



Bowls Queensland Risk Management Policy

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1. Executive Summary

Bowls Queensland (BQ) is the peak body for the sport of lawn bowls in Queensland. It was formed in 2004 following the full unification of the Royal Queensland Bowls Association and the Queensland Ladies Bowls Association.

BQ 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.

BQ 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 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 BQ.

It is BQ's opinion 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 BQ 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 in place.
- Develop a framework for strategic risk management that interface 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 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 BQ 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 BQ manages risk

BQ has developed policies, charters, agreements and procedures to manage risk inherent in the sport and recreation industry. BQ 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 BQ board, committees and administration. The necessary supporting documents such as policies, procedures, guidelines and best practice papers are utilised by BQ to assess the risk and implement procedures to reduce the risk. BQ further ensure their relationship with service providers remains open and honest to ensure 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/CEO | Annually | Insurance review by President/CEO & 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/CEO | Annually | Annual review by Audit & Risk Committee |
| 5.6 | Management/Operational Risk | Board/CEO | Quarterly and annually | Board meetings and annual reviews |
| 5.7 | Technology Risk | Board/CEO | Quarterly | Board meetings and annual reviews with IT controller |
| 5.8 | Environmental Risk | Board/CEO | Six monthly | Review by CEO & Audit & Risk Committee |

2. Risk Management Overview

BQ is of the belief good governance is imperative to ensure it 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. BQ consider to be effective, risk awareness and the management of risk must be driven by the board, its executive and form part BQ's business planning process.

The Risk Management Policy encompasses information from various plans and policies developed by BQ 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 BQ have the responsibility to instil a strong risk control culture throughout BQ to ensure 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.

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

BQ 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 BQ.
- An Operational Continuity Plan in place and monitored.
- Strategic initiatives in place and monitored.
- Regular reporting from committees and service providers

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

3.1 Control Assessment

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

BQ 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 reconciliations.
- Segregation of duties.
- 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. BQ's administration system can produce financial, operational and membership data. The administration system is secure and supported by adequate contingency arrangements.

Effective communication from the BQ 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 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 BQ

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

The objects of the BQ are to:

- 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.
- 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.
- control, manage and conduct bowls competitions.
- strive for and maintain government, commercial and public recognition of BQ as the authority for bowls in Queensland.
- use and protect the intellectual property of BQ.
- purchase, hire, lease or otherwise acquire for the purposes of BQ 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.
- invest and deal with the moneys of BQ, not immediately required for the purposes of BQ in such a manner as may from time to time be determined and from time to time vary and realise those investments.
- 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.
- undertake and execute any trusts either gratuitously or otherwise which may seem to BQ conducive to any of these objects.
- 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.
- 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.
- borrow or raise money in a manner and on such terms as may seem expedient for the purposes of BQ 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 BQ.
- m) pursue through itself or others, such commercial arrangements including sponsorship and marketing opportunities, as are appropriate to further the objects of BQ.
 - 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 BQ.
 - q) settle all questions or disputes on all matters pertaining to the game of bowls in Queensland which are submitted to BQ 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 BQ, 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 BQ board 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 BQ.
 - 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 BQ achieving its stated objectives. The risk categories experienced by BQ 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

| Risks | Action taken (mitigation of risk) |
|------------------------------------|---|
| Financial budgeting and management | BQ board has established an internal audit & risk committee to oversee the finances of BQ. The President and Director of Finance works with the CEO to develop and implement policies governing the financial operations of BQ. The DOF, CEO & Finance Manager are also responsible for the preparation of budget documents for |

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| | board and council approval. The audit & risk committee monitors the ongoing implementation and adherence to finance policies. |
| Reduced government funding/support | BQ 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 | BQ seeks to maintain and enhance relationships with existing sponsors and actively pursues additional corporate partners. |
| Reduced membership | BQ seeks to source alternative income streams to complement income from membership. |
| Financial Security | BQ has implemented effective financial controls via detailed policies, supervision and review procedures. |
| Reduction in advertising revenue | BQ 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 BA and other States on national advertising rates and coverage are ongoing. |
| Taxation (PAYG/GST) | BQ ensures compliance with the various government acts as amended from time-to-time and that relevant staff receives on-going training to ensure compliance. |
| Coorparoo BC | BQ to ensure viability of maintaining services. Present to board a monthly report and council an annual report on Coorparoo BC. |

5.2 Insurance Risk

| Risks | Action taken (mitigation of risk) |
|--|---|
| Increased insurance costs | BQ negotiates annually with insurance providers to achieve best possible rates. Through its various policies and procedures BQ constantly seeks to minimise exposure to risk. |
| Ability to provide insurance cover | BQ maintains a close working relationship with its insurance brokers. |
| Maintaining adequate cover | BQ, through the President DOF, CEO & in consultation with the Audit & Risk Committee holds an annual review of the insurance needs of BQ with recommendations being presented to the board. |
| Ability to meet insurance needs of Company | In formulating annual budgets, the DOF & CEO considers the insurance needs of BQ 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

| Risks | Action taken (mitigation of risk) |
|--|---|
| Loss of current members to other sports/leisure pursuits | BQ assists clubs in maintaining current membership levels through providing feedback on issues impacting on the sport. BQ increases its commitment to State wide information forums to improve the focus of clubs on members' needs. BQ promotes membership of the club |

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|---|---|
| | development network to clubs and districts across the State. |
| Failure to attract new members due to competition | BQ RBM's develop and implement strategies and programs aimed at increasing participation and membership. BQ also utilises resources provided by BA such as the Get on the Green promotion and the Perfect Delivery membership manual to assist in this area. BQ actively promotes the various government funding programs to assist clubs in membership promotions. |
| Failure to market sport adequately | BQ provides free of charge to clubs and districts assistance in the marketing of the sport. BQ also actively supports regional clubs and districts in gaining local media coverage for the sport. |
| False image of sport | BQ 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. BQ 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 | BQ 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 | BQ to utilise legal advice to assist clubs in recognising and addressing threats to their viability. BQ promotes the clubs development network program as a tool for clubs to assess their own financial position. BQ 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

| Risks | Action taken (mitigation of risk) |
|--|---|
| Failure to implement and review governance policies | BQ Audit & Risk Committee reviews the operations of BQ on a bi- monthly basis. |
| Failure 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 CEO also has a duty to advise the board of any breaches of or non-compliance with policies. |

5.5 Legislation Risk

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

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| | regular meetings with departmental officer on funding agreements. |
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5.6 Management/Operational Risk

| Risks | Action taken (mitigation of risk) |
|--|--|
| Operational continuity | BQ 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, BQ 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 both short and long term. |
| Inadequate or failed internal controls | BQ, through the President and CEO 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 CEO. |
| Data management | Computer back-ups are made nightly with previous night's tape taken off-site for security. The server is designed with mirrored drives so if one fails, the other has identical information for continued operation. |
| Occupational health and safety | BQ has appointed and trained an occupational health and safety officer who ensures compliance with government regulations. |
| Public relations/promotions | BQ Regional Business Managers and Media & Communications persons are to promote the sport and BQ through various outlets. To ensure a consistent message is achieved, only the President has authority to speak on behalf of BQ without prior approval. CEO with the President's approval. |
| Sponsorship retention | Procedures have been developed to ensure maximum exposure for sponsors at BQ 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 | BQ has developed procedures to ensure all board and other committee members contribute to and are aware of the strategic plan. Input from the administration of BQ is also sought. |
| Inadequate staff training | Twelve monthly staff self-appraisals and reviews are conducted along with skill audits to ensure all staff are adequately trained. |
| Inadequate communication with membership | BQ circulates regular memos and mail-outs to clubs and districts as well as the monthly Bowler magazine. |

5.7 Technology Risk

| Risks | Action taken (mitigation of risk) |
|----------------------------|--|
| Failure to upgrade systems | BQ has access to a qualified information technology expert to ensure computer systems are maintained and upgraded where necessary. |

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| Inadequate use of technology | BQ continues to investigate innovative uses of current and future technology to ensure it keeps pace with community standards and expectations. It also seeks to assist and encourage clubs and districts in the use of available technology. |
| Privacy | BQ to control level of access to database via the website by districts and clubs. |

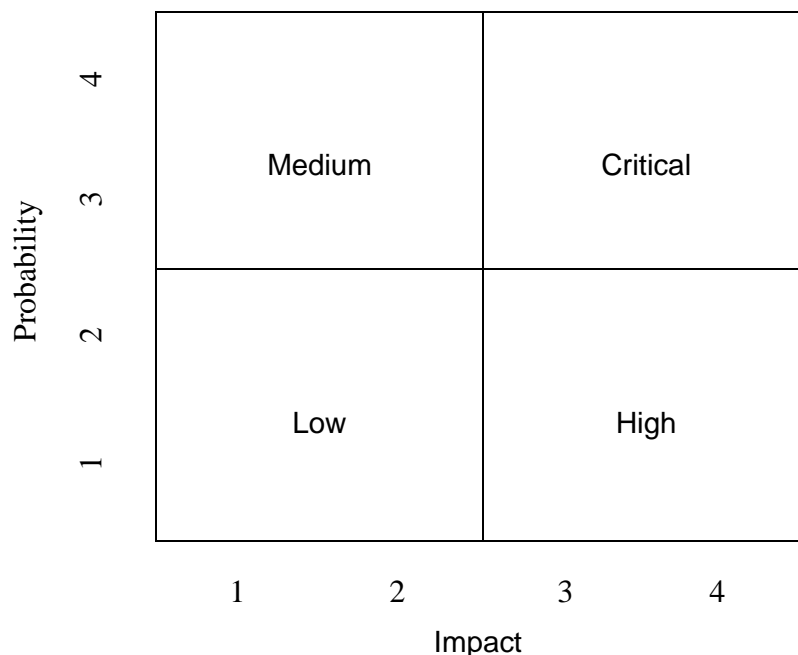
5.8 Environmental/Coorparoo Risk

| 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) ensure a chemical treatment program is available for use on greens. . |

6. Quantifying Risk

Now the risks of BQ 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 BQ.

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, 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. Enviornmental |

