# An Introduction to Risk Management
## For Event Holders in Western Australia

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## Why do we need to manage risk

It is simply good management practice.  It also provides structure and form to the decision making processes.

Some good reasons to manage risks include:

x   Helps with event planning.

x   Reducing unexpected and costly surprises.

x   More effective and efficient allocation of resources.

x   Better results from event management.

x   Assists to clearly define insurance needs, and obtain insurance cover.

x   Better information for decision-making.

x   Compliance with regulatory requirements.

x   Assists in preparation for auditing.

x   Lessening risk encourages more people to participate in the event.

x   Balancing opportunity and risk.

## When do we need to manage risk

Risk Management is a way of looking at an event and considering what can stop the organiser from achieving what they want to achieve.  Therefore, risk management is an on-going process that can be applied to all aspects of an event.  Event holders should carry out a risk assessment for any new event, but it is also a continuous process that is designed to help them prioritise where to dedicate resources and funds, which means the assessment should be revisited every time you hold an event and always have it 'front of mind'.

## Risk management is a five step process

**STEP 1**       Establish the context.

**STEP 2**       Identify risks.

**STEP 3**       Analyse and evaluate risks.

**STEP 4**       Treat risks.

**STEP 5**       Ongoing monitoring and review.

Important

Throughout each step it is essential that there is consultation and Ongd carry

# Risk Management Process

## Communication & Consultation

Communication and consultation are essential to the overall risk management process.

The effectiveness of an event holders' risk management process depends upon, amongst other things, involving the right people at the right time and ensuring they understand, are involved in, and contribute to the process.

Each step of the risk management process relies on communication and consultation to achieve its purpose. For instance in:

x Setting the context - consultation with internal and external stakeholders is essential to reach a thorough understanding of the operating environment and to define the purpose and scope of the exercise.

x Risk identification - a diversity of input can prevent important risks being overlooked and ensures that risks are accurately described.

**An introduction to Risk Management for Event Holders**

## STEP 2    Identify Risks

The purpose of this step is to identify what could go wrong and what could happen to prevent the event from being successful or doing what was originally set out to do. Before you do this, it is important that you determine the 'critical success factors' for your event. Critical success factors are the elements that you need to get right in relation to the event (e.g. safe handling & serving of food/beverages, safe equipment use…etc.). If you establish what it is that is critical you get right, it will be far easier to articulate the risk (e.g. Failure to ensure safe handling and serving of food/beverages, failure to ensure safe equipment use…etc) and you will keep your event risk assessment at the right level. Once you have established the critical success factors and likely risks, consider the following:

**Methods**

x  **Experience and records:** Start by reviewing internal and industry records for the types of incidents that have happened in the past (this is only an indicator as not all future risk incidents have previously happened).

x  **Brainstorming:** Get together with those who know the event well to find out what the business relies upon and the things that can – and do – go wrong.

x  **Analysis:** Analyse internal systems and processes to identify critical points.  For example, when will event volunteers be briefed, it may be a critical point in the process and the last opportunity to ensure they have the relevant information.  Equally, the organiser may be engaging other services for the event and will need to ensure that the provider is able to demonstrate adequate insurance cover prior to any contract being signed off.

x  **Personal feedback:** Look up any reports or reviews that might identify things that could affect the ability of the event to succeed.  The advent of social media means that many successful and less than successful events have running commentary available relating to how well those events were managed.  More broadly, using the internet can help identify how well similar international, national and state events have been run and put organisers in contact with event managers who can provide personal feedback.

x  **Audit and other recommendations:** Look for findings (e.g. of financial audits or post event evaluations) as they may also identify things that could affect the ability of the event to succeed.

Key Questions

x  **What can happen?** List risks, incidents or accidents that might happen by systematically working through each function, activity or stage of the event to identify what might happen at each stage.  Think about:

-  Inadequate venue selections and site plans

-  Inadequate promotion of the event

-  Inadequate ticketing

- Failing to ensure adequate waste management, lighting and power, water and toilets

- Poor weather

- Unsatisfactory food hygiene

- Inadequate emergency procedures, including first aid and medical services

- Lack of document retention

- Failing t

x   Record the analysis (Refer to Attachment B

x   New risks can also be identified from:

- Accident, incident and claims reports;

- Findings, financial audits and post event evaluations;

- Physical inspections;

- Reviewing other similar events;

- Speaking with stakeholders/Committee; and

- Reviewing the performance of the event.

## Additional Resources

x   Australian New Zealand Standard: Risk Management – Principles and Guidelines (AS/NZS ISO 3100:2009)
www.standards.org.au

x   Delivering Assurance based on AS/NZS ISO 31000:2009 - Risk Management - Principles and Guidelines (HB 158-2010)
www.standards.org.au

x   Tourism Western Australia: Resource for Events in Western Australia to assist in safe and efficient event planning and conduct (October 2012)
www.tourism.wa.gov.au

x   Department of Health – Guidelines for Concerts, Events & Organised Gatherings (December 2009)

www.public.health.wa.gov.au

x   RiskCover: Risk Management & Business Continuity Management Guidelines
www.riskcover.wa.gov.au

x   State Law Publisher
www.slp.wa.gov.au

## Attachment A – Sample Risk Reference Tables

Risk Reference Tables are developed for the purpose of establishing guidance as to how risks are to be evaluated, assessed, measured, accepted and monitored.

Commonly there are five tables used.

## TABLE 1 – Existing Controls Rating Table

| LEVEL | DESCRIPTOR | FORSEEABLE | EXAMPLE DETAIL DESCRIPTION |
|---|---|---|---|
| E | Excellent | More than what a reasonable person would be expected to do in the circumstances. | Excellent controls fully in place and require only ongoing maintenance and monitoring. Protection systems are being continuously reviewed and procedures are regularly tested. |
| A | Adequate | Only what a reasonable person would be expected to do in the circumstances. | Being addressed reasonably. Protection systems are in place and procedures exist for given circumstances. Period review. |
| I | Inadequate | Less than what a reasonable person would be expected to do in the circumstances. | Little or no action being taken. Protection systems exist or they have not been reviewed for some time. No formalized procedures. |

## TABLE 2 – Consequence Table (Qualitative Measures of Consequence)

| LEVEL | RANK | INJURIES | REPUTATION & IMAGE | FINANCIAL LOSS | OPERATIONAL EFFICIENCY | INTERRUPTION TO SERVICES | SOCIAL/COMMUNITY |
|---|---|---|---|---|---|---|---|
| 1 | Insignificant | Minor incident / near miss report but no immediate signs of injury | Individual stakeholder complaint. Issue rectified at local level | Revenue/cost impact 0-2% of operational budget | Impact absorbed through routine operations | All event activity stopped for less than 2 hours | Low localised situation with no broader impacts |
| 2 | Minor | Injury or illness requiring first aid only | Negative media article. Low local exposure. Stakeholder complaint handled at Line Manager level | Revenue/cost impact 2-5% of operational budget | Minor delays in achieving objectives. Majority of objectives remain on track. | All event activity stopped for 2 – 4 hours | Minor delay impacting on ability to meet social / community expectations |
| 3 | Moderate | Medical treatment necessary/ Insurance claim/ rehabilitation program/ lost time injury or illness. | | | | | |

## TABLE 3 – Likelihood Table (Qualitative Measures of Likelihood)

| LEVEL | DESCRIPTOR | EXAMPLE DETAIL DESCRIPTION | FREQUENCY |
|:---:|:---|:---|:---|
| 1 | Rare | The incident may occur only in exceptional circumstances. | Less than once in 5 years |
| 2 | Unlikely | The incident could occur at some time. | At least once in 5 years |
| 3 | Moderate | The incident should occur at some time. | At least once in 3 years |
| 4 | Likely | | |

## Attachment B – Sample Risk Identification Worksheets

The following worksheets are two different

Example 2 –  Risk Identification Worksheet

| Business/Association/ Club/Group | |
|---|---|
| Activity/Event & Critical Success Factors | |

| Risk Ref. No. | | Risk (What can go wrong) | |
|---|---|---|---|
| Existing preventative measures: | | | |
| | | | |
| | | | |
| Consequence if Risk occurs (Select worst/or largest impact) | | | |

| Consequence rating | Likelihood rating |
|---|---|