

RISK MANAGEMENT FRAMEWORK



It is recommended that Badminton Victoria's (BV) risk management framework is considered moving forward with reference also to Badminton Australia's (BA) management framework dated October 2020.

Introduction

The risk management framework (RM framework) outlines BV's approach and attitude to RM, specific roles and responsibilities and the components of the risk register and profile.

BV's RM framework should be communicated internally and to key stakeholders as appropriate, to assist in creating a 'risk culture' and building the reputation of BV.

Contents

1. Definition & purpose, and benefits – 'what and why'
2. Role of Board and EGM
3. Risk register and profile

1) Definition & purpose, and benefits of effective RM

Risk is the uncertainty of future outcomes and results and entails both judging the 'consequences' of each good or bad outcome; and the 'likelihood' of each positive or negative outcome. Bad and negative outcomes only have been considered in this study i.e., those that may have a negative effect on achieving at least one of BV's strategic objectives.

RM is an 'umbrella' term to cover our structured response to risk - the wide variety of coordinated approaches and techniques we will use to manage risk.

The purpose of our RM is to ensure the continued health and prosperity of BV.

BV's RM system should function to bring to the Board's attention our most material risks, and permit the Board to understand:

- and evaluate those risks,
- how they affect the company, and
- how the EGM addresses those risks

Benefits of effective RM may be summarised as follows:

- **Fewer surprises** — proactive identification and management of key risks will provide less uncertainty as to the achievement of our strategic objectives and increase stakeholder confidence in BV.
- **Reduced loss and increased reward** — RM will help to reduce the likelihood of and loss from negative events. It will also help BV take advantage of opportunities that may otherwise go unseen.
- **Better decision making** — more effective decisions will be made as BV has a structure to consider risks built into existing activities and processes eg. Board papers may contain a risk report.
- **Improved governance** — sound RM, with defined reporting and communication protocols, will help BV fulfil the expectations of key stakeholders and comply with regulatory requirements.

2) Role of Board and EGM

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RM is the responsibility of the Board. The Board's role is ensuring an appropriate RM framework and culture is in place, and then to oversee, supervise and monitor RM. The Board may choose to delegate its responsibilities to the Finance & Risk Committee.

The EGM's role is to design, manage and report on RM to the Finance & Risk Committee.

It is recommended that the EGM reports to the Finance & Risk Committee every six months who then report to the Board.

Risk is to be addressed in regular, routine Board discussions/reporting as required.

3) Register and profile

Our risk register details:

- identified key risks,
- their rating in terms of likelihood and consequence for the organisation,
- current controls, and plans for mitigating each high-level risk to an acceptable level, and
- responsible persons

The regular preparation of the register and profile, and communication through our organisation and externally as appropriate will further embed a RM culture into BV.

Indicators showing RM is embedded in BV could be:

- The EGM and Board are committed to a RM process,
- The EGM is open and honest about problems and mistakes,
- Risk is addressed in regular, routine Board discussions/reporting,
- Innovation and managed risk-taking is encouraged at the right times, and
- An open culture exists with employees/volunteers able to contribute suggestions/feedback in a constructive manner without fear.

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RISK PRIORITY MATRIX

Priority	
	No 1
	No 2
	No 3
	No 4
	No 5

Likelihood	Consequence
Rare	Insignificant
Unlikely	Minor
Moderate	Moderate
Likely	Major
Almost certain	Catastrophic

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Rare			O12	O7	
Unlikely		SF1	SF3, SF7, O8, O11	SF2, O3, O4, O5, O6	
Moderate			O1, O2, O9, O10	SF8	
Likely				SF4, SF5, SF6	
Almost certain					

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RISK REGISTER & PROFILE

No	Identified Risk	Current Controls	Current Likelihood	Consequence if Occurred	Required Mitigated Actions to Reduce Risks	Responsibility	
						Key	Important R/Ships
STRATEGIC & FINANCIAL							
1	Insecurity of tenure i.e., lease not renewed at current facility	MSAC satisfaction with usage rates, multi-sport & gender encouraged, community-focus	Unlikely	Minor	Maintain current controls, consider increasing dialogue with MSAC & other stakeholders	EGM	Board
2	No crisis management plan	MSAC has plan in place	Unlikely	Major	Refer attached	EGM	Board
3	Sport of badminton loses reputation	Board and EGM to maintain our own reputation, "do our bit"	Unlikely	Moderate	Board and EGM to continue to maintain and enhance our own reputation	EGM	Board
4	Inability to attract volunteers		Likely	Major	Deliver strategic plan KPIs	EGM	Board
5	Inability to grow participation levels		Likely	Major	Deliver strategic plan KPIs	EGM	Board
6	Inability to grow revenue levels		Likely	Major	Deliver strategic plan KPIs	EGM	Board
7	Financial fraud	Joint signatures on all payments	Unlikely	Moderate	Maintain current controls and document these procedures.	EGM	

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No	Identified Risk	Current Controls	Current Likelihood	Consequence if Occurred	Required Mitigated Actions to Reduce Risks	Responsibility	
						Key	Important R/Ships
8	Lack of Board succession planning	Moving forward Governance committee will periodically assess the performance of the Board and undertake a skills gap analysis	Moderate	Major	Governance committee undertakes its role on behalf of the Board	Board	
OPERATIONAL							
1	Non-compliance with minimum WH&S standards (refer attached)	Ensure BV abides by MSAC standards. Consider Club/events/tournaments WH&S impacts	Moderate	Moderate	Comply with min WH&S standards	EGM	
2	Poor and ineffective risk management systems		Moderate	Moderate	Develop and implement risk management culture & associated policies, framework	EGM	Board
3	Under-insured	Part of BA collective policy with expert broker	Unlikely	Major	Maintain current arrangements, ensure coverage levels are appropriate	EGM	BA
4	Poor legal compliance systems ie WH&S, Privacy, Fair Work, Tax/Super	Appropriately prepared and executed	Unlikely	Major	Appropriately prepared and executed	EGM	

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No	Identified Risk	Current Controls	Current Likelihood	Consequence if Occurred	Required Mitigated Actions to Reduce Risks	Responsibility	
						Key	Important R/Ships
5	Lack of member protection policies and procedures	Appropriately prepared and executed	Unlikely	Major	Appropriately prepared and executed	EGM	Board, staff & volunteers
6	Lack of policies e.g. communications, social media, behaviour/conduct, spectator behaviour, picking up/dropping off children	Appropriately prepared and executed	Unlikely	Major	Appropriately prepared and executed	EGM	Board, staff & volunteers
7	Lack of budgets and forecasting	Budgets completed	Rare	Major	Prepare budgets, and forecasts periodically	EGM	Board
8	Unforeseen costs blow-out or unbudgeted spending	Diligent budget preparation, delegation and authority policies followed	Unlikely	Moderate	Diligent budget preparation, delegation and authority policies followed	EGM	
9	People risk eg poor HR practices, lack of ability to recruit/retain, lack of "fit", capabilities, training	Checks, contracts, good employer, training, competitive remuneration	Moderate	Moderate	Deliver strategic plan KPIs	EGM	
10	Having an ineffective culture among admin/volunteers eg:	Effective leadership, communication and training	Moderate	Moderate	Deliver strategic plan KPIs	EGM	Board

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No	Identified Risk	Current Controls	Current Likelihood	Consequence if Occurred	Required Mitigated Actions to Reduce Risks	Responsibility	
						Key	Important R/Ships
	whistleblowing, constructive feedback						
11	Lack of cyber protection ie virus, fraud, privacy, IT back-ups	Guard-systems, 3rd party back-up arrangements, in Cloud	Unlikely	Moderate	Risk management culture & associated policies, maintain current controls	EGM	Board, staff & volunteers
12	Theft/robbery	Alarms and CCTV in place, linked to security coy	Rare	Moderate	Maintain current controls, and document these procedures	EGM	

VERSION CONTROL

Issue Date	Details
09/03/2021	As approved by the BV Board.