



## RISK MANAGEMENT POLICY

|                    |               |                       |                 |
|--------------------|---------------|-----------------------|-----------------|
| Policy number      | FA003         | Version               | V1              |
| Drafted by         | CEO/SRCM      | Approved by Board on  | 8 November 2016 |
| Responsible person | CEO           | Scheduled review date | As Required     |
| <b>Status</b>      | <b>Public</b> |                       |                 |

### INTRODUCTION

Like any organisation, Karting Australia (**KA**), its Affiliated Associations and their member Clubs must manage risks responsibly. This risk management policy is enacted in order to:

1. Develop a risk aware culture across the entire sport that is consistent with best practices
2. Provide frameworks to manage potential risks to the organisation and participants
3. Assist Karting Australia achieving its long term objectives.

All of Karting Australia's members, officers, staff and volunteers are required to be risk aware.

### PURPOSE

The purpose of this Policy is to:

1. Outline the principles of risk management which are to be applied by KA's Board, staff, contractors, volunteers, affiliated Associations and Clubs;
2. Describe KA's risk management framework; and
3. Clarify the roles and responsibilities for administering and implementing these management processes.

The aim of this policy is not to eliminate risk. It is to assist KA to manage the risks involved in its activities to maximise opportunities and minimise adverse consequences.

### KA'S COMMITMENT TO RISK MANAGEMENT

KA's Board, CEO, executives and staff are committed to ensuring that they create a strong risk management culture within the organisation.

To achieve this KA has created a Risk Management Framework that includes;

- This policy;
- The Karting Australia Risk Management Accreditation Program (KARM)
- Risk Management procedures;
- Circuit and Facilities Safety Guidelines;
- Targeted risk assessment approach to circuit and facility inspection;
- The general safety rules and regulations contained within the KA National Competition Rules;
- Guides & training for officials working at karting competitions
- Supervision of all karting competition by trained, graded officials;
- Mandatory comprehensive pre-competition inspections on all occasions.

KA aspires to become a risk intelligent organisation, and in order to achieve this has adopted a progressive multi-level risk management model to allow for constant development and improvement across all level of Membership in the management of risk.

KA's Risk Management framework is consistent with the Australian Risk Management standard defined in the publication AS/NZS/ISO 31000:2009 Risk Management, including the principles, framework, and process outlined in the standard.

## POLICY

Karting Australia is committed to:

1. Developing a 'risk-aware' culture, in which the Board, management, staff, volunteers and members are encouraged to identify and communicate risks through the established "A1 Process" to the organisation's Governance, Finance & Risk Management Committee in a timely manner
2. Delivering consistent high quality risk management practices, including acting upon risks identified through frameworks and tools in a timely manner
3. Developing and maintaining best practice tools and frameworks in order to identify, analyse, evaluate, treat, monitor and communicate risks
4. Ensuring key stakeholders recognise that it manages risks responsibly

Karting Australia's Risk Management Policy therefore requires that Karting Australia and our Members:

1. Identify risks and associated opportunities in a planned and co-ordinated manner, and to respond to them with cost effective actions.
2. Be "risk prepared", through high levels of risk awareness, ensuring appropriate tools and resources are available to monitor risks, and ensuring *Karting Australia's* management and staff are competent in managing risk.
3. Manage the risks that could impact on its organisation while achieving a tangible and sustainable organisational performance
4. Enable achievement of long-term business objectives, notwithstanding those risks it may face
5. Ensure staff, Officials and administrators are trained and aware of the organisation's approach and procedures for managing risk

## POLICY IMPLEMENTATION

### KA BOARD

*Key role: Provide oversight and review*

The Board has ultimate responsibility for the successful implementation of KA's risk management framework and for monitoring the management of all risks.

The Board is responsible for reviewing the recommendations of the Chief Executive Officer (CEO) and the endorsement of KA's risk management framework, policies and processes. This includes oversight of the adequacy of internal controls within KA, to ensure that those controls are operating effectively and are appropriate for achieving KA's goals and objectives. The Board may delegate its operational monitoring and reporting responsibilities to the Executive as appropriate, but retains ultimate responsibility for overseeing the risk management framework.

### CHIEF EXECUTIVE OFFICER

*Key role: Drive culture of risk*

The CEO is responsible for the implementation and maintenance of sound risk management. In carrying out this responsibility, the CEO reviews the adequacy of internal controls to ensure that they are operating effectively and are appropriate for achieving corporate goals and objectives. The CEO and the Executive promote the culture of risk management practices and encourage and empower staff, contractors, volunteers, Affiliated Associations and Clubs in the management of risk. The CEO will utilize the management committee, **Governance, Risk Management and Finance Committee** as required.

### SAFETY RISK MANAGEMENT AND COMPLIANCE MANAGER

*Key role: Identify new and emerging risks, maintain risk management framework, oversee and facilitate the implementation of KARM and prepare reports.*

Safety Risk Management and Compliance Manager is the administrator of the risk management framework and is responsible for:

- Working closely with KA's external risk management consultants to develop and deliver KARM
- monitoring all direct KA risks;

- ensuring responses are instigated to reported realised risks;
- maintaining KA's risk register;
- defining and delivering risk management awareness to Affiliated Associations and Clubs;
- instigating required periodic reviews of risks; and
- reviewing the risk management framework

### **AFFILIATED ASSOCIATIONS AND CLUBS**

*Key role: Support risk culture and identify and manage risks*

Affiliated Associations and Clubs are responsible for the management of risks at organisations and facilities which are within their direct control and that are created by the activities of their respective area of management.

Affiliated Associations and Clubs promote the culture of risk management practices and encourage and empower staff, volunteers, and officials within their area of control in the management of risk.

### **STAFF, CONTRACTORS, OFFICIALS & VOLUNTEERS**

*Key role: Comply with risk procedures and identify risks*

KA staff, contractors, Officials and volunteers are responsible for managing risk within their area of control, for promoting the application of risk management by contractors, and assisting with the identification of broadly based risks that could impact on KA as a whole.

The most senior officials (normally the Stewards and the Clerk of the Course) at every Race Meeting must undertake an inspection of the facility and complete the approved KARM pre-racing checklist prior to the commencement of Competition on every day of every event. The completed KARM assessment must be provide to the State Association Secretary (in the case of State Association permitted Race Meetings) or to the Karting Australia National Office (in the case of KA nationally permitted Race Meetings.)

The assessment will be added to KA's Risk Register or the State Associations Risk Register where all KA risks are to be recorded.

### **POLICY REQUIREMENTS**

As part of KA's Risk Management Framework, KA will develop and maintain appropriate national policies required to effectively govern the sport, including;

- |                               |                                 |
|-------------------------------|---------------------------------|
| • Code of Conduct             | • Risk Management Policy        |
| • Conflict of interest Policy | • Safety 1 <sup>st</sup> policy |
| • Board Charter               | • Social Media Policy           |
| • Delegation Policy           | • Travel Policy                 |
| • Member Protection Policy    | • Expense reimbursement Policy  |
| • Privacy Policy              |                                 |

### **Policy Manager**

Manager – CEO