



A CLUB'S GUIDE TO

RISK MANAGEMENT

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RISK MANAGEMENT INTRODUCTION

WHAT IS RISK MANAGEMENT?

Risk management is the course of action the club takes to reduce potential legal liability and address potential risks before they happen.

A risk management process requires leadership from the committee and the backing of all levels of the club.

THE BENEFITS

While risk management can appear daunting, there are many benefits to risk management.

- Improved safety to all at the club
- Improved compliance with the law
- Better reputation
- Protection for the club committee

COMMON RISKS FOR CLUBS

Within a club, there are many risks, however some general risks can be:

- Not being incorporated
- Not complying with child protection legislation
- Not complying with fair trading requirements
- Lack of adequate insurance policies
- Unsafe equipment or facilities
- Inadequate policies covering financial management



RISK MANAGEMENT PROCESS

All key people, including club committee members and volunteers, should be involved in every step of the risk management process.

It's about ensuring the safety of the club and the people involved in its operations, as well as those who come into contact with it.

The process for managing risk can be broken down into the following parts:

- Identifying Risks
- Analysing Risks
- Evaluating Risks
- Treating Risks

IDENTIFYING THE RISK

Invite key people within the club to attend a risk brain-storming workshop to identify all potential risks at the club. Determine what can happen, why it can happen, and how it can happen.

Risks can be divided into the following four categories:

Physical risks - Anything in the environment that can cause a body harm.

Financial Risk - possibility of losing money or not meeting financial responsibilities.

Ethical or moral risks - the decisions and conduct of individuals at the club.

Legal risk - damage to the club from lack of knowledge or misunderstanding of laws applying to club operation.

ANALYSE THE RISK

After the risks to your club have been identified, they must be managed in priority order. The criteria for analysing risk are based on Likelihood and Consequence - i.e., what is the likelihood of the risk occurring and what is the consequence of that outcome?

The analysis should consider the range of potential consequences and how likely the consequences will occur. Consequence and likelihood may be combined to produce an estimated level of risk. This should be undertaken on a regular basis.

RISK MANAGEMENT PROCESS

EVALUATE THE RISK

This step involves determining whether the level of risk is acceptable or unacceptable. If the levels of established risk are low, then risks may fall into an acceptable category and treatment may not be required.

TREAT THE RISK

Treating risks involves deciding on what will be done with the identified risks. Treatment should be appropriate for the level of the risk.

Risk treatment options include:

Accept the risk - if the risk is minor or there is no capacity to avoid or reduce the risk, accepting the risk. However, you will need to have plans for managing and funding the consequences of the risk if it occurs.

Avoid the risk - decide whether to proceed with the activity which generate the risk or choose an alternative with acceptable risks that still meets the activity's goals.

Reduce the risk - consider solutions that may reduce the likelihood of the risk occurring or reducing the impact if the risk occurs.

Transfer the risk - involves the contractual shifting of a risk from one party to another, often through the purchase of insurance.

Once you decide how to treat identified risks you will need to develop, and regularly review, a club risk management plan.



RISK MANAGEMENT PLAN

A risk management plan details your strategy for treating risks. It states information about:

- Identified risks the level of risks.
- The planned strategy.
- The time frame for implementing your strategy the resources required.
- The individuals responsible for ensuring the strategy is implemented.

The final plan should include appropriate objectives, a budget, and milestones on the way to achieving those objectives.

It is recommended that the club establish a regime of both monitoring and review. Add risk management as a meeting agenda item to committee meetings throughout the year to ensure measures are being implemented and to determine the effectiveness of the measure.

INSURANCE

Insurance is a critical part of managing your club. Via the JFA, JudoNSW maintains coverage for all financial member of our association and protects you and your club from adverse events, if uncovered, could result in:

- Closure of your Club
- Personal Bankruptcy
- Protracted legal action against members of the club executive
- Expensive medical bills in the event of a personal injury

For more information on insurance, please visit the [V-Insurance Group](#) website.

PLAY BY THE RULES RESOURCES

Play by the Rules is a non-profit government supported initiative with the sole objective of supporting safe, fair, and inclusive sport and recreation at the community level.

PBTR offer free online courses in child protection, harassment and discrimination, complaint handling and member protection as well as Interactive scenarios, a variety of toolkits, guidelines, and templates to help your club create a safe, fair and inclusive sport.