



Help Sheet - 1 Ten Commandments of Sport Risk Management

There is no avoiding responsibility or dangerous activities in sport. But what one person considers dangerous another believes is a minimal risk. Therefore, on an organisational level all sporting organisations need to ensure that every effort is made to protect participants, supporters and the general public. The 10 steps provided below are not a substitute for a well-planned, coordinated and communicated risk management strategy but are provided as short, sharp indications of steps that can be investigated to assist in protecting your organisation.

1. Take risk seriously.

Everybody who starts up a sporting organisation is focused on all the good things that they're going to do and how much everybody needs the group's work and how appreciative people will be when it's up and running. That's a necessary part of the motivation to take on the task, but it can mean that in the early days you don't really turn your mind to the things that could go wrong. Everything may go smoothly, certainly, and your organisation may be so well run and so lucky that it doesn't need to cover itself against the consequences of errors and collapses and Murphy's Law. BUT if you haven't identified some of the possible risks and set up some protection against foreseeable problems in the future, the chances are someone is likely to get hurt - and when they do you have left your organisation wide open.

2. Become incorporated.

If something does go wrong, somebody is quite possibly going to be sued. The first step is to make sure that it isn't going to be any of you. The point about your organisation becoming incorporated is that it creates an entity that can be sued, and this has an effect in drawing fire away from members of the group as individuals.

Incorporation under the Corporations Law means that directors and shareholders will not be liable merely because they are directors and shareholders. The members and officers of incorporated associations are similarly protected from liability when the organisation is incorporated under the Associations Incorporation Act. The effect of incorporation is to limit liability. However, directors and employees of corporations and members and officers of incorporated associations do have a risk of incurring liability if a personal breach of duty by them causes personal injury or damage to property.





Partnerships and unincorporated associations

Small organisations which take the form of a partnership are more directly exposed to potential liability. Each partner has unlimited liability in respect of any liabilities incurred by the partnership. There is a similar risk for members and officers of unincorporated community groups.

3. Put somebody in charge.

If you're a very small organisation, either do it yourself or appoint one person as a risk manager. If you're slightly larger, set up a risk management committee with representatives from all the people involved - the board, staff, volunteers, clients - to review the risks you face.

4. Work out the likely hazards

Have the person or the committee review your premises, your financial procedures, your equipment, your human relations practices, and your client operations to identify any risks, risky behaviour or practices. Ask what could go wrong and what protections you have in place against them going wrong. It's important to get everyone involved to discuss any possible flaws in your practices and procedures. Risks come in two kinds; standard risks that apply to every workplace or organisation, and risks that come from doing the particular work you do. In other words there are unique risks that are faced by a sporting organisation with volunteers working at night in high-risk areas or on a poor surface.

Standard risks

Occupational health and safety risks

Check

- your physical surroundings (eg. dangerous machinery, sports equipment, car parks, asbestos, passive smoking, playing surface, slippery floors, safety rails, working at heights etc)
- your work practices (eg. overwork, sexual harassment, termination procedures, nightwork, equal opportunity)
- your transport policy (eg. bus license, car maintenance)
- your hazard management training (Is it safe? Do you comply with the relevant legislation?)





Financial and administrative risks

Check

- your financial controls (eg. cheque handling, expenditure authorisation, financial reporting, insurance, petty cash box, bank accounts)
- your investment risks (eg. building society crash, share loss, property market)
- your record maintenance (eg. computer backup, file integrity, privacy protection, meeting minutes, member database, accounts database.)
- your legal status (incorporation status, Corporate/Government returns etc)
- What could go wrong? What do you utterly depend on working?

Get everyone together for a brainstorming session where you can go through a range of hypothetical possibilities or "what ifs" - what if all your records disappeared in a fire? What if a key staff member left suddenly? What if you were sued for \$10 million dollars? - and ask how well you'd function if that happened. And - importantly - what you can do to ensure it doesn't.

Unique risks

Professional liability

Non-profit groups are set up to service, to assist, to entertain, to support communities but with any special service that your group provides, there is the margin for things to go wrong. It could be advice, treatment or placing someone in a position you knew was dangerous. What are the possible downsides if it does go wrong or you have a bad episode? Have a look at the potential for harm and look at how bad it could be.

General liability

Your employees, or your volunteers, may be dangerous in themselves - child abusers, or prone to hit people, or abusive. Have you set up a screening service or taken measures to guard against the possibility of these sorts of people getting into your organisation. Have you set up procedures to ensure you can rid your group of such people fairly and according to Government standards?

Litigation

You may be perfectly in the right, and someone may sue you anyway, and you may have to spend thousands of dollars to defend yourself.

5. Evaluate and Prioritise the Risks

After identifying the risks you must evaluate the importance and likelihood of each risk and on that evaluation prioritise them in order of most to least likely. The severity of the resultant injury caused by each risk must also be considered in prioritisation.





6. Fix What You Can Fix

Based on the above evaluation and prioritisation of the risks you must change your systems, your procedures, your physical plant, or your attitudes to address the major risks. Have the risk manager or the risk management committee, check that the changes have been made. Evaluate the effect of the changes. Review them regularly and modify them when needed. Remember, too, that your liability for whatever happens is going to be affected by whether or not people think that you've done all you reasonably could have to avoid it.

7. Shift what you can shift

If you're not able to remove the risk - and some activities (skydiving, whitewater rafting, living) are inherently risky - you may be able to shift the burden of the risk on to someone else's shoulders. You may be able to hire subcontractors, or share the job with another organisation. You may ask the people who use your service to sign waivers before entering your service. It is important to realise that waivers do not constitute an excuse or protection for people or organisations that act in a negligent manner. And a waiver does not relieve the organisation from its duty of care to the person signing the waiver.

A waiver is valid only if all the possible foreseeable risks have been fully explained and that everything has been reasonably done to either eliminate or minimise or control the risk. A waiver works only to cover inherent risks, and does not cover negligence or excuse an organisation's failure to act when it could or should have. This area is a legal minefield in itself and waivers tend not to hold much credence in courts, however, it does make people think twice about suing if they have signed something saying that they are aware that they are participating in an activity and have been made aware of all the possible risks that that activity could possibly entail.

8. Insure what you can insure.

Insurance is not a substitute for risk management. Getting insurance only comes into the picture when you've done all you can to minimise risk. You can't foresee everything, though, and you can't avoid quite a lot of what you can foresee, and so you want to spread the risks across the sector; which means you need insurance.





9. Get ready for the worst

You can't foresee all possible risks, and you're still going to be faced with the unexpected. Even so, it helps to have procedures. If you've planned for a flood, for example, and you get a fire, at least you have an evacuation plan in place. How are your catastrophe management plans? Do you have the numbers handy for the police/fire brigade/ambulance? Who knows first aid? When was your last fire drill? On the wider canvas, do you have a recovery strategy that will enable you to survive a blow and come back?

10. Build all this into a policy

Put it in writing. Have a manual available with all the necessary detail so that people can draw on the work that's been done. Make sure everybody knows the policy and follows it. Arrange to review it regularly. Train and regularly communicate with all staff, volunteers, helpers and members. This is an excellent way of getting the message of risk management across and potentially can provide a great way of getting feedback - call for their assistance and support. Seek support and advice from your insurer or a risk management adviser. Ask for help from local council or your peak association.

