



Scout Association of Australia  
Western Australian Branch

## **BRANCH RISK MANAGEMENT SYSTEM - GROUPS**

# RISK MANAGEMENT SYSTEM



This is a special purpose document for Volunteers and Staff of the Scout Association of Australia, Western Australian Branch hereinafter referred to as Scouts Australia (WA Branch). This document outlines the policy for Scouts Australia (WA Branch) in Risk Management and as such is the reference document for Volunteers and Staff

‘The organisation’s Management Committee shall define and document its policy for risk management, including objectives for, and its commitment to, risk management. The risk management policy shall be relevant to the organisation’s strategic context and its goals, objectives and the nature of its business. Management will ensure that this policy is understood, implemented and maintained at all levels of the organisation.’

*Australian/New Zealand Standard 4360:1999 – Risk Management*

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**General Manager**

**For**

**The Scout Association of Australia, Western Australian Branch, Branch Management Committee**

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**DISTRIBUTION:** All Scouts Australia (WA Branch) Commissioners, Groups and Staff

**AMENDMENTS:** General Manager

## **What is Risk Management?**

The Australian/New Zealand Standard for Risk Management (AS/NZS 4360) defines risk management as:

*“The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.”*

## **What is Risk ?**

The Australian/New Zealand Standard for Risk Management (AS/NZS 4360) defines risk as:

*“The chance of something happening that will have an impact upon objectives. It is measured in terms of likelihood and consequences.”*

## **Risk Reduction.**

The Australian/New Zealand Standard for Risk Management (AS/NZS 4360) defines risk reduction as:

*“A selective application of appropriate techniques and management principles to reduce either likelihood of an occurrence or its consequence or both.”*

## **Risk Transfer.**

The Australian/New Zealand Standard for Risk Management (AS/NZS 4360) defines risk transfer as:

*“Shifting responsibility or burden for loss to another party through legislation, contract, insurance or other means”.*

## **Risk Acceptance.**

The Australian/New Zealand Standard for Risk Management (AS/NZS 4360) defines risk acceptance as:

*“An informed decision not to become involved in a risk situation”.*

Over the past year or so there has been a steep increase in the risk of litigation to many organisations, particularly those that are staffed by volunteers and as a result of this many organisations are recognising the need to provide for their volunteers members and participants.

Identifying potential risk and creating a risk management policy for the District, Group, Section or event can have a number of subsequent benefits. These can include;

- Good business and management practice,
- More effective and efficient allocation of resources,
- Reducing unexpected and costly planning, and
- Assistance with strategic planning.

## Why do we need to manage risk?

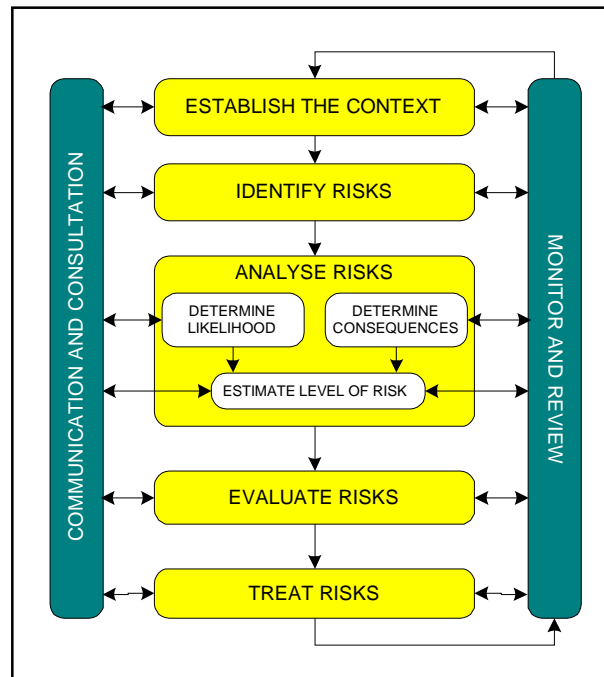
- Balancing opportunity and risk,
- Compliance with regulatory requirements,
- Assists in preparation for auditing,
- Lessening risk may encourage more to participate in the event or entity,
- Assists to clearly define insurance needs,
- Better results from projects and programs, and
- Better information for decision making.

## When do we need to manage risks?

The simple answer to this question undoubtedly has to be All the Time.

Risk management is an ongoing process applied to all aspects of any operation. Any new project or program, event or the like should have a risk assessment completed.

Risk management is a five step process.



### 1. ESTABLISHING THE CONTEXT

- The scope of risk management within the District/Group/Section or event,
- The aims and objectives of the leaders risk management program in relation to the organisation.

- The Who, What, When and How and of course – with what resources,
- Determine criteria for treating risks,
- Define the extent and comprehensiveness of the risk management activities,
- Define the project or program for which you are going to identify risks,
- Define your risk assessment criteria table, and
- Define your risk acceptance criteria.

## 2. **RISK IDENTIFICATION.**

Potential risks can be identified through various methods such as:

- What can happen – a list that might happen,
- How and why it can happen – a list of possible causes, scenario's and consequences,
- Personal Reports,
- Systems analysis,
- Experience and records,
- Audit and other recommendations.

## 3. **RISK ASSESSMENT.**

To assess the likelihood of potential risks:

- How likely is an identified risk to occur,
- What are the consequences if it occurs,
- Consequence – the outcome of an event or situation could be a loss, injury, disadvantage or gain,
- Likelihood – used as a description of probability and frequency,
- Consider the adequacy of existing risk management strategies,
- Decide which risks are to be treated or accepted.

## 4. **RISK TREATMENT AND CONTROL.**

To treat and control potential risks:

- Reduce the likelihood of occurrence,
- Reduce the consequences,
- Transfer the risk, i.e. use of Insurance,
- Accept the risk,
- Avoid the risk.

## 5. **MONITORING AND REVIEW.**

Potential risks can be monitored and reviewed through:

- Risk reviews,
- Audits (internal and external),
- Claims performance reports.

## **WHAT AREAS NEED TO TREATED BY THE PROCESS.**

Identify key function areas as as:

### **STRATEGIC**

Those risks associated with the high level goals, objectives and strategies of the organisation and its various divisions.

These strategic risks are most relevant to the Association.

### **GOVERNANCE/OPERATIONAL**

Those risks associated with the functions of the organisation performed on a daily basis.

Decision making, finance, marketing and promotion and the administrative areas of the District/Group or entity.

Meeting Corporate “Duty of Care” responsibilities in relation to those placed in the care of the Association. This includes our Scouts, volunteers, staff and contractors.

### **PROGRAM/EVENT**

Those risks associated with a specific program or event including all phases of the event.

Safety, public liability, property loss/damage, event/participant services.

In establishing the context of the risk review define the extent of the review, whether you want to limit it to certain aspects such as safety or public liability or conducting the review looking at the entire program or event.

**LIKELIHOOD** What is the likelihood of the potential risk occurring?

LIKELIHOOD	DESCRIPTION
<b>Almost Certain</b>	The event is expected to occur in most circumstances.
<b>Likely</b>	The event will probably occur in most circumstances.
<b>Possible</b>	The event might (or should) occur at some time.
<b>Unlikely</b>	The event could occur at some time.
<b>Rare</b>	The event may only occur in exceptional circumstances.

**CONSEQUENCE** What is the outcome of an event or situation?

CONSEQUENCE	DESCRIPTION
<b>Insignificant</b>	Low level impact with negligible consequences on the Branch aim or activity objectives that can be controlled by routine management procedures (no injuries, negligible financial loss or disruption to non-essential infrastructure/data).
<b>Minor</b>	The consequences would threaten the efficiency or effectiveness of achieving some aspects of the Association's aim or activity objectives, requiring management effort to minimise impact (minimal financial loss, injuries requiring first aid only, minor political impact or disruption to non-essential infrastructure/data).
<b>Moderate</b>	A significant/medium potential of affecting the achievement of the Association's aim or activity objectives (moderate financial loss or political impact, injuries requiring medical treatment only, medium term loss of some essential infrastructure/data).
<b>Major</b>	A very high potential to impair the achievement of the Association's aim or activity objectives (major financial loss or political impact, significant occupational, health, safety and welfare incident/s, long term loss of some critical infrastructure/data).
<b>Catastrophic</b>	An extreme potential to threaten the sustainability of the organisation or its aims and activities (huge financial loss or political impact, very serious occupational health, safety and welfare incident/s, permanent loss of critical infrastructure/data).

**LEVEL OF RISKS**

	INSIGNIFICANT	MINOR	MODERATE	MAJOR	CATASTROPHIC
<b>Almost Certain</b>	<b>Significant</b>	<b>Significant</b>	<b>High</b>	<b>High</b>	<b>High</b>
<b>Likely</b>	<b>Moderate</b>	<b>Significant</b>	<b>Significant</b>	<b>High</b>	<b>High</b>

Possible	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

## EVALUATING THE RISKS

RISK PRIORITY	ACTION
High	A high risk is one that must be dealt with immediately. Executive management normally monitors high risks.
Significant	A significant risk is one that should be dealt with after attending to high level risks. Senior managers normally monitor significant risks.
Moderate	A moderate risk is one that can be dealt with by applying routine procedures and is normally dealt with by local managers at the Branch/Group level.
Low	Risks in this category <i>may</i> be accepted but should be monitored periodically to ensure the rating does not change.

## EVALUATING RISK MANAGEMENT

ANNUAL EVALUATION	ACTION
Training	Assessment of the quality and delivery of training. Who provided what to whom, where and when .  <b>Branch Commissioner – Adult Training and Development</b>
Information Management	Review key Risk Management documentation (policy, implementation plans, training etc).  Review the risk register.  Report (place on the public record) Risk Management actions over the past financial year.  <b>General Manager</b>
Management	Review the management of policy and implementation of management actions to determine quality.  Was the management timely and appropriate?  Did it address all the risks identified over the past financial year?  <b>Branch Management Committee</b>

