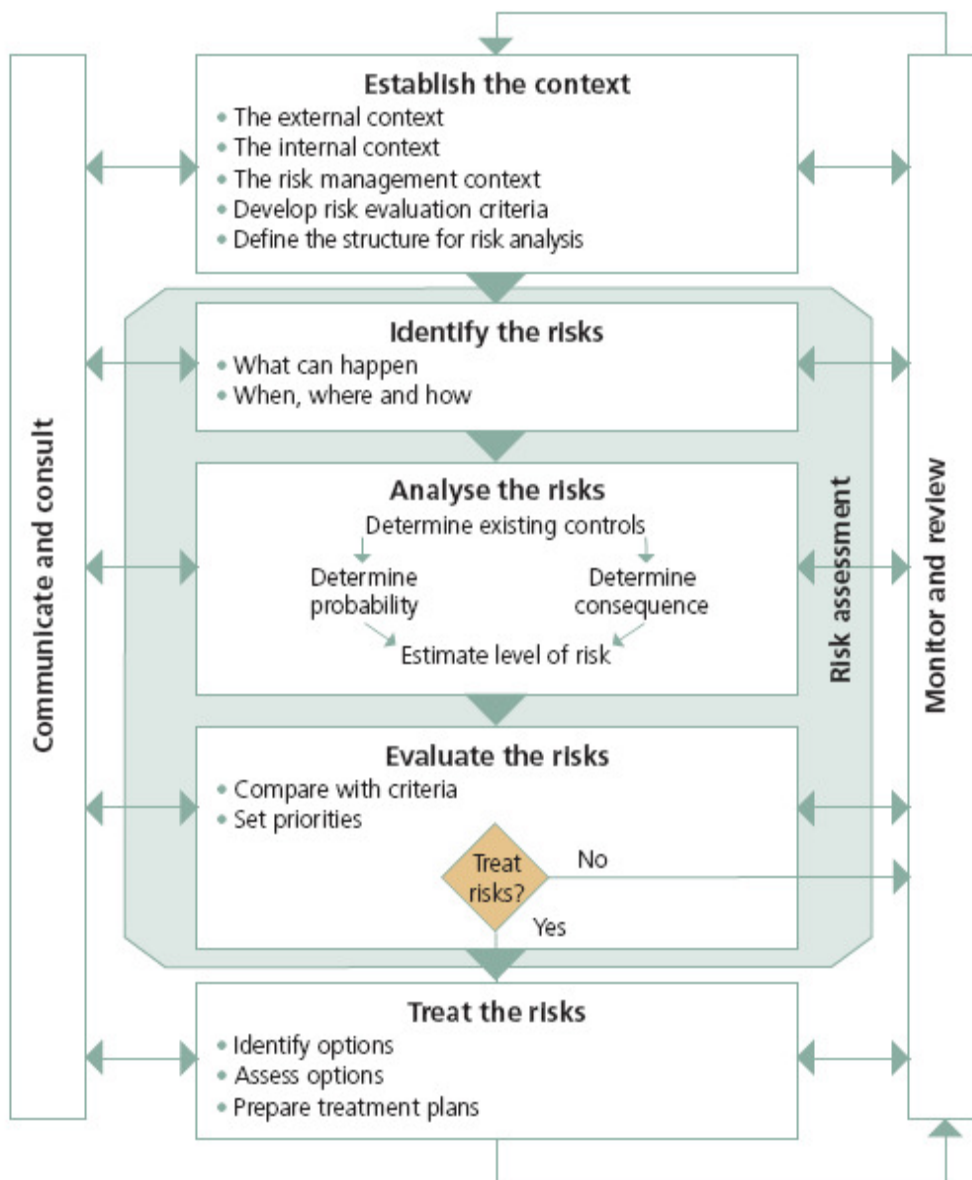
- approving and monitoring the effectiveness of the risk management process,
- assessing whether the organisation has in place adequate risk management and internal control mechanisms, and
- reviewing the outcomes of the risk management process.
- ensuring that risk management is an intrinsic part of deliberations and that decisions are made in line with the policy and plan,
- reporting annually on the year's achievements and any future risks which may threaten any aspect of FFT's operations.

The Chief Executive Officer is responsible for

- ensuring that a risk management process is established, implemented and maintained in accordance with this Risk Management Policy and plan including
- ensuring that all sectors of the operations have the opportunity to engage in risk identification, assessment and treatment processes,
- actively encourage reporting of risk, real or potential, and ensure that appropriate action is taken to minimise such risk,
- alerting the Board of any new high impact risks or any other matters requiring attention outside the usual reporting timeline.

Risk Management Process

The following diagram, from the Western Australia Sports Federation publication "*A Guide to Risk Management*", provides an overview of the risk management process.



FFT’s risk management process will involve the following steps:

(a) Communicate and consult

Communication and consultation play an integral part in the FFT Risk Management Plan. This ensures that the nature and significance of risks between affected parties, and across the wide range of networks involved in

our sport, are effectively communicated. FFT's established communication strategies will be utilized by the CEO to ensure quick and effective communication, to relevant stakeholders, is possible. This includes -

- Via email
- Web site
- Staff meetings
- Referees meetings
- Club President meetings
- Board meetings
- Annual General Meeting

(b) Establish the context

The risk framework has been established following an extensive review of the operating environment and the risk management context. This included defining the criteria for each level of likelihood and consequence.

The activities and events covered by the risk management process include the following:

Activity/event	Reference No. prefix
Assets and intellectual property	A
Communications	C
Competition	COM
Compliance to Constitution, Policies and Procedures	CP
Contractual obligations	CO
Customers, clients and stakeholders	CCS
Development programs	DP
Facilities and Equipment	F
Finances (including budget)	FI
FUTSAL	FUT
Health and Safety	HS
Information Management	I
Major Events	ME
Management activities	M
Membership	MP
Natural events (e.g. rain)	NE
Referees	R
Security	SE
Service Charter and quality of service	SC
Sponsorship arrangements	SA
Staff	ST
Statutory obligations	SO
Strategic Plan	SP
Technology and technical issues	T
Volunteers	V

(c) Identify risks

There will be an identification of what, why, where, when and how events can

impact on the achievement of FFT’s objectives.

A Risk Register has been established and new risks are added to the register on an on-going basis.

(d) Analyse risks

The existing controls will be determined and the risks will be analysed in terms of consequence and likelihood in the context of those controls. Consequences and likelihood will be combined to produce an estimated level of risk.

This step in the process involves analyzing the likelihood and consequences of each identified risk, to determine its severity, and ensure that relevant actions can then be implemented. The analysis, generally, utilizes a qualitative approach, however from time to time a quantitative approach may be possible based on data available.

To assist the analysis process, a five point rating scale for likelihood and for consequences will be used. Through use of the rating scale, a clear picture of the risk degrees associated with each risk can be identified allowing the FFT to prioritize resource usage to manage the most critical risks.

Within the Risk Register, each identified risk is assigned a level for both Likelihood and Consequence, in line with the five point descriptive rating scales detailed below. These figures are then multiplied together to provide a Level of Risk Rating.

The rating scales are detailed below:-

Likelihoods

Likelihoods			
Level	Descriptor	Description	Frequency
1	Rare	The event may occur in exceptional circumstances.	Less than once in 15 years.
2	Unlikely	The event could occur at some time.	At least once in 10 years.
3	Moderate	The event should occur at some time.	At least once in 3 years.
4	Likely	The event will probably occur in most circumstances.	At least once a year.
5	Almost Certain	The event is expected to occur in most circumstances.	More than once per year.

Consequences

Consequences					
Level	Rank	Financial Impact	Injuries/Death	Brand Reputation and Image	Activities/Operations
1	Insignificant	Less than \$1,000	No treatment required.	Unsubstantiated, low impact, low profile or no news item.	Less than 1 hour
2	Minor	\$1,000 to \$5,000	First aid treatment.	Substantiated, low impact, low news profile.	1 hour to 1 day.
3	Moderate	\$5,000 to \$25,000	Medical treatment required.	Substantiated, public embarrassment, moderate impact,	1 day to 1 week.

				moderate news profile.	
4	Major	\$25,000 to \$100,000	Death or extensive injuries.	Substantiated, public embarrassment, high impact, high news profile, Third Party actions.	1 week to 1 month.
5	Catastrophic	More than \$100,000	Multiple deaths or severe permanent disablements.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third party actions.	More than 1 month.

Risk Rating Scale: Likelihood x Consequence = Level of Risk

Level of Risk .	Criteria for Management of Risk
1 – 3	Acceptable
4 – 5	Monitor
6 – 9	Management Control Required
10 -14	Urgent Management Action
15 -25	Unacceptable

(e) Evaluate risks

The estimated levels of risk will be compared against pre-established criteria. This will enable risks to be ranked to identify management priorities.

The risk evaluation step involves deciding whether the identified risk rating is acceptable, after considering:-

- The controls already in place;
- The cost impact of managing the risks or leaving them untreated;
- Benefits and opportunities presented by the risk; and
- The risks borne by other stakeholders.

During this process, the risk rating identified during the analysis step, is compared against all other risks and the known priorities and requirements of the FFT. Any risks that have been accorded a rating that is too high, or too low, are adjusted with a record of the adjustment being retained for tracking purposes.

The outcome is a list of risks, with agreed priority ratings, which is recorded in the Risk Register.

(f) Treat Risks

Risk treatment determines what can be done in response to the risks that have been identified, with a risk rating of 6 or higher, to reduce, transfer, or eliminate the risk by implementing new controls or enhancing existing controls.

Treatment strategies will aim to achieve one or a combination of the following outcomes:-

- Risk elimination (avoidance or discontinuance)
- Risk transfer
- Risk reduction
- Risk retention

The types of actions that may result can involve:-

- Education & Training
- Policy &/or Procedural amendments
- Audits
- Contingency planning
- Risk transfer (including insurance)

The following steps will be utilized to assist in the development of effective risk treatments:-

- Identification of actions, that will eliminate, reduce and/or transfer the likelihood or consequences of risks identified with a risk rating of 6 or higher
- Determine the potential benefits and costs of each action, including the possible impact on FFT if the risk occurred, the reduced level of risk if the actions were implemented and the financial impact
- Select the best action for FFT
- Specify the “trigger points” at which the action might be implemented for those that have the form of contingency plans
- Identify links to related processes or activities currently within or outside of FFT.

Treatment actions will be recorded into Risk Register.

Responsibility for implementation of the Actions will be assigned to the Chief Executive Officer.

Implementation will involve integration into existing procedures including budgeting, event management, development of resources, and communication systems.

(g) Monitor and Review

Regular monitoring and review of risks is an important part of the FFT Risk Management Plan. It ensures that new risks are:

- detected;
- added to the Risk Register;
- managed; and

- that action plans are implemented and progressed effectively.

The identification, analysis, evaluation and treatment of risk is an on-going activity, which occurs as part of the management process.

The Risk Register will be formally and updated annually. This review will be concurrent with, and part of, the business and budget planning process because of the complementary nature of the two processes.

The formal review will include:

- a summary ranking of risks by overall rating level to identify all “high” and “medium” level risks.
- Review of actions plans and progress made and to be made.
- A statement of FFT’s risk performance over the previous twelve months showing the reduction in risks, cost of risk and the improvements in risk controls.

Risk Register

FFT will maintain an electronic Risk Register that records the description, risk assessment, existing controls, proposed actions, and revised risk rating. Currently this is a spreadsheet titled “ Community RiskBase” developed by the Insurance Commission of WA (RiskCover) for community organisations to use in collecting and reporting risk management information.

The activities and events recorded are detailed under the “establish the context” heading.

Revision History

Version	Date Approved	Amendments
1.0	16 th February 2010	New procedure approved by the Board