

Swimming Wellington Risk Management Policy

1 PURPOSE

The purpose of this risk management policy is to communicate Swimming Wellington's commitment to managing enterprise-wide risks and to establish clear responsibilities for itself in order to maximize strategic and operational achievement.

2 SCOPE AND CONTEXT

This policy applies to directors, management and staff of Swimming Wellington.

Swimming Wellington is committed to the formal, systematic and structured proactive management of risks across the organisation.

Risk is inherent in all aspects of Swimming Wellington's activities and whilst many of these risks cannot be eliminated they can, however, be identified, quantified and controlled. Risks that impact on the objectives of Swimming Wellington can offer both opportunity and threat. This policy is designed to provide Swimming Wellington personnel with a systematic framework in order to minimise threats and maximise opportunities to Swimming Wellington.

3 KEY OBJECTIVES

- a. The Australian / New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) defines risk management as "coordinated activities to direct and control an organisation with regard to risk".
- b. This policy confirms that Swimming Wellington is committed to implementing a strategic, consistent and structured enterprise-wide approach to risk management in order to effectively manage opportunities for gain and minimise the impact of threats causing losses.
- c. This policy is aligned to reflect AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines which provides the framework used to develop the Swimming Wellington enterprise-wide risk management framework.
- d. Risk will manifest itself in many forms and has the potential to impact the health and safety, environment, community, reputation, regulatory, operational, and financial performance of Swimming Wellington and, thereby, the achievement of the organisation's objectives.
- e. By understanding and managing risk, Swimming Wellington will provide greater certainty and confidence for our stakeholders, Swimming Wellington directors and employees, participants, and for the communities in which we operate.
- f. Swimming Wellington will use our risk management capabilities to maximise the value from our assets, projects, programs and other business opportunities and to assist us in fostering participation and/or performance in our organisation.
- g. Risk management will be embedded into our business activities, functions and processes. Risk understanding and our tolerance for risk will be key considerations in our decision making.

- h. Risk issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used.
- i. Risk controls will be designed and implemented to reasonably assure the achievement of organisational objectives. The effectiveness of these controls will be systematically reviewed and, where necessary, improved.
- j. Risk management performance will be monitored, reviewed and reported. Oversight of the effectiveness of our risk management processes will provide assurance to executive management, the Board and relevant stakeholders.
- k. The effective management of risk is vital to the continued growth and success of Swimming Wellington.

4. REVIEW OF POLICY

This policy is subject to formal review every 2 years.

5. ACCESS TO THE POLICY

This policy will be available for viewing to any director, employee or member of Swimming Wellington. In addition, this policy may be made available to any third party at the discretion of the Swimming Wellington Executive Officer.

6. RISK MANAGEMENT PROCESS AND PROCEDURES

The directors and management of Swimming Wellington view risk management as integral to its strategic intent of having our region's community empowered through a lifelong love of swimming through:

A. Connection & Participation

- by having a way for everyone in the community to stay involved, putting the swimmer at the centre

B. Performance

- by having a community that supports our swimmers' achievements at all levels

C. Capability & Resources

- By having the skills, experience, resources and opportunities to achieve our goals

Swimming Wellington's risk management policy provides a system to manage the risks associated with its core activities.

7. RISK MANAGEMENT REQUIREMENTS

- a. Risk management will be incorporated into the strategic and operational planning processes of Swimming Wellington;
- b. Risk and the management of risk will be identified and monitored according to the Swimming Wellington enterprise-wide risk management policy;
- c. Risk assessments will be conducted on all new ventures and projects prior to commencement to ensure alignment with the Swimming Wellington risk appetite and organisational objectives;
- d. Risks will be identified, reviewed and monitored on an ongoing basis as outlined in Sections 10 to 15 of this policy;

- e. Risks will be assessed and evaluated against the Swimming Wellington Risk Management Framework (outlined in section 15 of this policy);
- f. Relevant risks that are identified will be recorded within Swimming Wellington's risk management register;
- g. All risks will be assigned an owner whose responsibilities are specified in this policy under section 14 of this policy.

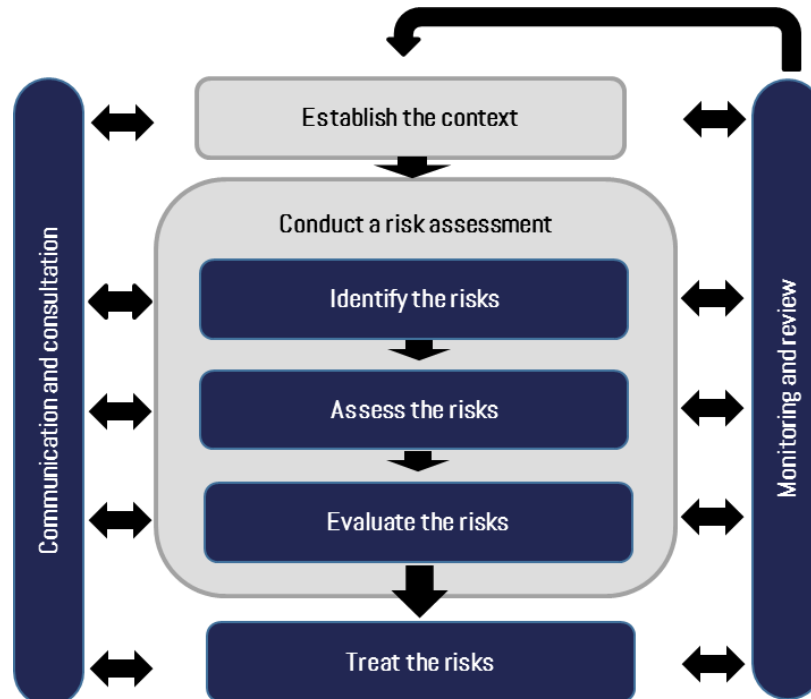
8. RISK MANAGEMENT PRINCIPLES

Swimming Wellington has adopted the principles detailed in AS/NZS ISO 31000:2009, to ensure risk management is effective within the organization. These principles are:

- a) Risk management creates and protects value
- b) Risk management is part of decision making
- c) Risk management explicitly addresses uncertainty
- d) Risk management is systematic, structured and timely
- e) Risk management is based on the best available information
- f) Risk management is tailored
- g) Risk management takes human and cultural factors into account
- h) Risk management is transparent and inclusive
- i) Risk management is dynamic, iterative and responsive to change
- j) Risk management facilitates continual improvement of the organisation

9. RISK MANAGEMENT PROCESS

The Swimming Wellington risk management process is based upon the AS/NZS ISO 31000:2009 Risk Management Process as shown in Figure 1 (below). Risks identified will be managed according to this process.



Above: AS/NZS ISO 31000:2009 Risk Management Process

10. RISK MANAGEMENT COMPLIANCE AND CONTROL

In developing a culture of risk management, Swimming Wellington senior management is responsible for appropriate responses to manage risk, aided by the risk action plans and the creation of a risk register.

To enable this, Swimming Wellington:

- a) has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks;
- b) provides the necessary tools and resources to senior management and employees to support the effective management of risks; and
- c) reviews and communicates risk management best practice on a regular basis.

11. ASSESSMENT OF EFFECTIVENESS

Swimming Wellington assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed. This includes ongoing feedback loop via regular senior management meetings and appraisal of risk owners' actions taken to manage risks via employee performance management.

12. REPORTING REQUIREMENTS

Swimming Wellington senior management via the Swimming Wellington Executive Officer ensures that the Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis. The following reporting process is in place:

- a. Management will regularly review the risk register with their teams and update the mitigation strategies and perceived level of risk as appropriate.
- b. New risks will be added to the register through a formal notification process from staff, management and directors to the Swimming Wellington Executive Officer.
- c. A "top ten" list of major risks (as agreed by the Board) to be discussed at quarterly management meetings (fixed agenda item), together with any new or emerging risks.
- d. The Board will be updated once a quarter through the Executive Officer board risk report.
- e. The Board to be briefed on all major risks by the Executive Officer once a quarter at a board meeting.
- f. The Board to workshop all risks (with reference to the risk register) as well as a general brainstorm / workshop on emerging risks at least once a year.

13. RISK MANAGEMENT RESPONSIBILITIES

a. Swimming Wellington Board

The Board of Swimming Wellington is responsible for overseeing the establishment (and implementation via management) of risk management systems and reviewing the effectiveness of these systems.

The Board's role in relation to risk includes:

- i. overseeing the creation, implementation and maintenance of the risk management system of Swimming Wellington and its internal control framework, including information systems;
- ii. establishing a risk profile for Swimming Wellington setting out both financial and non-financial material and/or strategic risks facing Swimming Wellington;
- iii. reviewing the effectiveness of Swimming Wellington's implementation of its risk management systems and internal controls on an on-going basis and reviewing the outcome of any non-financial audits;
- iv. seeking to reach a common understanding with management and the Board about the risk management process, key financial and regulatory risks and related controls including focusing on the "key" risks which are considered to be currently, or may in the future be, more significant or more likely to occur;
- v. analyzing the effectiveness of Swimming Wellington's risk management and internal compliance systems and the effectiveness of their implementation;
- vi. developing an understanding of the overall business environment, relevant laws and codes of importance to Swimming Wellington and the programs/projects that Swimming Wellington has in place to provide reasonable assurance of compliance;
- vii. reviewing Swimming Wellington's health and safety at work policy and ensuring regular reporting to the Board on issues related to workplace health and safety;
- viii. ensuring that the Executive Officer and Treasurer states in writing to the Board annually that the statement given to the Board that Swimming Wellington's financial reports present a true and fair view, in all material respects, of Swimming Wellington's financial condition and operational results and are in accordance with the relevant accounting standards, are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board;
- ix. ensuring that the Executive Officer states in writing to the Board annually that Swimming Wellington's risk management and internal compliance and control system is operating efficiently and effectively in all material respects; and
- x. reviewing insurance coverage and claims trends;

b. Swimming Wellington Executive Officer

The Executive Officer is responsible for:

- a) Identifying legislation, policy and guidelines affecting risk management practices at Swimming Wellington;
- b) Maintaining Swimming Wellington's Risk Register;
- c) Providing assistance and support throughout Swimming Wellington for risk management;
- d) Organising appropriate risk management education and training for Swimming Wellington staff; and
- e) Monitoring the implementation of the Swimming Wellington Risk Management Framework across the organisation.

c. Other Staff

Other Swimming Wellington staff will be responsible for:

- a) championing the roll out of the Swimming Wellington Risk Management Framework into Swimming Wellington’s operations;
- b) ensuring staff understand their responsibilities with respect to operational risk management; and
- c) developing a risk aware culture within their area of responsibility.
- d) Advising the Executive Officer of needs for any training, development and facilitation;
- e) Maintenance of risk registers within their areas;

14. RISK FRAMEWORK

1. Risk Matrix

The Board of Swimming Wellington has approved the following risk matrix

Risk Matrix		IMPACT					
		Insignificant 1	Minor 2	Medium 3	High 4	Extreme 5	
PROBABILITY	Rare	1	Low	Low	Low	Moderate	Moderate
	Unlikely	2	Low	Low	Moderate	High	High
	Possible	3	Low	Moderate	High	High	Extreme
	Likely	4	Low	Moderate	High	Extreme	Extreme
	Almost Certain	5	Moderate	High	High	Extreme	Extreme

2. Risk Grading Criteria – Impact Ratings

The Board of Swimming Wellington has resolved that risk be assessed over the following categories in relation to impact (consequence):

- a) *Financial* – impact on Swimming Wellington finances
- b) *Operational* – impact on provision of Swimming Wellington products, projects and services
- c) *Brand/Reputational* – impact on Swimming Wellington brand and general credibility
- d) *Physical/Safety* – impact on the safety and well-being of people
- e) *Regulatory/Legal* – impact on Swimming Wellington regulatory exposure
- f) *People* – impact on corporate knowledge / continuity

(Impact ratings and criteria are shown on the next page)

Impact levels and criteria are shown in the following table:

				Financial	Operational	Brand/ Reputational	Physical/ Safety	Regulatory/ Legal	People/ Participation
				IMPACT	5	Extreme	Significant resources required to recover from impact. Legal consequences resulting in prosecution.	More than \$100,000	Unable to deliver product/services in a region. Widespread migration of members to competitor organisation. Prohibited from delivering competition at any level.
4	Major	Service loss for period exceeding 1 week.	More than \$50,000 but less than \$100,000		Widespread failure or loss of product/service standards. Increasing migration of members to competitor organisations'. Unable to deliver the National Championships.	Loss of affiliated clubs/providers. Investigation of serious individual misconduct. Loss of significant skills from Board or Senior Management.	Serious injury of player/participant due to compromised safety standards. Preventable serious injury of member or public.	Civil action against organisation and/or Board due to negligence. New regulations that impede operations.	Active participation declines by more than 15%, but less than 25%.
3	Moderate	Service lost for period of 1 to 5 days.	More than \$10,000 but less than \$50,000		Moderate impact on product/service standards. Unable to deliver local sports competitions. Widespread discontent by members/participants.	Threats of withdrawal from affiliated clubs/providers. Failure of prominent branded project or product. Failure of a club or provider. Individual or group misconduct. Sustained public criticism of the organisation.	Systemic injuries of players/participants and/or public. Increased frequency of near misses.	Regulatory/police investigation with adverse findings against organisation and/or Board.	Net active participation declines by more than 5%, but less than 15%.
2	Minor	Losses may disrupt services for short period.	Not insignificant where financial losses may be up to \$10,000		Minor impact on product/service delivery. Competitive threats to membership. Constrained capacity to meet the demands of existing or new members/participants.	Localised negative media coverage.	Minor injuries of players/participants and/or public.	Regulatory/police investigation of organisation and/or Board without adverse findings.	Net active participation declines by more than 0%, but less than 5%.
1	Insignificant	Consequences are very low, minor disruption.	Insignificant. (Less than \$1,000)		Very minor, temporary product/service disruption.	Media interest in local issue.	Insignificant injuries of players/participants and/or public.	Persistent complaints against organisation and/or Board.	Stable net active membership.

3. Risk Grading Criteria – Likelihood Ratings

The Board of Swimming Wellington has resolved that the following probability thresholds and ratings in relation to assessing risks be used.

LIKELIHOOD	5	Almost Certain	The risk is almost certain to occur (>80%)
	4	Likely	The risk is more likely to occur than not (51%-80%)
	3	Possible	The risk is fairly likely to occur (21%-50%)
	2	Unlikely	The risk is unlikely to occur (<5%)
	1	Rare	The risk is very unlikely to occur (<5% chance)

4. Risk Tolerance Levels

The Board of Swimming Wellington has resolved that the following risk tolerance thresholds be used in relation to the actions Swimming Wellington personnel shall take in relation to managing risks.

RISK LEVEL	REQUIRED ACTIONS
EXTREME	<p>Intolerable</p> <ul style="list-style-type: none"> • Operations / activity should be <u>discontinued</u> until level of risk is able to be reduced (or written authorization to continue is provided by the Swimming Wellington Executive Officer and Chairman). Consider options for reducing the impact or probability of the risk. • Executive Officer to be informed ASAP and provide urgent attention, guidance and approval of mitigation strategy. • Consider external advice (legal, insurance or risk advisor).
HIGH	<p>Tolerable level of risk – significant management & monitoring required</p> <ul style="list-style-type: none"> • Action should be taken to ensure risk level is As Low As Reasonable Practicable (ALARP). Consider options for reducing the impact or probability of the risk. • If level of risk is ALARP continue to manage using documented operating procedures. • Increase monitoring of controls to ensure effectiveness in managing the risk.
MODERATE	<p>Tolerable level of risk – follow operating procedures</p> <ul style="list-style-type: none"> • Ensure risk level is As Low As Reasonable Practicable (ALARP). • If level of risk is ALARP continue to manage using standard operating procedures with normal monitoring protocols.
LOW	<p>Tolerable level of risk.</p> <ul style="list-style-type: none"> • Maintain existing controls. No additional controls required.

Policy Approved: 4 June 2024

Next Review Date: 4 June 2026