



RISK MANAGEMENT

WHAT IS RISK MANAGEMENT?

Risk management is a course of action taken to reduce potential legal liability and address potential risks before they happen.

THE BENEFITS

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

COMMON RISKS

- Not complying with the National Integrity Framework
- Unsafe equipment or facilities
- Inadequate policies covering financial management

RISK MANAGEMENT PROCESS

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

It's about ensuring the safety of Judo ACT 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

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 Committee members.



Legal risk - damage to Judo ACT from lack of knowledge or misunderstanding of laws applying to our operation.

ANALYSE THE RISK

After risks 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.

RISK MANAGEMENT PLAN

A risk management plan details our 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.



Judo ACT has established a regime of both monitoring and reviewing risk. Risk management has been added 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.

For each risk, Judo ACT Risk Register will identify the appropriate risk treatment option to be taken in relation to the risk. The risk owner specified in the register will be responsible for developing and implementing an appropriate risk treatment plan. The plan will include information about –

- the proposed actions;
- the resources required, including contingencies;
- the required reporting and monitoring; and
- when actions are expected to be undertaken and completed.

A short summary of the risk treatment plan will be recorded in Judo ACT's Risk Register.

Generally, it will not be acceptable to adopt an "Accept" risk treatment option for a residual risk whose risk rating is higher than the Risk Appetite relevant to that risk.

Usually, risk treatment options will be implemented as follows –

- Where the Residual Risk Rating for a risk is assessed as being higher than the Risk Appetite for the category applying to that risk, Risk Treatment Options will be implemented as a matter of priority to ensure that controls are developed to reduce the Risk Rating of the residual risk to a level which is no higher than the relevant Risk Appetite. Particularly priority will be given to those residual risks, outside Appetite, rated as "High" and "Extreme."
- Where the Residual Risk Rating for a risk is assessed as being no higher than the Risk Appetite for the category applying that risk, it may still be appropriate to take action to avoid the risk or reduce or transfer it. Such actions will be undertaken as and when appropriate.

Monitoring and review

The purpose of monitoring and review is to assure and improve the quality and effectiveness of Judo ACT's Risk Management Framework, its implementation and outcomes.

The Committee will undertake a review of Judo ACT's Risk Management Framework, including Judo ACT's Risk Register, no less frequently than once per annum, particularly having regard to any changes in Judo ACT's internal and external environment or changes in the likelihood and consequences of risk.

In addition, the Committee will monitor the implementation of risk treatment plans recorded in Judo ACT's Risk Register.



The Committee will also undertake periodic monitoring of the effectiveness of current risk controls in accordance with a rolling program determined by the Committee. The nature and frequency of such monitoring will be determined on a risk basis. For example, it is expected that the higher the inherent rating for a risk specified in Judo ACT's Risk Register, the more frequent and more thorough will be the review of the controls associated with that risk to determine whether those controls remain effective to ensure that the residual rating remains consistent with Judo ACT's appetite for a risk of that type. The Committee will monitor the implementation of Judo ACT's Risk Management Framework on an ongoing basis. In so doing will ensure that there are appropriate systems and processes in place within the organisation to ensure that any matter which impacts, or may impact, the quality and effectiveness of Judo ACT's Risk Management Framework is identified and reported.

Such matters may include –

- The emergence of a significant new risk.
- A matter which increases, or may increase, the inherent rating previously assessed for a risk.
- A matter which reduces, or may reduce, the effectiveness of a current control for a risk.

Recording and reporting

Judo ACT will ensure that the actions taken to monitor and review the quality and effectiveness of Judo ACT's Risk Management Framework are recorded and reported appropriately. The Committee will also periodically monitor the implementation of the risk treatment plans recorded in Judo ACT's Risk Register and monitor the effectiveness of current risk controls in accordance with the rolling program. The Committee shall report any matter of which they become aware which materially impacts the quality and effectiveness of Judo ACT's Risk Management Framework.