

**LONG REEF GOLF CLUB (LRGC)**  
**RISK MANAGEMENT POLICY AND STRATEGY**  
**(By-Law 41)**

Risk management requires an awareness of the Club's legal obligations and commitment to quality and safety. Risk Management is one of the Board of LRGC's key responsibilities, and involves planning and action taken to reduce potential legal liability.

The Club's Risk Management Policy and Strategy Statement consists of 4 parts. Part 1 sets down the policy including objectives and the establishment of a Risk Committee. Parts 2 and 3 involve the identification and evaluation/analysis of risk areas and Part 4 sets down the administrative steps taken to carry out the policy on an on-going basis.

Part 1: Risk Management Policy Statement

Part 2: Identification of Risks

Part 3: Evaluation of Risks

Part 4: Management Program for Treatment of Risks

**PART 1: LRGC RISK MANAGEMENT POLICY**

1:1 As a key element of the governance objectives contained in the Strategic Plan for LRGC, the Board is committed to achieving best practice in the established principles of risk management, especially taking account of information and guidance contained in:

*"Risk Management-Principles and Guidelines; International Organization for Standardization (AS/NZS ISO 31000:2009)" and;*

*"Guidelines for Managing Risk in Sport and Recreation; Standards Australia (HB 246:2010)" and;*

*"Risk Management' NSW Office of Sport, May 2018*

*Other relevant, documented risk management information from Golf Australia and Golf NSW.*

Long Reef Golf Club (LRGC) recognises that risk management is a key element of corporate governance and that as it should be incorporated in all relevant aspects of Club management, administration and operations, including all decision-making processes.

The Board, the General Manager and all employees of LRGC will work to ensure that as far as possible any risks faced by the Club do not result in significant loss or harm to LRGC.

1:2 In accordance with LRGC Constitution Section 17, a Risk Management Committee is to be established by the Club to implement and apply this policy in conjunction with the Board of Directors, the General Manager and the existing Standing Committees

1:3 Specific objectives for the Club's risk management processes are to:

- a. **assist LRGC meet its legal obligations under all applicable Federal and State legislation;**
- b. **assist LRGC in meeting its responsibilities as an affiliate of Golf NSW and Golf Australia;**
- c. **enhance LRGC levels of accountability and integrity in both decision making and in providing services to its Members;**
- d. **protect the assets, people, property, finances, information and reputation of LRGC;**
- e. **ensure that risks faced by LRGC are understood and managed in the interest of its Members and the wider community;**
- f. **ensure that risks (significant or otherwise) are monitored through a regular review process and action taken to identify evaluate and where necessary ameliorate such risks is reported to the Board of LRGC;**
- g. **seek opportunities to turn risk issues to the Club's strategic advantage.**

1:4 The Board will establish a **Risk Committee** with the following responsibilities:

- a. Monitoring the whole of environment in which the club is operating including societal changes, sporting trends, financial position, operational effectiveness, member protection, privacy, fraud, legislation and case law, negative publicity and boundary issues;
- b. identify the source of risk, where the risk could happen, the effect of the risk on the club's objectives and operations, and who might be impacted;
- c. analyse the risks, the likelihood and consequences of the risk happening;
- d. evaluates the risks and the club's tolerance level accordingly;
- e. recommend decisions to the Board or its Committees as required, as to how risks are dealt with; treatment of risk to avoid, accept, remove or minimize the risk; change the consequence of a risk to enable strategic advantage.
- f. In liaising with the Board and its Committees the Risk Committee should monitor the broader risk areas identified in this document, and establish working relationships to subdivide these risk areas. In this way the Board and its Committees can work with the Risk Committee in a coordinated system to contribute to the Club's overall risk management strategy.

1:5 The Risk Committee will comprise of 3 members including the President, a Full Member, and the chairperson of a Standing Committee (who joins the Risk Committee for their particular areas of responsibility, e.g. Finance or Course). The Risk Committee will meet with the other Committees and the Board on a regular basis to establish and subsequently operate management, monitoring and amelioration procedures required to put this policy into effect.

## **PART 2: IDENTIFICATION OF RISK**

The following risk events are grouped according to Board and Committee functions as set down in the relevant Sections of the Club's By-Laws. This is necessary for the Club to have an effective basis for the management (monitoring, review and treatment of risks), over time.

### **a. BOARD OF DIRECTORS**

1. Failure to execute Board Charter.
2. Commitment of fraud or other crime by Board member or General Manager
3. Sudden loss of key employee or Board member.
4. Litigation against LRGC.
5. Significant leasehold or boundary issues.

### **b. FINANCE COMMITTEE**

1. Significant Loss of Revenue.
2. Lack of adequate insurance cover.
3. Audit failure.

### **c. MATCH COMMITTEE**

1. Failure of Club Professional.
2. Failure to deliver Annual Match Program.
4. Misconduct by a LRGC representative team or individual.

### **d. COURSE COMMITTEE**

1. Catastrophic weather event.
2. Major damage to course involving vandalism.
3. Major damage to course involving chemical/fertilizer misuse.
4. Failure of course maintenance OH&S practices.
5. Failure to deliver course maintenance and development program.
6. Significant on-course event causing serious injury or death.

### **e. HOUSE COMMITTEE**

1. Catastrophic damage to clubhouse.
2. Failure of clubhouse OH&S practices.
3. Significant alcohol or drug offence.
4. Significant food contamination event.
5. Significant clubhouse event causing serious injury or death.
6. Significant clubhouse event involving misconduct.

f. MEMBERSHIP AND MARKETING COMMITTEE

1. Failure in new member assessment.
2. Litigation concerning refusal of membership.
3. Failure to attract sufficient new members.

g. WOMEN'S COMMITTEE

1. Sudden loss of one or more committee members.
2. Significant decline in women member numbers.

j. RISK COMMITTEE

1. Failure to implement and maintain risk management policy and strategy.

### PART 3: EVALUATION OF RISK

3.1 The following tables set out a basic evaluation for each of the risk areas identified in Part 2 above. The categories of risk **impact** are: "extreme", "major", "moderate", "minor" and "negligible". The categories of risk **likelihood**, are "almost certain", "likely", "possible", "unlikely" and "rare".

3.2 While the categories of risk likelihood are self-explanatory, the categories of risk impact need some elaboration as follows:

**"extreme"**: likely to arise and have potentially serious consequences requiring urgent attention;

**"major"**: likely to arise and have potentially serious consequences requiring investigation and urgent attention as necessary;

**"moderate"**: likely to arise and have less serious consequences requiring investigation and attention as necessary;

**"minor"**: less likely to arise with low consequences that may be managed through routine procedures;

**"negligible"** unlikely to arise with minimal consequences that may if necessary be managed through routine procedures.

3.3 Each area of risk is given a rating (%) which is a level of importance assessed from time to time by the Board for LRGC. This rating is important for the final part of LRGC’s risk management strategy because it helps to prioritise a management program for the treatment of risk, the basis of which is set down in Part 4 of this document.

3.4 Now, on to the risk tables:

a. BOARD OF DIRECTORS

Risk	Risk ID	Impact	Likelihood	Importance Rating %
Failure to Execute Board Charter	BD01	Major	Unlikely	75
Commitment of Crime by Board member or General Manager	BD02	Major	Unlikely	75
Sudden loss of key Board member or employee	BD03	Moderate	Possible	50
Litigation against LRGC	BD04	Moderate	Likely	75
Significant leasehold or boundary issues	BD05	Moderate	Likely	100

b. FINANCE COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating%
Significant loss or revenue	FC01	Major	Possible	75
Lack of adequate insurance cover	FC02	Major	Likely	100
Audit Failure	FC03	Moderate	Unlikely	50

c. MATCH COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating %
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Failure of club professional	MC01	Moderate	Possible	50
Failure to deliver Annual Match Program	MC02	Major	Unlikely	100
Misconduct by LRGC representative team or individual	MC03	Moderate	Unlikely	75
Failure of junior development program	MC04	Major	Unlikely	75
Child abuse or harassment event	MC05	Moderate	Possible	75

d. COURSE COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating%
Catastrophic weather event	CC01	Major	Unlikely	50
Major damage (vandalism)	CC02	Major	Possible	75
Major damage (chemical or fertilizer misuse)	CC03	Major	Unlikely	75
Failure of Course maintenance OH&S practice	CC04	Moderate	Unlikely	75
Failure to deliver Course maintenance and development program	CC05	Low	Unlikely	100
Significant on-course accident	CC06	Major	likely	75

causing serious injury or death				
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e. HOUSE COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating %
Catastrophic damage to clubhouse	HC01	Extreme	Possible	100
Failure of clubhouse OH&S practices	HC02	Major	Possible	75
Significant alcohol or drug offence	HC03	Moderate	Possible	75
Significant food contamination event	HC04	Major	Possible	75
Clubhouse accident causing serious injury or death	HC05	Major	Possible	75
Significant clubhouse event involving misconduct	HC06	Moderate	Unlikely	75

f. MEMBERSHIP AND MARKETING COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating %
Failure in new member assessment	MMC01	minor	unlikely	25
Litigation concerning refusal of membership	MMC02	major	possible	50
Failure to attract sufficient new members	MMC03	major	possible	100

g. WOMENS COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating%
Sudden loss of one or more committee members	WC01	major	possible	75
Significant decline in women members	WC02	major	unlikely	75

h. RISK MANAGEMENT COMMITTEE

Risk	Risk ID	Impact	Likelihood	Importance Rating%
Failure to implement and maintain risk management policy and strategy	RMC01	major	possible	75



#### **PART 4: MANAGEMENT PROGRAM FOR THE TREATMENT OF RISK**

4.1 Once the Board has assessed and confirmed the identification, evaluation and rating (importance), of risks faced by LRGC they can then begin to make informed, and up to date decisions about risk status and risk management on a regular basis (for example 6 or 12 monthly) . In doing so, the Board in conjunction with senior LRGC staff can consider and decide for each identified risk, the following risk management strategies:

- a. determine that the level of risk related to an activity is currently acceptable, taking into account the adequacy of existing risk control standards, and the potential cost of further control measures;
- b. decide to terminate the activity causing the risk;
- c. decide to transfer the risk associated with an activity through insurance or outsourcing (contracting);
- d. decide to reduce the impact and/or likelihood of a risk event occurring by taking steps including budgetary and management measures to modify or strengthen the control of the environment relating to that risk event.

4.2 The Board would then direct the Risk Committee to manage and co-ordinate any risk management decisions requiring action to be taken along the lines of options in 4.1 above.

4.3 The Risk Committee would be responsible for maintaining and updating a detailed record for each of the identified risks set down in Part 2 of this document. An example (emphasise example only!), of a Risk Record format would be as follows:

<b>Risk Issue: Lack of adequate insurance cover</b>	<b>Risk ID: FC02</b>
<b>Potential causes:</b> Reduced cover due to premium costs Poor broker advice Increasing likelihood of litigation False or insufficient disclosure in policies by LRGC Lack of regular review of LRGC insurance policies	<b>Potential consequences:</b> Major legal costs and possible fines Major damages awarded against LRGC Financial failure of LRGC
<b>Control Overview:</b>	
<b>Positives:</b> Broker has widespread industry experience Benchmarking with similar clubs as to insurance costs Insurances reviewed annually with broker	<b>Negatives:</b> Increased tendency for litigation Increased significance of OH&S and environmental concerns Increased significance of corporate governance standards.
<b>Current Risk Control status:</b> unsatisfactory	
<b>Impact:</b> major	
<b>Likelihood:</b> possible	
<b>LRGC Rating %:</b> 100	

4.4 Finally, the Risk Committee would maintain and operate a Risk Action Plan including a timetable where the Board has determined that action is required to be taken by the Club. An example of a Risk Action Plan for LRGC would be as follows:

<b>Risk ID</b>	<b>Risk</b>	<b>Action Plans</b>	<b>Responsibility</b>	<b>Due Date</b>
FC02	Lack of adequate insurance cover	Implement regular, formal review of insurance policies	Finance Committee with General Manager	1 February 2019

