RISK MANAGEMENT PLAN
FOR
Swimming Australia

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EXECUTIVE SUMMARY

Risk is inherent in everything Swimming Australia does. In many of Swimming Australia's activities, it is something that we currently manage and control in a variety of ways.

Our aim is to achieve best practice in controlling all the risks to which Swimming Australia is exposed. We will achieve this by identifying our priority exposures, addressing these, incorporating appropriate risk management strategies, risk improvements and contingency planning into our business, monitoring and reviewing ongoing risk to account for changes in our operations and to enable us to make well-informed decisions on risk controls.

As the first step of this process, this document outlines the framework for Swimming Australia's risk management. Within this framework, training will provide appropriate tools and practices for the effective management of risks. The next step will be to build on this framework to further develop risk management plans for Business Units and contracted services. Our challenge is to infuse risk management into our culture, our everyday business operations and those of our contractors and business partners.

RISK MANAGEMENT POLICY STATEMENT

Swimming Australia is committed to the management of risk to continue to protect its:

- Customers, clients and stakeholders

- Employees, volunteers and their skills

- Environment

- Quality of service

- Assets and intellectual property

- Contractual and statutory obligations

- Image and reputation

Risk management is a key part of improving our business and services to be a leading Organisation. Our aim is to achieve best practice in controlling all the risks to which our business is exposed.

To achieve this aim, risk management standards will be created, maintained and continually improved. This will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business.

Risk management is a continuous process demanding awareness and proactive action from all Swimming Australia's employees and outsourced service providers to reduce the possibility and impact of accidents and losses, whether caused by Swimming Australia or externally.

Risk Management is a core responsibility for all managers. Suitable risk management activities will be incorporated into our business planning, operations and the management of our contractors and service providers. The scope of these activities will encompass:

- Education and training in risk management for staff

- Developing risk management standards

- Conducting surveys for identifying and eliminating risks

- Helping to prioritise and schedule risk control improvements in each of Swimming Australia's business units

- Reporting to Swimming Australia's Board of Directors on risk improvement and compliance

Our challenge for the future is to infuse risk management into our culture, our everyday business operations and those of our contractors and business partners. Everyone's involvement and support is critical to an effective result.

Chief Executive   Date:

1. INTRODUCTION

1.1 Purpose Of This Document

The purpose of this document is to set out a plan for ensuring that Risk Management is considered and included in the business and operations of Swimming Australia, and to provide guidelines for its implementation.

1.2 Goals of Risk Management at Swimming Australia

The goals behind introducing Risk Management into Swimming Australia are threefold:

- To provide an assurance that the organisation has identified its highest-risk exposures and has taken steps to properly manage these.

- To ensure that Swimming Australia's business planning processes include a focus on areas where risk management is needed.

- To establish a process across the Organisation that will integrate the various risk control measures that the Organisation already has.

2. CONTEXT AND BACKGROUND

2.1 What Is Risk Management?

Risk is usually defined as an assessment of the **possibility** of some adverse event occurring and the likely **consequences** of this event. Risk is inherent in the functions and activities of the Organisation and its service providers. As the consequences of an adverse event may include an inability to meet stakeholder and customer requirements, financial loss, organisational or political embarrassment, operational disruption, legal problems, and so forth, it is important that management policies, procedures and practices are in place to minimise Swimming Australia's exposure to risk.

Risk Management involves adopting and applying a systematic process to identify, analyse, assess, control and monitor risk so that it is reduced and maintained within an acceptable level. Risk Management is a business tool and a part of "good management" and good planning processes.

Risks, which can be by a risk management program, include:

- Physical risks- injuries to participants and the public, OH&S injuries to staff;
- Financial risks- loss of financial stability and asset values, loss of earning capacity, fraud;
- Moral ethical risks- damage to image or reputation, adverse publicity;
- Legal risks- losses arising from legal actions for breach of common law or statutory obligations

2.2 What Benefits Will a Risk Management Plan Give Swimming Australia?

Risk Management will assist us to achieve Swimming Australia's corporate objectives by:

- Integrating the various risk control measures that Swimming Australia currently uses into one holistic view of what Swimming Australia is doing to minimise its risk exposures. This single view will show priorities and any gaps that need to be addressed.

- Implementing a visible, formalised and consistent process for managing Swimming Australia's exposures to risk, thereby supporting continuous improvement in Swimming Australia 's programs and providing an assurance of more effective outcomes.

- Incorporating identified risk management solutions into planning and administrative processes resulting in more structured, accountable and effective business planning and project management;

- Building on existing risk management strategies such as our administrative, engineering, contractual, safety and quality management controls; and

- Encouraging staff and managers to think about risk, and risk management, in their day-to-day work; in program, contractor and project management; and in forward planning activities.

Risk Management will be applied to all Swimming Australia's activities, including those delivered on the Organisation's behalf by external service providers and project contractors. This will help us to:

- Ensure that the quality and reliability of services and other program outputs are of a very high standard;

- Ensure services meet requirements and are delivered within cost and schedule;

- Protect employees, property, information and all other assets; and

- Comply with all legal requirements relative to areas of risk.

2.3 Background

Swimming Ausralia has exposure to a diverse range of risks. This exposure includes professional risks, commercial risks, political risks, risks to our stakeholders and community services and risks associated with competition.

Swimming Australia 's main risk mitigation strategies to date have included administrative, contractual, technical, safety and management controls as a part of business and program activities - for example:

- Financial and personnel delegations and authorisations;

- Event operation reviewed;

- Detailed tender specifications, evaluations and selection of tenderers;

- Detailed standards, engineering checks, tests and quality assurance;

- Reporting, review and analysis; expert oversight and supervision of contractors;

- Policy and procedure manuals and guidelines;

- Training and development;

- Safety for employees, contractors and the public using specific OHS tools;

- Physical controls such as security systems and fire protection measures;

- Contractual arrangements which include standard indemnities, insurances and the like;

- Contingency planning;

Swimming Australia noww seeks to formalise existing administrative and management controls and risk mitigation strategies, and relate them to our planning processes to develop a more rigorous, measurable and integrated risk management framework across all programs and projects.

3.   RISK MANAGEMENT AT Swimming Australia

3.1.   Overview of Swimming Australia's Risk Management Process

"Risk Management" is the discipline required to minimise the impact and cost to Swimming Australia, in dealing with risks to which we are exposed, in a manner consistent with achieving our business objectives.
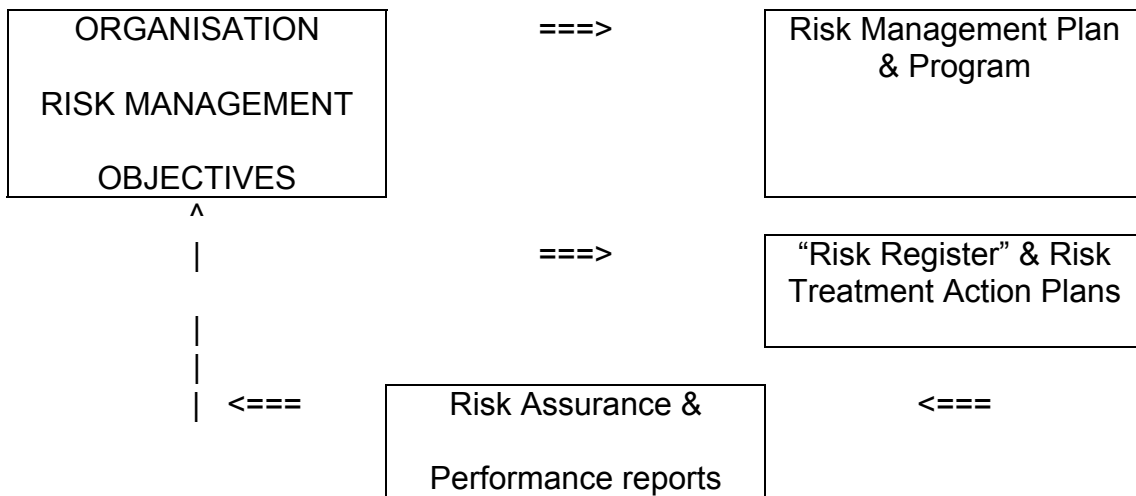
Swimming Australia's "Risk Management Policy Statement" sets out our attitude to, and objectives for, managing risk. It is the benchmark by which all decisions in the handling of risk will be tested.

This "Risk Management Plan" sets out the manner in which Swimming Australia's Risk Management Policy is achieved. Swimming Australia's risk management approach and process follows that outlined by the Australian Standard for Risk Management, AS/NZS 4360:1999.

The end result of risk management is to provide Swimming Australia Board of Directors with a regular profile report of the status of risks and risk controls across the organization, and an assessment/assurance report of its major risks.

Figure 1 below illustrates.

Figure 1. Desired outcomes of Swimming Australia's Risk Management

ORGANISATION RISK MANAGEMENT OBJECTIVES	===>	Risk Management Plan & Program
^ | | | | <===	===> Risk Assurance & Performance reports	"Risk Register" & Risk Treatment Action Plans <===

3.2. Risk Management Structure and Responsibilities

All staff, project and program managers are responsible for managing risk within their span of control, for promoting the application of risk management by contractors, and assisting with the identification of global or broadly based risks that could impact on Swimming Australia as a whole.

Business Unit managers are accountable for ensuring that risks with a "high" overall rating are managed appropriately through a Business Unit Risk Management Program and included on a Business Unit Risk Register. Risks with a "medium" or lower level overall rating may be included in the Business Unit Risk Management Plan if appropriate, or, alternatively, managed as an operational issue through the relevant Program. The Business Unit Manager is responsible for overseeing the Business Unit Risk Management Program and endorsing risk mitigation strategies and action plans as outlined in the Risk Treatment Action Plan of each program and Business Unit.

Each Business Unit will appoint an officer to act as a focal point for communication and coordination of risk assessment, awareness training and risk management assurance.

A Risk Management Steering Committee (Finance & Audit Committee) has been established by Swimming Australia and is responsible for:

- Co-ordinating the regular formal updating of Business Unit and corporate Risk Registers and Risk Treatment Action Plans and compiling a master set;

- Maintaining corporate risk and risk control information;

- Ensuring that all relevant risk areas are considered including those emanating from the services of external providers and contractors;

- Analysis and reporting to the Organisation's Executive;

- Ensuring appropriate linkages to the Organisation's business and corporate planning processes, and where necessary, to budget processes.

The Risk Management function is one directed by the Organisation's Board, facilitated by Swimming Australia's Risk Management Steering Committee and carried out by every manager in each area as a core activity.

The identification and review of critical risk areas within Swimming Australia and the implementation of Swimming Australia's Risk Management Plan will also be the subject of internal audit protocols, to be applied by Internal Audit with the oversight and approval of the Board Audit Committee.

3.3   Implementation

Swimming Australia will achieve the above requirements by:

- Developing suitable analysis and documentation of risks in project, program, Business Unit and corporate activities, namely to:

- Identify risks in the immediate work area and of wider Organisation impact;

- Assess the probability of the risk eventuating;

- Assess the likely impact on the work area and/or organisation if the risk occurs;

- Determine an overall risk rating on the basis of probability and impact;

- Record any existing controls or strategies which aim to reduce the risk;

- Determine if the risk exposure is acceptable or not;

- Determine further action plans and contingency plans to manage the risk where appropriate.

Documentation of risks will form a Risk Register which is open to review and updating, and provides a record should personnel change. Risk information will be filtered to focus on only those risk exposures that are significant and relevant to providing assurance.

- Requiring a documented Risk Register and a Risk Treatment Action Plan from contractors for service-critical projects. Risk management will be incorporated into all Business Unit plans.

- Monitoring and reviewing risk in external services, and where appropriate, providing input to contractors' risk management processes;

- Incorporating risk management strategies, particularly action plans arising from the Risk Registers, into the Organisation's broader business and corporate planning processes, and if necessary budget processes;

- Periodically reviewing and updating the Risk Registers to account for changes in risks and related issues;

The Risk Management Steering Committee will guide and assist each Business Unit with training programs; with risk assessment tools for application to programs, to Business Unit activities and to external service providers; and with the preparation of risk registers and assurance reports.

How each Business Unit implements its risk management program is up to the Business Unit Manager. However, as a guide, it is suggested that the Business Unit establish a risk management committee and have this committee meet at least quarterly, with formal agenda and minutes.

3.4   Timeframe

All Managers have recently received a copy of this Risk Management Plan containing Swimming Australia's Policy on Risk Management, guidelines on Risk Management implementation and the Organisation's.

Managers are requested to take the time to discuss the Risk Management Plan with their staff to ensure that they are aware of Swimming Australia's Risk Management Policy and their role in implementation of the Risk Management Process.

The timeframe for further development and implementation of risk management within Swimming Australia is outlined as follows:

- Direction issued to Business Units and agreed

- Training

- Prepare training program & schedule to fit into the Organisation's overall training calendar

- Initial risk management planning sessions

- Risk Assessment training workshops

- Prepare & complete initial Risk Assessments and Risk Management Profiles

- Incorporate risk assessments and profiles into business planning

- Review initial outcomes & prepare risk management program refinements

- Complete documentation of the Organisation's Risk Management Plan for next Fin. Year and submit to Board for approval

3.5 Deliverables

(a) At Program, Project And Contractor Level

The deliverable from the risk management process applied at program and contractor level is a Risk Register and a Risk Treatment Action Plan. The Risk Register documents the identification, analysis, and assessment of risks and the Risk Treatment Action Plan summarises existing and proposed risk controls and measures.

The format of the Risk Register and the Risk Management Plan will be progressively refined with Organisation Business Units and key service providers to ensure a brief and efficient process that fits within current quality and contractual assurances.

(b) At Business Unit Level

At Business Unit level, the risk management process comprises two deliverables also:

- A Risk Register that summarises and tabulates the major risk exposures within the Business Unit operations, and the major risks within those programs and projects which are identified as significant or critical to service capability and Organisation objectives.

The Business Unit Risk Register need include only those risk exposures that have been rated as greater than "moderate" or "high" and would have an impact on the Organisation as a whole (that is, an exception report).

- A Risk Treatment Action Plan that summarises the current status of risk controls across the Business Unit, and presents an action plan for those additional controls and risk treatments which are needed.

(c) At Corporate Level

The Organisation will maintain a corporate Risk Register compiled from a consolidation of the Risk Registers and Action Plans indicated above.

In addition to the consolidated data of each Business Unit, account will be taken of risk exposures that are identified as common across all Business Units and also of exposures that would apply only to the corporation as a whole.

(d) Training

To ensure the successful implementation of risk management throughout Swimming Australia, appropriate training in risk management will be provided to staff and managers.

Training content encompasses the risk management process, application of risk management tools, assistance with identification and analysis of Swimming Australia's risk exposures, risk profiling and assurance reporting.

In addition, Swimming Australia's Corporate Services Section will coordinate with the Risk Management Steering Committee and all Business Units to ensure:

- All new employees receive induction training which will include a Risk Management, fraud awareness and Code of Conduct training;

- All employees receive regular Risk Management awareness and fraud awareness update training (at minimum, a half-day refresher course once every three years);

- Any updates and changes to the risk management policy and plan, fraud-related policies, procedures, Codes of Conduct, ethics etc. are circulated to all employees.

3.6   Monitoring and Review

The Program, Business Unit and Corporate Risk Registers will be formally reviewed and updated **annually** as a part of our corporate planning process, although more regular reviews and updates by Business Unit, contract, project and program managers are encouraged in accordance with any significant changes to activities or appointments.

It is anticipated that these formal reviews will be concurrent with, and part of, the business and budget planning process because of the complementary nature of the two processes.

These formal annual reviews will include:

- A summary ranking of risks by overall rating level to identify all "high" and "medium" level risks across the Organisation as a whole to ensure that all are accounted for in the Organisation's broader planning and reviewing processes of its services and operations.

- A statement of Swimming Australia 's risk performance over the previous twelve months showing the reduction in risk, cost of risk and the improvements made in risk controls (that is, the risk treatments that have been actioned in accordance with the Action Plans).

4.   INITIAL RISK IDENTIFICATION AND RISK TREATMENT

The Organisation has adopted policies to assist with the efficient and consistent preparation of Risk Registers and Risk Treatment Action Plans across the Organisation. These policies follow the risk assessment process outlined in AS/NZS 4360:1999 and so enables the application of that standard to Swimming Australia 's business.

The Organisation has recently undertaken an initial identification and assessment of its key risk exposures using this tool as the underpinning to this Risk Management Plan and start point for the implementation of Risk Treatment Action Plans. This initial identification will be updated and revised as the Plan proceeds.

4.1 Risk Criteria

Swimming Australia sees five criteria for setting its risk management priorities, as follows. Further risk identification, risk assessments and risk treatment need to be carried out bearing these in mind.

- Risks affecting Swimming Australia's reputation, ability to perform, or trust in Swimming Australia, particularly in regard to the quality of policy advice.

- Risks affecting Swimming Australia's management of and accountability for Swimming Australia 's performance, including its service delivery obligations, its regulatory framework and business relationships.

- Risks affecting Swimming Australia's performance against strategic priorities.

- Risks affecting the integrity of the Organisation's decisions, processes and information.

- Risks affecting the safety, security and health of Swimming Australia's personnel and visitors to its premises.

4.2 Risk Assessment

Having identified the risks involved we will assess those risks in terms of their likelihood to occur and the seriousness of the consequences arising from the occurrence.

Each identified risk will be rated in accordance with Tables 1-3 below:

4.3 Table 1

Consequences					
Level	Rank	Financial Impact	Injuries/Death	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 $10,000	First aid treatment.	Substantiated, low impact, low news profile.	1 hour to 1 day.
3	Moderate	$10,000 to $50,000	Medical treatment required.	Substantiated, public embarrassment, moderate impact, moderate news profile.	1 day to 1 week.
4	Major	$50,000 to $150,000	Death or extensive injuries.	Substantiated, public embarrassment, high impact, high news profile, Third Party actions.	1 week to 1 month.
5	Catastrophic	More than $150,000	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.

4.4 Table 2

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.

4.5 Table 3

Consequence/ Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Rare	Low	Low	Low	Moderate	Moderate
Unlikely	Low	Low	Moderate	Moderate	High
Moderate	Low	Low	Moderate	High	High
Likely	Low	Moderate	High	High	Very High
Almost Certain	Moderate	Moderate	High	Very High	Very High