




Gymnastics Queensland

Sleeman Sports Complex
Cnr Old Cleveland & Tilley Rds
Chandler QLD 4155

 Gymnastics Queensland	Risk Management Framework and Policy	Policy No:	GQPOL - 03

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1. INTRODUCTION

1.1 Purpose

The Risk Management Framework provides the necessary foundations and organisational arrangements for managing risk across Gymnastics Queensland (GQ). The Framework outlines how GQ ensures that it manages risks effectively and efficiently.

It illustrates how risk management is embedded in GQ's organisational systems to ensure it is integrated at all levels. It describes the key principles, elements and processes to guide all staff in effectively managing risk, making it part of day-to-day decision-making and business practices.

Implementation of the Framework contributes to strengthening management practices, decision making and resource allocation, while at the same time protecting the interests of GQ and Affiliate Clubs and maintaining trust and confidence.

Implementation of the Framework requires all staff to apply risk management principles to fulfil their responsibilities, to ensure cost efficient and effective service delivery.

1.2 Scope

This framework applies to all GQ's management and day to day operations for the sport, undertaken by the Board of Management, staff, SMCs and/or volunteers. This framework is based on the model provided by GA, to facilitate a consistent approach to risk management across the whole sport.

1.3 Benefits of Risk Management

The benefits of embedding risk management at all levels ensure GQ has:

- Effective management of adverse events or opportunities that impact on GQ's purpose and objectives;
- An ability to make informed decisions regarding management of potential negative effects of risk and take advantage of potential opportunities;
- Improved planning and performance management processes — enabling GQ to focus on core business service delivery and implement business improvements;
- An ability to direct resources to risks of greatest significance or impact;
- Greater organisational efficiencies through avoiding 'surprises'; and
- A positive organisational culture in which people understand their role in contributing to the achievement of objectives.

1.4 Goals of the Framework

The Risk Management Framework aims to:

- Convey GQ's policy, approach and attitude to risk management;
- Communicate the benefits of risk management;
- Set the scope and application of risk management within the organisation;
- Establish the roles and responsibilities for managing risk;
- Integrate enterprise risk management within GQ's performance management cycle;

- Set out a consistent approach for managing risks across GQ, aligned with relevant standards and industry best practice;
- Detail the process for escalating and reporting risks;
- Convey GQ's commitment to the periodic review and verification of the Framework and its continual improvement;
- Describe the resources available to assist those with accountability or responsibility for managing risks; and
- Ensure GQ meets its risk reporting obligations.

1.5 Principles Underpinning the Framework

The Australian Standard for Risk management - Principles and guidelines (AS/NZ ISO 31000:2009) is based on 11 best practice principles. These principles underpin the Framework and guide how GQ effectively and efficiently manages risk at all levels. The 11 principles are stated below:

1. **Creating and protecting value** – risk management contributes to the achievement of GQ's objectives and improves performance in areas such as corporate governance, program and project management, and health and safety.
2. **An integral part of all organisational processes** – risk management is not a stand-alone activity performed in isolation. Rather, it is an integral part of GQ's governance and accountability arrangements, performance management, planning and reporting processes.
3. **Part of decision-making** – risk management aids decision-makers to make informed choices, prioritise activities and identify the most effective and efficient course of action.
4. **Explicitly addressing uncertainty** – risk management identifies the nature of uncertainty and how it can be addressed through a range of mechanisms, such as sourcing risk assessment information and implementing risk controls.
5. **Systematic, structured and timely** – risk management contributes to efficiency and to consistent, comparable and reliable results.
6. **Based on the best available information** – risk management should draw on diverse sources of historical data, expert judgment and stakeholder feedback to make evidence-based decisions. As decision-makers, GQ should be cognisant of the limitations of data, modelling and divergence among experts.
7. **Tailored** – risk management aligns with the internal and external environment within which GQ operates, and in the context of GQ's risk profile.
8. **Human and cultural factors** – risk management recognises that the capabilities, perceptions and aims of people (internal and external) can aid or hinder the achievement of objectives.
9. **Transparent and inclusive** – risk management requires appropriate and timely involvement of stakeholders to ensure that it stays relevant and up to date. Involving stakeholders in decision making processes enables diverse views to be taken into account when determining risk criteria.
10. **Dynamic, iterative and responsive to change** – risk management responds swiftly to both internal and external events, changes in the environmental context and knowledge, results of monitoring and reviewing activities, new risks that emerge and others that change or disappear.
11. **Continual improvement of the organisation** – risk management facilitates continuous improvement of GQ's operations by developing and implementing strategies to improve risk management maturity.

2. MANDATE AND COMMITMENT

Risk management requires strong and sustained commitment by the Board and management of the organisation, as well as strategic and rigorous planning to achieve commitment at all levels.

Risk management - Principles and guidelines (AS/NZS ISO 31000:2009)

2.1 Our Policy

Risk management is part of GQ's strategy to promote accountability through good governance and robust business practices, which contributes to our strategic objective of achieving significant gains in participation growth and participant satisfaction conducted through safe and welcoming environments.

GQ is committed to embedding risk management principles and practices into its organisational culture, governance and accountability arrangements, planning, reporting, performance review, business transformation and improvement processes.

Through the Framework and its supporting processes, the GQ Board formally establishes and communicates its risk appetite, guiding staff in their actions and ability to accept and manage risks.

GQ has a low appetite for risks relating to:

- Health, safety and wellbeing of our staff, volunteers and participants at all levels;
- Safety within gymnastics clubs;
- Member Protection;
- Administration of finances and assets; and
- Legislative compliance.

There is a potentially higher appetite where benefits created by potential innovation outweigh the risks. Benefits may include improved service delivery, and/or increased efficiency and effectiveness of GQ's operations.

To position GQ as a risk aware, responsive and resilient organisation, our risk management approach is directed through:

- Compliance with relevant legislation, policies and procedures; and
- Alignment with standards and better practice guides to soundly support decision making and continuous improvement of risk management practices.

The success of GQ's risk management strategy relies on the Board and all staff enacting the risk management approach outlined in this Framework.

Risk appetite is a concept defined as the "Amount and type of risk that an organisation is prepared to pursue, retain or take" in pursuit of its objectives, and before action is deemed necessary to reduce the risk. This concept helps guide an organization's approach to risk and risk management.

A **risk appetite statement** is a higher level **statement** that considers broadly the levels of **risks** that management deems acceptable, while **risk tolerances** are narrower and set the acceptable level of variation around objectives.

Risk management - Principles and guidelines (AS/NZS ISO 31000:2009)

3. A FRAMEWORK FOR MANAGING RISK

Risk management should be implemented by ensuring that the risk management process is applied at all relevant levels and functions of the organisation as part of its practices and processes.

Risk management - Principles and guidelines (AS/NZS ISO 31000:2009)

3.1 Risk Hierarchy

GQ's integrated business planning process cascades from GQ's strategic plan through to operational plans, program plans, project plans, and is distilled into individual performance and development plans.

While it is important to ensure that GQ is 'doing risk management right', it is equally important to 'do the right risk management'. This includes having processes in place so that the appropriate levels of management have oversight of the different levels of risk across GQ.

In the Framework, there are three levels of risk – strategic, corporate and operational. The risk hierarchy defines accountability for identifying, treating, monitoring, communicating and managing risks throughout the organisation. The risk hierarchy illustrated in Figure 1 demonstrates the relationship between the cascading level of plans and the three levels of risk hierarchy, as well as a clear line of sight from GQ's high level strategies to individual performance plans.

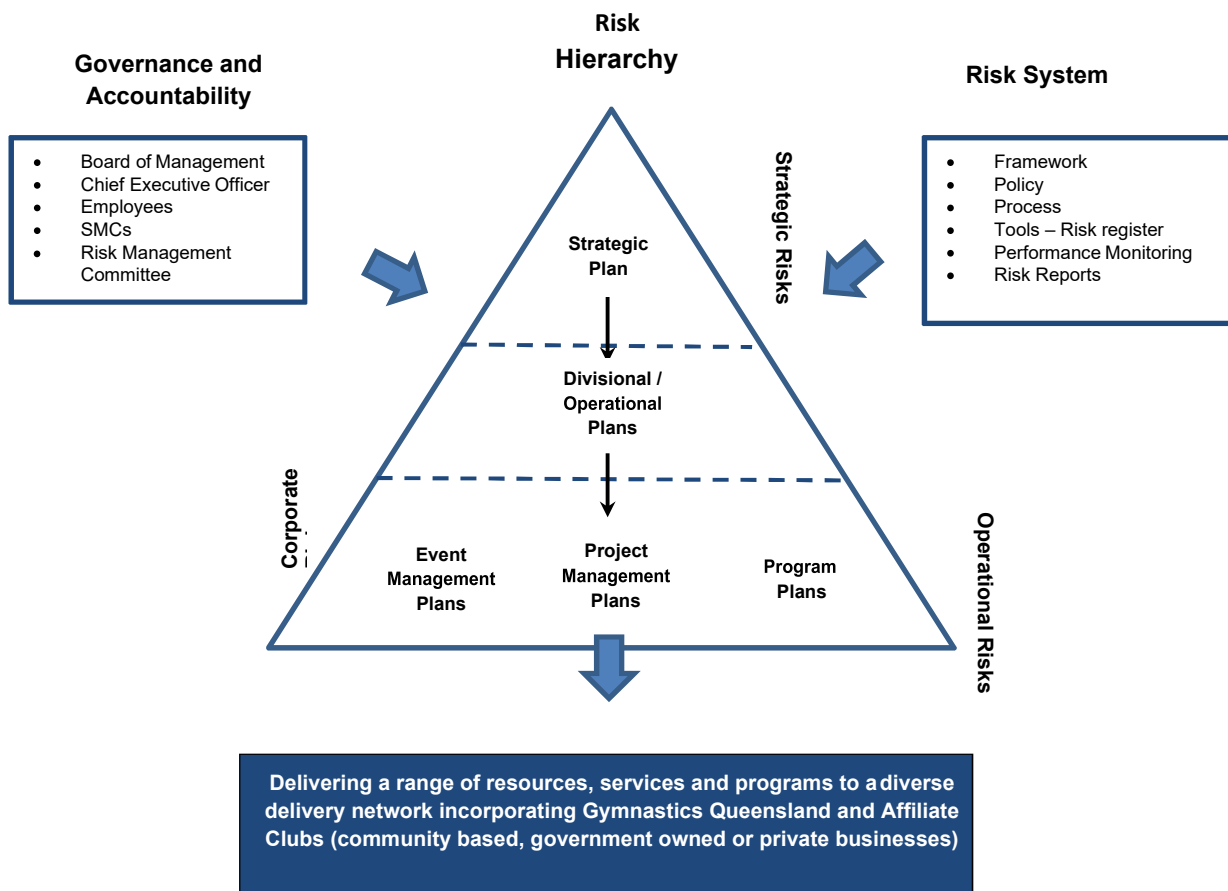


Figure One: Risk Management Framework

3.2 Risk Governance and Accountabilities

Risk governance includes mechanisms that ensure accountability and authority for the management of risk (identifying, assessing, treating and monitoring and reviewing risks), implementation, maintenance and continuous improvement of GQ's risk management framework and providing risk management assurance.

GQ has governance structures that support risk management at the strategic, corporate and operational level:

<p>Strategic Structures:</p>	<p>Board of Management: Sets and reviews the strategic direction, priorities and performance objectives of GQ and determines the risk appetite and appropriate risk management policies for the organisation.</p> <p>GQ Risk Management Committee: This committee provides a strategic role in establishing GQ's direction with regards to embedding risk management within GQ.</p>
<p>Operational Structure</p>	<p>The CEO and Senior Management team set and oversee the risk management practices and processes of the organisation, that are then carried out by staff and volunteers.</p>

3.3 Roles and Responsibilities

3.3.1 Board of Management

The Board of Management is responsible for:

- ☐ Championing a risk management culture and supporting the enhancement of risk management practices across GQ;
- ☐ Providing strategic leadership and governance for GQ's management of risk, including reviewing effectiveness of internal controls and setting and approving the GQ risk appetite and tolerance;
- ☐ Providing oversight of the strategic risks for GQ, including reviewing and approving GQ's Strategic Risk Register, and reviewing the progress of treatment plans for strategic risks that are being managed;
- ☐ Considering risks that have been escalated including any treatments to mitigate adverse impacts and maximise positive business opportunities; and
- ☐ Embedding risk into strategic discussions and analysis occurring at Board meetings and at the Risk Management Committee.

3.3.2 Chief Executive Officer - CEO

The Chief Executive Officer is responsible for:

- ☐ Ensuring the effective integration of risk management into planning, reviewing and reporting processes;
- ☐ Leading the risk management practice and ensuring resources and systems for managing risks are established and maintained;
- ☐ Providing oversight of the corporate risks, including reviewing and approving the corporate risks registers, and reviewing the adequacy and effectiveness of the controls and treatments, particularly for high and extreme risks;
- ☐ Escalating corporate risks that are high or extreme to the Board of Management;
- ☐ Assisting the Board to determine GQ's risk appetite and tolerance;

- ☐ Providing ongoing assurance to the Board of Management and the Risk Management Committee that risk is being managed effectively.
- ☐ Developing, implementing, reviewing and continuously improving GQ's Framework
- ☐ Developing an annual risk management plan and coordinating overall risk management activities within GQ;
- ☐ Managing and coordinating a risk management information system for GQ;
- ☐ Developing the capacity and capability of GQ to effectively and efficiently manage risk.

3.3.3 Chief Operating Officer - COO

The Chief Operating Officer is responsible for:

- ☐ Championing the risk management function
- ☐ Collecting and analysing risk data to provide risk information to the CEO, Board and the Risk Management Committee;

3.3.4 Senior Management Team

Senior Management Team is responsible for:

- ☐ Championing the risk management function
- ☐ Managing risks (identifying, assessing, monitoring and reviewing, communicating and reporting) that may impact on their objectives;
- ☐ Providing oversight of the operational risks, including reviewing and approving the operational risks registers, and reviewing the adequacy and effectiveness of the controls and treatments, particularly for high and extreme risks;
- ☐ Considering operational risks that have been escalated within the area of responsibility, including any treatments to mitigate adverse impacts and maximise positive business opportunities; and
- ☐ Escalating operational risks that are high or extreme or cannot be managed locally.
- ☐ Ensuring that all employees are aware of and comply with GQ's Risk Management Framework, policy, and procedures;
- ☐ Ensuring that relevant staff are appropriately trained in the process of managing risks;

3.3.5 Employees and SMCs

All employees and SMC members are required to comply with GQ's Risk Management policy and apply risk management processes within their department.

3.3.6 Risk Management Committee

The Risk Management Committee is responsible for:

- ☐ Determining whether a sound and effective approach has been followed in managing GQ's high/extreme financial risks;
- ☐ Provide expert advice and recommendations to the Board regarding GQ's risk appetite; and
- ☐ Determining whether a sound and effective approach to GQ business continuity planning arrangements are in place, including whether business continuity and disaster recovery plans

have been periodically updated and tested.

4. RISK SYSTEM

In addition to the Framework, the risk system consists of components intended to assist the organisation with effective risk management:

- Risk management process;
- Tools – risk registers; and
- Risk reporting.

4.1 Risk Management Process

The risk management process is designed to ensure that risk management decisions are based on a robust approach, assessments are conducted in a consistent manner, and a common language is used and understood across GQ. Consistent with AS/NZS ISO 31000, the risk management process consists of seven steps, as outlined in Table 1 below.

Process Step	Description / Action	Purpose
Communication and Consultation	<ul style="list-style-type: none"> • Involving stakeholders (internal and external) and information sharing throughout the risk management process, vertically and horizontally across GQ. 	<ul style="list-style-type: none"> • Context is appropriately defined. • Staff that are involved throughout the risk process understand the basis for decisions and actions required. • Lessons learnt are shared and transferred to those who can benefit from them.
Establish the Context	<ul style="list-style-type: none"> • Understanding GQ's objectives and defining the external and internal environment within which GQ operates. 	<ul style="list-style-type: none"> • Understand factors influencing the ability to achieve objectives. • Determine boundaries within which the risk management framework operates. • Define risk criteria to ensure risks are assessed in a consistent manner.
Risk Identification	<ul style="list-style-type: none"> • Identifying risks, its sources, causes and potential consequences. 	<ul style="list-style-type: none"> • Generate a comprehensive list of threats and opportunities based on those events that might enhance, prevent, degrade, accelerate or delay the achievement of objectives.
Risk Analysis	<ul style="list-style-type: none"> • Comprehending the nature of the risk and determining the level of risk exposure (likelihood and consequence). 	<ul style="list-style-type: none"> • Provide an understanding of the inherent (level of exposure should controls fail) and controlled risk (level of exposure with controls in place). • Assist with identifying ineffective controls. • Inform risk evaluation and guide risk treatment.

Process Step	Description / Action	Purpose
Risk Evaluation	<ul style="list-style-type: none"> Comparing the risk analysis with the risk criteria to determine whether the risk is acceptable or tolerable. 	<ul style="list-style-type: none"> Determine whether the controlled risk is acceptable. Determine if controlled risks need further treatment. Identify priority order in which individual risks should be treated.
Risk Treatment	<ul style="list-style-type: none"> Selecting one or more options for modifying the risk. Reassessing the level of risks with controls and treatments in place (residual risk). 	<ul style="list-style-type: none"> Identify treatments for risks that fall outside GQ's risk tolerance. Provide an understanding of the residual risk (level of risk with controls and treatments in place). Identify priority order in which individual risks should be treated, monitored and reviewed.
Monitoring and Review	<ul style="list-style-type: none"> Determining whether the risk profile has changed and whether new risks have emerged. Checking control effectiveness and progress of the treatment plan. 	<ul style="list-style-type: none"> Provide currency of risk information Identifying emerging risks. Provide feedback on control efficiency and effectiveness. Identify whether any further treatment is required. Provide a basis to reassess risk priorities. Capture lessons learnt from event failures, near-misses and success.

4.2 Tools – Risk Registers

The risk register enables staff to document, manage, monitor, review and update strategic, corporate and operational risk information. Risk register reporting allows management to monitor and review risks in alignment with the strategic plan, division's operational plans, event management plans and other relevant cascading plans.

Information from the risk management process is recorded, reported and monitored using GQ's risk register.

4.3 Risk Reporting

As there is no one single risk report that meets the decision-making needs of an organisation, risk reports are to be tailored by the accountable area to support management decision-making during the planning and review processes.

Risk reports draw information from the risk registers and, depending upon the requirements, may include:

- A demonstration of the link between objectives and risks;
- Priorities, based on the risk rating, accompanied by information on key controls and treatments needed to modify the risk;

- Risks that are deteriorating, success of treatment plans and risks that require additional attention;
- New risks that may still need to be fully considered and understood;
- Potential areas that require urgent attention;
- Main areas of exposure;
- Systemic control analysis;
- Untreated risks and risk treatments that are overdue; and
- Risk owners.

4.4 Building Risk Capability

A range of training and development tools are available to build staff awareness and develop skills in effective risk management. This increased awareness and understanding provides staff with greater self-confidence and willingness to take responsibility for the management of risk across GQ.

Risk management capacity building is tailored according to the specific needs of the business area.

5. CHANGES TO THE POLICY

Changes to this policy may be submitted by GQ Board and by Gymnastics Queensland for review and approval by the GQ Board. Once a change has been approved, the policy will be updated in the official GQ policy register and on the Intranet and circulated to GQ Board and GQ Staff and relevant SMCs.

In addition, Gymnastics Queensland is committed to ensuring all policies are up-to-date and reflect current practices. The latest review date is recorded at the beginning of each policy.