



Wrestling Western Australia Risk Management Plan

2021

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Risk Management Framework

Risk management involves the culture, structures and processes that are directed towards identifying and realising potential opportunities whilst managing adverse effects. The process of risk management is defined as the systematic application of policies, procedures and practices to the task of identifying, evaluating, treating and monitoring risk.

The key components of WWA's Risk Management Framework include:

- (a) Risk Management Policy - outlines the risk management culture of WWA and the commitment and expectations of the Board for the management of risk;
- (b) Risk Management Plan - designed to guide the implementation of the Risk Management Policy;
- (c) Risk Register - a risk reporting tool to centrally store all strategic and operational risk information; and
- (d) Risk monitoring and reviews - the ongoing assessment of the effectiveness of risk treatment measures, and periodic reviews of the risk management framework, including an annual review as part of the strategic planning process.

WWA's Risk Management Policy provides the framework for the development of this Risk Management Plan. Implementation of the Risk Management Policy, through this Plan will ensure WWA can demonstrate that risks are being identified and managed in a way that is appropriate for the business environment and WWA's goals and objectives.

Objectives

The Board's objectives in adopting a Risk Management Framework are to:

- (a) allow the Board to proactively manage risks in a systematic and structured way and continually refine its approach to risk management;
- (b) embed the risk management process to ensure it is an integral part of WWA's planning at a strategic and operational level;
- (c) ensure that actual and potential risks are identified, understood and appropriately managed within available resources;
- (d) help create a risk aware culture for staff from a strategic, operational and project perspective;
- (e) clearly identify responsibilities and accountability for financial, operational and risk management issues; and
- (f) protect WWA's image as a professional, responsible and ethical organisation.

Overview

WWA has adopted a risk management framework designed to identify and assess the impact of any current or future risks that may have a material effect on the performance of WWA.

Risk Management System

WWA's process of risk management and internal control includes:

- (a) undertaking an annual strategic planning process to establish WWA's strategies and objectives for the year ahead and strategic direction for the next three years;
- (b) reviewing in detail the success or otherwise of the previous strategic plan as part of the annual strategic planning process;
- (c) monitoring the outcomes of the strategies implemented against WWA's objectives;
- (d) undertaking internal and external environmental reviews to identify actual and potential risks that may materially impact the ability of WWA to carry out its strategies and achieve its objectives;
- (e) monitoring the environment regularly to assess the status of identified risks and any trends that may have significantly changed the nature or potential impact of those risks;
- (f) designing and implementing appropriate risk management policies and internal controls; and
- (g) assessing the effectiveness of the risk management system and internal control mechanisms.

Development of Risk Register

As part of the risk management system, WWA will develop a Risk Register to record the findings of the internal and external environmental reviews undertaken, and actual and potential risks identified. As part of the risk register process, WWA will develop appropriate mitigation strategies and assign action plans to individuals within WWA to implement those strategies.

Role of the Board

The role of the Board in WWA's risk management framework is to approve and monitor the effectiveness of the risk management framework and assess whether the organisation has in place adequate risk management and control mechanisms.

The responsibility for undertaking risk reviews and designing and implementing appropriate risk management systems is delegated to WWA's Finance, Audit and Risk Committee. The Finance, Audit and Risk Committee is ultimately responsible for the ongoing management of risk in the business and is required to advise the Board on matters of strategic and operational significance in relation to the identification and management of risk.

1. Key Definitions

Definitions for the purpose of this Plan are:

Consequence:	The outcome or impact of an event, expressed qualitatively or quantitatively
Controls:	An existing policy, procedure, practice or process that minimises risk
Inherent Risk Rating:	The combined likelihood and consequence rating, before consideration of controls that may be in place
Likelihood:	A general description of probability or frequency
Residual Risk Rating:	The level of risk that remains after consideration of controls that may be in place
Risk Analysis:	The process of determining the likelihood and consequence of a risk occurring in the context of existing risk control measures, with a view to determining the level of risk
Risk Assessment:	The overall process of risk analysis and evaluation
Risk Avoidance:	An informed decision not to become involved in a risk situation
Risk Framework:	The Policy and Plan used to embed the risk management process into strategic and operational activities
Risk Identification:	The process of determining what, where, when, why and how something adverse could happen
Risk Management Plan:	The product of documenting the steps and results of the risk management process
Risk Management Process:	The systematic application of management policies, procedures and practices to the tasks of identifying, analysing, evaluating, treating and monitoring risk
Risk Treatment:	Selection and implementation of appropriate options for dealing with risk
Risk:	Possible outcomes that could materially impact on the achievement of specified objectives. It is measured in terms of consequences and likelihood

2. Risk Management Process

WWA's risk management process will involve the following steps:

(a) **Communicate and consult**

Communication and consultation with relevant internal and external stakeholders will occur as appropriate at each stage of the risk management process and for the process as a whole.

(b) **Establish the context**

The goals, objectives, strategies, scope and parameters of the activity, or part of the organisation to which the risk management process is being applied, will be defined.

(c) **Identify risks**

There will be an identification of what, why, where, when and how events can impact on the achievement of WWA's objectives.

(d) **Analyse risks**

The existing controls will be determined and the risks will be analysed in terms of consequence and likelihood in the context of those controls. Consequences and likelihood will be combined to produce an estimated level of risk.

(e) **Evaluate risks**

The estimated levels of risk will be compared against pre-established criteria. This will enable risks to be ranked to identify management priorities.

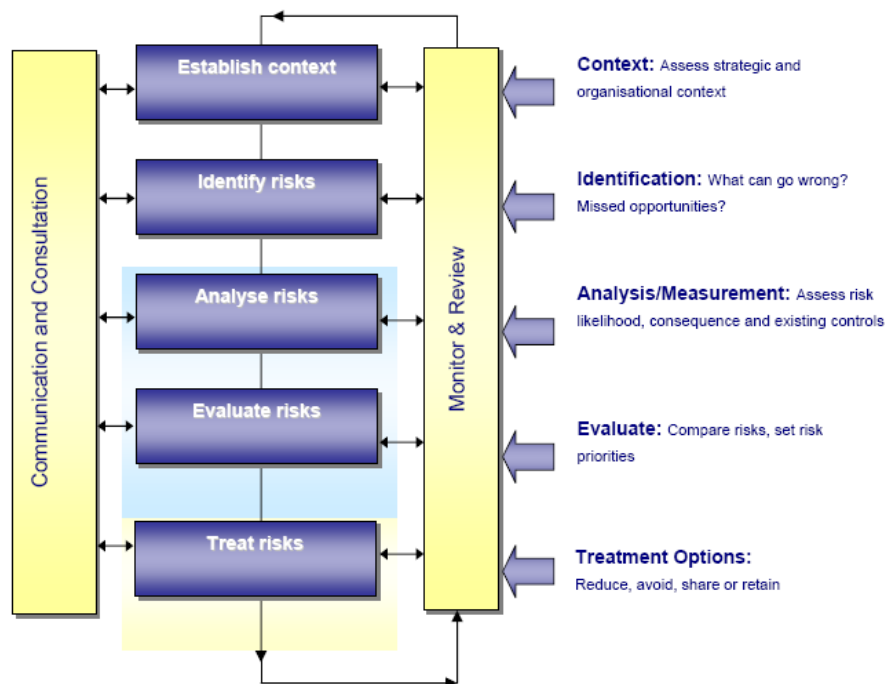
(f) **Treat Risks**

Specified action plans will be developed and implemented where required, and in accordance with available resources.

(g) **Monitor and Review**

The effectiveness of the risk management process and risk treatment measures will be monitored and reviewed to take account of changing circumstances.

Figure 1 – Risk Management Process



3. Risk Identification

The various risks inherent in the operations of WWA include those that may affect:

- (a) its reputation, and that of its Board and/or stakeholders;
- (b) its relationships with members, government, corporate partners and other stakeholders;
- (c) its performance against strategic priorities;
- (d) the integrity of its decisions and processes;
- (e) the safety, security and health of staff and visitors; and
- (f) assets and financial resources.

As well as the strategic and operational risks inherent in its work, WWA also enters into contracts of a commercial nature which may create additional financial, commercial and property risks.

A Risk Identification Form will be completed for each identified risk (refer Appendix 1).

4. Risk Analysis & Evaluation

Analysis of risks will be based on a combination of the impact on the organisation (consequences) and the likelihood of those consequences occurring. This will be considered in the context of the activity, the organisation, and any existing controls or other factors that may modify the consequences or likelihood.

5. Consequence Ratings

A risk consequence is defined as the outcome or impact of an event expressed qualitatively or quantitatively. The following table provides broad descriptions used to support risk consequence ratings:

Table 1 – Consequence Ratings

Risk Reference Matrix - Small SSA

Level	Rank	Injuries	Operational Financial Loss	Interruption to Service	Reputation and Image	Operational efficiency	Compliance
1	Insignificant	First aid injury, no lost time.	Less than .025% of operational budget (less than \$100).	Unavailable for < 1 day.	Low impact and profile, no news.	Little impact.	Insignificant breach of policy with little to no impact to performance of duties.
2	Minor	Medical treatment required. No lost time.	.025% to .15% of operational budget (\$100-\$500).	Unavailable for 1-3 days.	Low impact, low news profile.	Inconvenient delays.	Breach of policy, regulation, laws that require corrective action.
3	Moderate	Medical treatment required for some loss of time and short term health effects.	.15% to 2% of operational budget (\$500-\$2000).	Unavailable for 3-14 days.	Public embarrassment with moderate news profile	Delays in major deliverables.	Breach off policy, regulation, laws that require significant corrective actions or causes disruption to duties.
4	Major	Hospitalisation, serious injuries, long term absences	2%-10% of operational budget (\$2000-\$10,000)	Unavailable for 2-4 weeks.	Substantial public embarrassment with high impact.	Non-achievement of major deliverables.	Breach of policy, laws, regulation that result in legal action against the organisation.
5	Catastrophic	Death, severe injuries/permanent disability.	10%+ of operational budget \$10,000+	Unavailable for more than 2 weeks.	Substantial, public embarrassment with very high multiple impacts, third party actions. High news profile.	Non achievement of all/major deliverables/outcomes.	Breach of policy, regulation, laws that result in significant legal penalties.

6. Likelihood Ratings

The following table provides broad descriptions used to support risk likelihood ratings:

Table 2 – Likelihood Ratings

Level	Descriptor	Example Detail Description	Frequency
1	Rare	The event may occur only in exceptional circumstances	Less than once in 10 years
2	Unlikely	The event could occur at some time	At least once in 10 years
3	Moderate	The event should occur at some time	At least once in 5 years
4	Likely	The event will probably occur in most circumstances	At least once per 1 year
5	Almost certain	The event is expected to occur in most circumstances	More than once per year

7. Mitigating Practices and Controls

Mitigating practices and controls include the existing policies, procedures, practices and processes which aim to provide reasonable assurance over the management of WWA's activities. Following evaluation, these practices and controls may reduce the likelihood or consequence of a risk. Where mitigating practices and controls exist, but are not being followed or monitored, adequate control does not exist.

8. Level of Risk

The level of risk that remains after consideration of all existing mitigating practices and controls is the agreed risk rating and determines the level of management action and treatment required.

The diagram below indicates how the combination of risk likelihood and risk consequence ratings are used to establish the level of risk and subsequent management actions and treatment required.

Figure 2 – Risk Assessment Matrix

Consequence		Likelihood				
		1	2	3	4	5
		Rare	Unlikely	Moderate	Likely	Almost Certain
1	Insignificant	1	2	3	4	5
2	Minor	2	4	6	8	10
3	Moderate	3	6	9	12	15
4	Major	4	8	12	16	20
5	Catastrophic	5	10	15	20	25

Table 3 – Risk Acceptance Criteria Management Action and Treatment

Level of Risk	Criteria for Management of Risk		Who is responsible	Maximum period prior to next review
1 to 3	Very Low Risk	Acceptable with adequate controls	Risk Owner	12 months
4 to 5	Low Risk	Acceptable with adequate controls	Risk Owner	12 months
6 to 9	Moderate Risk	Acceptable with adequate controls	Risk Owner	6 months
10 to 14	High Risk	Only acceptable with excellent controls	Chief Executive/Chairperson	3 months
15 to 25	Critical Risk	Only acceptable with excellent controls	Chief Executive/Chairperson	1 month

9. Risk Treatment

Risk treatment is the process of identifying the range of options for dealing with a given risk, evaluating those options, selecting the preferred treatment and preparing and implementing risk treatment plans. A Risk Treatment Plan (refer Appendix 1) will be prepared and provided to the Board for all risks with a high, very high or unacceptable risk rating.

Treatment will involve deciding what measures need to be put in place to minimise the threat posed by the identified risks. Treatment options include:

- (a) **Avoid** - measures aimed at avoiding the risk;
- (b) **Reduce** - measures to reduce the threat posed by the risk, either by reducing the likelihood of the risk and/or its consequences;
- (c) **Transfer** - transferring the threat by shifting the risk to another party (eg. via contracts or insurance);
- (d) **Accept** – making an informed decision to accept the consequences and likelihood of a particular risk, but monitoring the risk and ensuring that WWA has the financial and other capacities to cover associated losses and disruptions.

Determining that a risk is acceptable does not imply that the risk is insignificant. A risk may be considered to be accepted because:

- (a) the threat posed is assessed to be so low (eg. because the likelihood of occurrence is rare) that specific treatment is not necessary;
- (b) the risk is such that WWA has no available treatment;
- (c) the cost of treating the risk is so high compared to the benefit from successful treatment; or
- (d) the opportunities presented outweigh the threats to such an extent that the risk is justified.

Selecting the most appropriate risk treatment option will be made by considering the following issues:

- (a) the cost of managing the risk balanced against the benefits obtained;
- (b) the extent of risk reduction or mitigation gained;
- (c) the extent to which there is an ethical or legal duty to implement a risk treatment option which may override any cost/benefit analysis; and

- (d) the impact of the risk on WWA's image and reputation. This may warrant implementing costly actions.

10. Risk Register

WWA will maintain an electronic Risk Register that records the description, risk assessment, existing controls, proposed actions, and revised risk rating. The Risk Register will be reviewed and updated bi-annually.

11. Accountability and Responsibility

11.1 Board

The Board is responsible for:

- (a) approving and monitoring the effectiveness of the risk management framework and assessing whether the organisation has in place adequate risk management and internal control mechanisms;
- (b) the annual review of the WWA's financial capacity to absorb risks and approval of appropriate exposure limits; and
- (c) reviewing management reports on performance of systems used to identify and control risks.

11.2 Finance Audit and Risk Committee

The Finance Audit and Risk Committee is accountable for the oversight of the processes for the identification and assessment of risks, reviewing the outcomes of risk management processes and for advising the Board as required.

The Finance Audit and Risk Committee is responsible for the implementation of the risk management framework and ultimately responsible for the management of risks in the business. The Finance Audit and Risk Committee will ensure that:

- (a) appropriate systems and procedures are in place for the identification, monitoring, reporting and control of all material risks, including the development of risk treatment plans;
- (b) a risk register is developed and maintained, using a risk assessment matrix for the prioritisation of risks for treatment;
- (c) the Board is advised on matters of strategic and operational significance in relation to the identification and management of risk;
- (d) regular reports are presented to the Board on performance in relation to identification and control of risks; and
- (e) staff (if any) understand their responsibilities with respect to risk management.

11.3 Employees (if any)

WWA employees are responsible for:

- (a) identifying potential risks and for the effective management of risk within their operational areas. As such they will have access to information regarding WWA's risk management framework and the identified risks in their area of responsibility as detailed in the Risk Register; and
- (b) reporting through to the Board any incidents that may result in unacceptable levels of risk, or non-compliance with established procedures for measuring and reporting risks.

Appendix 1

RISK IDENTIFICATION FORM

Reference No.:		Area of Impact:	Financial/Injuries or Death/Reputation/Operations
Risk Description:			

RISK ASSESSMENT

Consequences:

Current Controls/Mitigating Practices:

Consequence Rating:

Likelihood Rating:

RISK RATING: Critical/High/Moderate/Low/Very Low

NB: Risk Treatment Plan to be submitted to Board if risk rating is critical or high

Comments on adequacy of existing controls:

RISK TREATMENT OPTION/S: Eg. Accept, Avoid, Transfer, Reduce

RISK TREATMENT PLAN

Description of Activity	Completion Date	Status/Comments

Level of risk after implementation of actions:

Consequence Rating		Likelihood Rating:		Residual Risk Rating:	
Board Resolution:					