



# **RISK MANAGEMENT POLICY**

**September 2009**

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## 1. Executive Summary

Bowls Queensland is the peak body for the sport of lawn bowls in Queensland.

Bowls Queensland was formed in 2004 following the full unification of the Royal Queensland Bowls Association and the Queensland Ladies Bowls Association.

Bowls Queensland is managed by a Board elected by the membership. It is the Board's responsibility to set policies for the management of the sport in Queensland.

Bowls Queensland is committed to the delivery of superior service through a continued focus on the Company's core values.

### 1.1 Why have a Risk Management Policy?

The Board has developed this document in order to identify the policies, procedures, processes and controls that comprise their risk management systems. These systems address the material risks (financial and non-financial) that may be faced by Bowls Queensland.

It is Bowls Queensland's opinion that a system of effective risk management and control is critical to the safety and soundness of the operations of the fund.

The purpose for preparing this Risk Management Policy is to:

- Identify the key risks facing Bowls Queensland and provide an understanding of each risk individually.
- Quantify the risk in terms of its impact and probability of occurring.
- Assess the adequacy of risk mitigation strategies and controls that are in place.
- Develop a framework for strategic risk management that interfaces with the business planning process.
- Provide assurance to the Board and other authorities that significant risks are being identified and managed.
- Combining this risk assessment process with the internal and external audit work performed.
- Implementing a risk monitoring and control process to ensure that actions outstanding are monitored, the risk probability and impact remain up-to-date, any risks that no longer apply are removed and new risks are identified.

### 1.2 Risks defined

A risk is defined in this plan as something that may happen and, if it does, will have an adverse impact on Bowls Queensland meeting its role as the peak body for bowls in Queensland and its objectives generally. To this end, risks are measured in terms of their probability and impact.

### 1.3 Structure of plan

This plan is structured in line with accepted practices but may be altered as required.

### 1.4 How Bowls Queensland manages risk

Bowls Queensland has developed policies, charters, agreements and procedures in order to manage risk inherent in the sport and recreation industry. Bowls Queensland places a high importance on risk reduction by either reducing the impact or probability of the risk event occurring.

Risk is something that is considered on a daily basis by the Bowls Queensland board, committees and administration. The necessary supporting documents such as policies, procedures, guidelines and best practice papers are utilised by Bowls Queensland in order to assess the risk and implement procedures to reduce the risk. Bowls Queensland further ensure that their relationship with service providers remains open and honest to ensure that risk reduction procedures are implemented efficiently and timely.

### 1.5 Review

This Risk Management Policy should be reviewed on an ongoing basis at least annually by the Corporate Governance Committee and referred to the Board for adoption.

## 1.6 Risk Management Summary

The following table summarises Bowls Queensland's key risk management strategies further explained in this document.

Risk Management Policy and Section Reference Number	Risk	Responsibility	Reporting frequency	Method of review
5.1	Financial Risk	Board	Monthly	Six monthly review by internal Risk committee. Annual external audit.
5.2	Insurance Risk	Board/EO	Annually	Insurance review by EO & Audit & Risk Committee
5.3	Competing Activities Risk	Board	Six monthly	Review six monthly by whole of Board
5.4	Governance Risk	Board	Six monthly	Six monthly Audit & Risk committee review
5.5	Legislation Risk	Board/EO	Annually	Annual review by Audit & Risk Committee
5.6	Management/Operational Risk	Board/EO	Quarterly and annually	Board meetings and annual reviews
5.7	Technology Risk	Board/EO	Quarterly	Board meetings and annual reviews with IT controller
5.8	Environmental Risk	Board/EO	Six monthly	Review by EO & Audit & Risk Committee

## 2. Risk Management Overview

Bowls Queensland is of the belief that good governance is imperative to ensure that the Company completely complies with its obligations as a not-for profit sporting organisation whilst meeting its objectives.

Risk awareness and risk management form part of a sound corporate governance plan. Bowls Queensland consider that to be effective, risk awareness and the management of risk must be driven by the Board, its executive and form part of the Company's business planning process.

The Risk Management Policy encompasses information from various plans and policies developed by Bowls Queensland including:

- Operational plan
- Code of Conduct and Ethics
- Delegations of Authority
- Confidentiality Policy
- Corporate Governance Charter
- Corporate Governance Policy

### 3. Risk Management Plan

The Board of Bowls Queensland have the responsibility to instil a strong risk control culture throughout Bowls Queensland to ensure that material risks and potential problems that emerge can be identified, managed and promptly resolved in the normal course of business operations.

By defining and addressing risks, this plan aims to enhance the Board's ability to meet its risk objective.

Bowls Queensland will also aim to ensure that its administration and service providers are empowered with appropriate decision-making skills to ensure that they are comfortable in making decisions that include an element of risk. It is important that the Bowls Queensland administrators and service providers understand the risk framework Bowls Queensland adheres to in order for them to make effective decisions with an understood level of risk on behalf of the Company.

Bowls Queensland aims to implement a Risk management system encompassing:

- This Risk Management Policy which is to be reviewed by the Risk Management Committee and approved by the Board annually;
- Sound risk management policies and procedures in place to identify, manage, monitor and report on the key risks of the Company;
- An Operational Continuity Plan in place and monitored;
- Strategic Initiatives in place and monitored;
- Regular reporting from committees and service providers

The Board considers that an effective risk management system identifies, manages, monitors and continually assesses the material risks that could adversely affect the operations of the Company.

#### 3.1 Control Assessment

Control activities are the policies and procedures carried out on behalf of the Board to ensure that the Board directives are carried out.

Bowls Queensland carries out the following control activities:

- Reviews conducted by the Board;
- Reviews conducted on behalf of the Board;
- Key performance indicators set by the Board;
- Establishment of operational limits;
- Verification and reconciliation's;
- Segregation of duties; and
- A system of approvals and authorisations.

#### 3.2 Information and Communication

Pertinent information is identified, captured and communicated in a form and time frame that will enable the responsibilities of the Board to be met. The Company's administration system is capable of producing financial, operational and membership data. The administration system is secure and supported by adequate contingency arrangements.

Effective communication from the Bowls Queensland Board to its service providers is paramount to ensure all parties fully understand and adhere to policies and procedures affecting their role and responsibilities and that information reaches the appropriate personnel.

#### 3.3 Process for Monitoring Risks

The overall effectiveness of the risk management system is monitored on an annual basis by the Risk Management Committee and then the resulting plan is referred to the Board for adoption.

#### 4. Objects of Bowls Queensland

Bowls Queensland is the peak body for the administration of the game of bowls in Queensland.

The objects of the Bowls Queensland are to:

- a) provide for the encouragement, conduct, promotion, control and management of the game of bowls and all related matters throughout Queensland and do all things necessary or desirable in the interests of the game;
- b) become a Member of Bowls Australia Incorporated ('Bowls Australia') or any body which may succeed it and to act in accordance with the constitution of Bowls Australia or its successors in pursuit of these objects;
- c) control, manage and conduct Bowls competitions.
- d) strive for and maintain government, commercial and public recognition of the Company as the authority for Bowls in Queensland;
- e) use and protect the Intellectual Property of the Company;
- f) purchase, hire, lease or otherwise acquire for the purposes of the Company any real or personal property and so far as the law may from time to time allow to improve, develop, sell, mortgage, transfer, lease, let, exchange and in any other manner dispose of, deal with or use that property or those rights or any of them or any part of them;
- g) borrow or raise money in a manner and on such terms as may seem expedient for the purposes of the Company and for those purposes, so far as the law may from time to time allow, give debentures, liens, mortgages, charges or other security over the whole or any part of the real or personal property of the Company;
- h) invest and deal with the moneys of the Company, not immediately required for the purposes of the Company in such a manner as may from time to time be determined and from time to time vary and realise those investments;
- i) make, draw, accept, endorse, discount, execute and issue bills of exchange, promissory notes, debentures, bills of lading and other negotiable or transferable instruments or securities;
- j) undertake and execute any trusts either gratuitously or otherwise which may seem to the Company conducive to any of these objects;
- k) take or reject any gift, donation and testamentary dispositions, whether subject to any special trust or not for any one or more of these objects;
- l) take or hold any property which may be subject to any trust and deal with that property only in the manner as is allowed by law having regard to that trust;
- m) pursue through itself or others, such commercial arrangements including sponsorship and marketing opportunities, as are appropriate to further the objects of the Company;
- n) adopt and enforce the laws and standards of the game of bowls as promulgated and interpreted by Bowls Australia or its successor from time to time;
- o) elect Delegates to Bowls Australia or its successor;
- p) select and control teams or sides to represent the Company;
- q) settle all questions or disputes on all matters pertaining to the game of bowls in Queensland which are submitted to the Company for its adjudication, including disciplinary matters;
- r) approve and/or design the attire and/or uniform to be worn by all players, markers, umpires and officials of the Company, Members and Affiliated Clubs;
- s) represent the interests of its Members, bowlers and bowls generally in any appropriate forum;
- t) formulate and implement appropriate policies, including policies in relation to equal opportunity, equity, drugs in sport, health, safety, junior and senior programs, infectious diseases and such other matters as arise from time to time as issues to be addressed.
- u) provide, furnish and maintain premises and other amenities for the use of its Members and Affiliated Clubs and such other persons as the Board of Directors of the Company may from time to time permit either gratuitously or otherwise;
- v) apply for and hold gaming and liquor licences in accordance with the law from time to time;
- w) enter into arrangements with any government or authority that are for the purposes of, or incidental to, these objects and to obtain rights, privileges and concessions from any government or authority and carry out, exercise and comply with any such rights, privileges and concessions and to oppose any application or other proceedings which may seem calculated directly or indirectly to prejudice the property, rights or interests of the Company;
- x) do all acts and things and enter into and make any arrangement as are incidental, conducive or subsidiary to the advancement of these objects and solely for the above purposes, to do anything allowed by the operation of section 124 of the Act.

## 5. Risk Identification

Identifying risks points out the potential limitations on Bowls Queensland achieving its stated objectives. The risk categories experienced by Bowls Queensland are:

- Financial Risk
- Insurance Risk
- Competing Activities Risk
- Governance Risk
- Legislation Risk
- Management/Operational Risk
- Technology Risk
- Environmental/Coorparoo Risk

The following sections discuss the management of the abovementioned risks in detail.

### 5.1 Financial Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Financial budgeting and management	Bowls Queensland board has established an internal audit & risk committee to oversee the finances of the Company. The Director of Finance works with the EO to develop and implement policies governing the financial operations of the Company. The DOF, EO & Finance Manager are also responsible for the preparation of budget documents for board and council approval. The audit & risk committee monitors the ongoing implementation and adherence to finance policies.
Reduced government funding/support	Bowls Queensland maintains membership of the Sports Federation of Qld and has close ties to other state sporting organisations to ensure effective lobbying of state government departments.
Reduced sponsorship income	Bowls Queensland seeks to maintain and enhance relationships with existing sponsors and actively pursues additional corporate partners.
Reduced membership	Bowls Queensland seeks to source alternative income streams to complement income from membership.
Financial Security	Bowls Queensland has implemented effective financial controls via detailed policies, supervision and review procedures.
Reduction in advertising revenue	Bowls Queensland is seeking to appoint an advertising representative to better service the needs of the state magazine. Continued reviews of the quality of the magazine will be undertaken to ensure it is viewed as an attractive avenue for advertisers. Discussions with Bowls Australia and other states on national advertising rates and coverage are ongoing.
Taxation (PAYG/GST)	Bowls Queensland ensures compliance with the various government acts as amended from time-to-time and that relevant staff receives on-going training to ensure compliance.
Club Services/Coorparoo	Bowls Queensland to ensure viability of maintaining services. Present to board a monthly report and council an annual report on Club Services & Coorparoo BC.

### 5.2 Insurance Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Increased insurance costs	Bowls Queensland negotiates annually with insurance providers to achieve best possible rates. Through its various policies and procedures Bowls Queensland constantly seeks to minimise exposure to risk.
Ability to provide insurance cover	Bowls Queensland maintains a close working relationship with its insurance brokers.
Maintaining adequate cover	Bowls Queensland, through the EO & in consultation with the Audit & Risk Committee holds an annual review of the insurance needs of the Company with recommendations being presented to the Board.
Ability to meet insurance needs of Company	In formulating annual budgets the CEO considers the insurance needs of the Company and ensures adequate funds are allocated to meet these needs.
Complaints/Appeals	Ensure strict compliance with BQ Member Protection Policy and Director Confidentiality Agreements.
Code of Conduct & Ethics	Breach of conduct & ethics to be monitored by BQ Board & appropriate action to be taken if required.

### 5.3 Competing Activities Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Loss of current members to other sports/leisure pursuits	Bowls Queensland assists clubs in maintaining current membership levels through providing feedback on issues impacting on the sport. The Company increases its commitment to statewide information forums to improve the focus of clubs on members' needs. Bowls Queensland promotes membership of the Club Development Network to clubs and districts across the state.
Failure to attract new members due to competition	Bowls Queensland employs development officers to develop and implement strategies and programs aimed at increasing participation and membership. Bowls Queensland also utilises resources provided by Bowls Australia such as the Get on the Green promotion and the Perfect Delivery membership manual to assist in this area. Bowls Queensland actively promotes the various government funding programs to assist clubs in membership promotions.
Failure to market sport adequately	Bowls Queensland provides a promotional trailer free of charge to clubs and districts to assist in the marketing of the sport. Bowls Queensland also actively supports regional clubs and districts in gaining local media coverage for the sport.
False image of sport	Bowls Queensland seeks to utilise its high profile players at every opportunity to promote the sport, highlighting the involvement of players of all ages and physical ability. The Company also seeks to promote the various activities of the national body (eg. televised events and international test series) to the general public.
Change of lifestyle	Bowls Queensland actively encourages clubs and districts to introduce programs better suited to the changing needs of the general public, specifically working partners and juniors.
Closure of clubs	Bowls Queensland to utilise Bowls Queensland Services and legal advice to assist clubs in recognising and addressing threats to their viability. Bowls Queensland promotes the Clubs Development Network program as a tool for clubs to assess their own financial position. Bowls Queensland to continue discussions with QSport regarding changes to legislation in relation to the disbursement of funds and assets if a club closes.

### 5.4 Governance Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Failure to implement and review governance policies	Bowls Queensland Audit & Risk Committee reviews the operations of the Company on a monthly basis.
Failure of board to comply with good governance principles as set out in policy documents	Individual board members have a fiduciary duty to ensure the board as a whole complies with its policies. The EO also has a duty to advise the board of any breaches of or non-compliance with policies.

### 5.5 Legislation Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Changes to current legislation governing operation of bowls clubs (eg: smoking bans/lease arrangements/environmental issues/land valuations and rating categories)	Bowls Queensland maintains close links with Clubs Queensland & QSport to ensure bowls clubs are effectively represented at all levels of government. Bowls Queensland also maintains its own relationships with the various levels of government.
Changes to employee awards and conditions	Bowls Queensland retains the services of professional consultants to keep the Company up to date with changes to awards and conditions and to represent the Company's and clubs' interests in the industrial courts.
Changes to government funding agreements	Bowls Queensland has an effective and close working relationship with the Department of Sport and Recreation and holds regular meetings with departmental officer on funding agreements.

## 5.6 Management/Operational Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Operational continuity	Bowls Queensland operates under an operation plan that is updated annually in line with funding requirements. A rolling four year strategic initiative is formulated and modified as required.
Loss of key personnel	Through regular staff reviews and appraisals, Bowls Queensland assesses the ability of staff to perform duties other than their own. Continued in-service training ensures staff are capable of covering all necessary tasks for the smooth operation of the Company, both short and long term.
Inadequate or failed internal controls	Bowls Queensland, through the EO regularly reviews all operational policies of the administration ensuring adequate internal controls are maintained and policies followed. The audit & risk committee makes recommendations to the Board for adoption and implementation by the EO.
Data management	Computer back-ups are made nightly with previous nights tape taken off-site for security. The server is designed with mirrored drives so that if one fails, the others have identical information for continued operation.
Occupational health and safety	Bowls Queensland has appointed and trained an occupational health and safety officer who ensures the Company complies with government regulations.
Public relations/promotions	Bowls Queensland employs Development Officers and a Media & Communications Officer to promote the sport and the Company through various outlets. To ensure a consistent message is achieved, only the CEO and Board Chairman have the authority to speak on behalf of the Company without prior approval.
Sponsorship retention	Procedures have been developed to ensure maximum exposure for sponsors at all Company events and that sponsors attending events are recognised and professionally hosted. Regular contact with sponsors is maintained to ensure agreements are fulfilled.
Inadequate strategic planning	Bowls Queensland has developed procedures to ensure all Board, Sections and other committees of the Company contribute to and are aware of the Company's strategic plan. Input from the administration of the Company is also sought.
Inadequate staff training	Six monthly staff self-appraisals and reviews are conducted along with skill audits to ensure all staff are adequately trained.
Inadequate communication with membership	Bowls Queensland circulates regular memos and mail-outs to clubs and districts as well as the monthly Bowler magazine. The Company contributes to a state wide radio program as required and maintains a web site which is updated regularly.

## 5.7 Technology Risk

<b>Risks</b>	<b>Action taken (mitigation of risk)</b>
Failure to upgrade systems	Bowls Queensland has employed a qualified information technology expert to ensure computer systems are maintained and upgraded where necessary.
Inadequate use of technology	Bowls Queensland continues to investigate innovative uses of current and future technology to ensure it keeps pace with community standards and expectations. The Company also seeks to assist and encourage clubs and districts in the use of available technology.
Privacy	Bowls Queensland to control level of access to database via the website by districts and clubs.

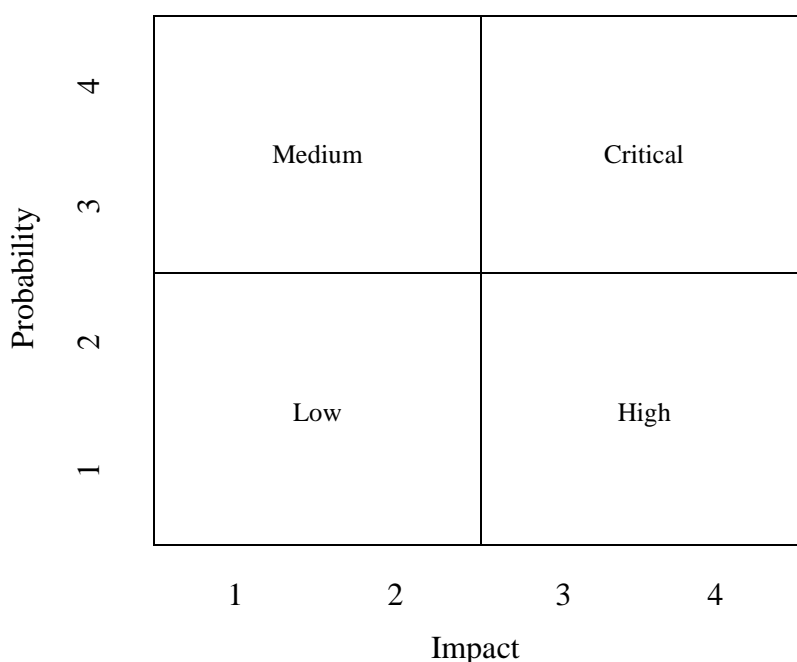
5.8 Environmental/Coorparoo Risk

Risks	Action taken (mitigation of risks)
Water restrictions	Ensure a Water Management Plan is implemented and monitor and amend as required.
Chemicals	In conjunction with the Department of Primary Industries & Fisheries (Horticulture & Forestry Science) program ensure a chemical treatment program is implemented for use on greens. This program to be monitored.

6. Quantifying Risk

Now that the risks of Bowls Queensland have been identified, the impact of the risk and the probability of the risk occurring need to be assessed. This will provide the Directors with an indication of the importance of the risk to Bowls Queensland.

For simplicity, the probability and impact have been rated each on a scale of 1 to 4. The larger the number, the larger the impact or probability. By using a matrix, a priority can be established.



Note that if probability is high and impact is low, it is a medium risk. On the other hand, if impact is high and probability low, it is a high priority. A remote chance of a catastrophe warrants more attention than a high chance of a hiccup.

The aforementioned risks are plotted on the matrix as follows:

1. Financial risk	5. Legislation risk
2. Insurance risk	6. Management/Operational risk
3. Competing Activities risk	7. Technology risk
4. Governance risk	8. Environmental

