

# New Zealand Shooting Federation Inc (NZSF) Risk Management Policy

## 1 PURPOSE

The purpose of this risk management policy is to communicate NZSF's commitment to managing enterprise-wide risks and to establish clear responsibilities for itself in order to maximize strategic and operational achievement.

## 2 SCOPE AND CONTEXT

This policy applies to board members, management and **contractors** to NZSF.

NZSF is committed to the formal, systematic and structured proactive management of risks across the organisation.

Risk is inherent in all aspects of NZSF's activities and whilst many of these risks cannot be eliminated they can, however, be identified, quantified and controlled. Risks that impact on the objectives of NZSF can offer both opportunity and threat. This policy is designed to provide NZSF personnel with a systematic framework in order to minimise threats and maximise opportunities to NZSF.

## 3 KEY OBJECTIVES

- a. The Australian / New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) defines risk management as "coordinated activities to direct and control an organisation with regard to risk".
- b. This policy confirms that NZSF is committed to implementing a strategic, consistent and structured enterprise-wide approach to risk management in order to effectively manage opportunities for gain and minimise the impact of threats causing losses.
- c. This policy is aligned to reflect AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines which provides the framework used to develop the NZSF enterprise-wide risk management framework.
- d. Risk will manifest itself in many forms and has the potential to impact the health and safety, environment, community, reputation, regulatory, operational, and financial performance of NZSF and, thereby, the achievement of the organisation's objectives.
- e. By understanding and managing risk, NZSF will provide greater certainty and confidence for our stakeholders, NZSF board members and employees, participants, and for the communities in which we operate.
- f. NZSF will use our risk management capabilities to maximise the value from our assets, projects, programs and other business opportunities and to assist us in fostering participation and/or performance in our organisation.
- g. Risk management will be embedded into our business activities, functions and processes. Risk understanding and our tolerance for risk will be key considerations in our decision making.

- h. Risk issues will be identified, analysed and ranked in a consistent manner. Common systems and methodologies will be used.
- i. Risk controls will be designed and implemented to reasonably assure the achievement of organisational objectives. The effectiveness of these controls will be systematically reviewed and, where necessary, improved.
- j. Risk management performance will be monitored, reviewed and reported. Oversight of the effectiveness of our risk management processes will provide assurance to executive management, the Board and relevant stakeholders.
- k. The effective management of risk is vital to the continued growth and success of NZSF.

#### **4. REVIEW OF POLICY**

This policy is subject to formal review every five years.

#### **5. ACCESS TO THE POLICY**

This policy will be available for viewing to any board member or employee of NZSF. In addition, this policy may be made available to any third party at the discretion of the NZSF Sport Development Manager.

#### **6. RISK MANAGEMENT PROCESS AND PROCEDURES**

The board members and management of NZSF view risk management as integral to its strategic intent of being the national body in New Zealand to promote, develop and foster the sport of safe target shooting as an amateur sport in New Zealand for the health, wellbeing and benefit of the general public in New Zealand by;

- (a) supporting and assisting its Members to deliver safe shooting sports in New Zealand;
- (b) conducting, promoting or assisting with the operation of international ISSF competitions held in New Zealand;
- (c) encouraging, educating and promoting shooting sports as an activity that promotes and maintains the health and wellbeing of all participants in shooting sports;
- (d) promoting opportunities and facilities to enable, assist and enhance the participation, enjoyment and performance in shooting sport activities;
- (e) assessing, approving, nominating and/or selecting athletes and officials for the Olympic Games, Commonwealth Games, ISSF World Championships, ISSF World Cups, Commonwealth Shooting Championships, Oceania Shooting Championships and any other international competitions that require the sanction of the NZSF;
- (f) affiliating to and co-operating with kindred and other organisations, including the New Zealand Olympic Committee Incorporated, the ISSF, the Commonwealth Shooting Federation and the Oceania Shooting Federation and to such other organisations as the NZSF considers in the best interests of the Members;
- (g) considering and bringing to the notice of any constituted body or authority such matters as may be deemed to affect the welfare or interests of Members or the advancement of the NZSF's objects;

(f) doing such things (not being unlawful or inconsistent with its Rules or of the Incorporated Societies Act 1908) as in the opinion of the Board would further the interests of Members.

NZSF's risk management policy provides a system to manage the risks associated with its core activities.

## **7. RISK MANAGEMENT REQUIREMENTS**

- a. Risk management will be incorporated into the strategic and operational planning processes of NZSF;
- b. Risk and the management of risk will be identified and monitored according to the NZSF enterprise-wide risk management policy;
- c. Risk assessments will be conducted on all new ventures and projects prior to commencement to ensure alignment with the NZSF risk appetite and organisational objectives;
- d. Risks will be identified, reviewed and monitored on an ongoing basis as outlined in Sections 10 to 15 of this policy;
- e. Risks will be assessed and evaluated against the NZSF Risk Management Framework (outlined in section 15 of this policy);
- f. Relevant risks that are identified will be recorded within NZSF's risk management register;
- g. All risks will be assigned an owner whose responsibilities are specified in this policy under section 14 of this policy.

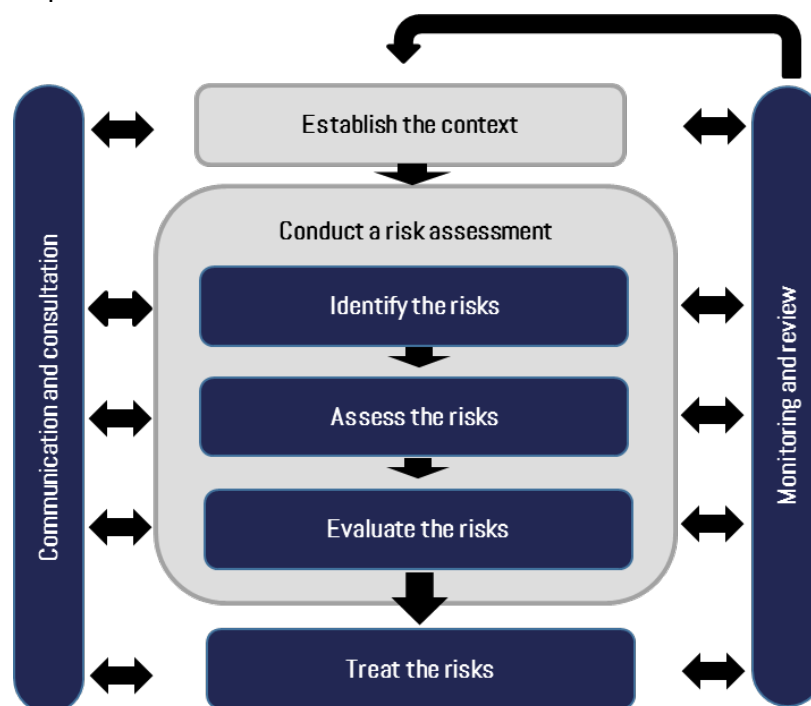
## **8. RISK MANAGEMENT PRINCIPLES**

NZSF has adopted the principles detailed in AS/NZS ISO 31000:2009, to ensure risk management is effective within the organization. These principles are:

- a) Risk management creates and protects value
- b) Risk management is part of decision making
- c) Risk management explicitly addresses uncertainty
- d) Risk management is systematic, structured and timely
- e) Risk management is based on the best available information
- f) Risk management is tailored
- g) Risk management takes human and cultural factors into account
- h) Risk management is transparent and inclusive
- i) Risk management is dynamic, iterative and responsive to change
- j) Risk management facilitates continual improvement of the organisation

## 9. RISK MANAGEMENT PROCESS

The NZSF risk management process is based upon the AS/NZS ISO 31000:2009 Risk Management Process as shown in Figure 1 (below). Risks identified will be managed according to this process.



Above: AS/NZS ISO 31000:2009 Risk Management Process

## 10. RISK MANAGEMENT COMPLIANCE AND CONTROL

In developing a culture of risk management, NZSF senior management is responsible for appropriate responses to manage risk, aided by the risk action plans and the creation of a risk register.

To enable this, NZSF:

- a) has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks;
- b) provides the necessary tools and resources to senior management and employees to support the effective management of risks; and
- c) reviews and communicates risk management best practice on a regular basis.

## 11. ASSESSMENT OF EFFECTIVENESS

NZSF assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed. This includes ongoing feedback loop via regular senior management meetings and appraisal of risk owners' actions taken to manage risks via employee performance management.

## 12. REPORTING REQUIREMENTS

The NZSF Risk Manager ensures that the Board is adequately informed of significant risk management issues and the actions undertaken to manage risks on a regular basis. The following reporting process is in place:

- a. The Board will annually review the risk register and update the mitigation strategies and perceived level of risk as appropriate.
- b. New risks will be added to the register through a formal notification process from affiliates, team members, **contractors** and Board members to the NZSF Risk Manager.
- c. A “top ten” list of major risks (as agreed by the Board) to be discussed at management meetings (fixed agenda item), together with any new or emerging risks.
- d. The Board will be updated at each meeting through the Risk Manager board report.
- e. The Board to be briefed on all major risks by the Risk Manager at each board meeting.

### **13. RISK MANAGEMENT RESPONSIBILITIES**

#### **a. NZSF Board**

The Board of NZSF is responsible for overseeing the establishment (and implementation) of risk management systems and reviewing the effectiveness of these systems.

The Board’s role in relation to risk includes:

- i. overseeing the creation, implementation and maintenance of the risk management system of NZSF and its internal control framework, including information systems;
- ii. establishing a risk profile for NZSF setting out both financial and non-financial material and/or strategic risks facing NZSF;
- iii. reviewing the effectiveness of NZSF’s implementation of its risk management systems and internal controls on an on-going basis and reviewing the outcome of any non-financial audits;
- iv. seeking to reach a common understanding with management and auditors about the risk management process, key financial and regulatory risks and related controls including focusing on the “key” risks which are considered to be currently, or may in the future be, more significant or more likely to occur;
- v. analyzing the effectiveness of NZSF’s risk management and internal compliance systems and the effectiveness of their implementation;
- vi. developing an understanding of the overall business environment, relevant laws and codes of importance to NZSF and the programs/projects that NZSF has in place to provide reasonable assurance of compliance;
- vii. reviewing NZSF’s health and safety at work policy and ensuring regular reporting to the Board on issues related to workplace health and safety;
- viii. ensuring that the Treasurer states in writing to the Board annually that the statement given to the Board that NZSF’s financial reports present a true and fair view, in all material respects, of NZSF’s financial condition and operational results and are in accordance with the relevant accounting standards, are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board;
- ix. ensuring that the NZSF Risk Manager states in writing to the Board annually that NZSF’s risk management and internal compliance and control system is operating efficiently and effectively in all material respects; and
- x. reviewing insurance coverage and claims trends;

## **b. Risk Management Committee (RMC)**

The RMC is comprised of the NZSF President (or delegated Board member), Sport Development Manager, Risk Manager and Treasurer. Legal, risk and insurance expertise is co-opted as required.

It is responsible for:

- a. implementation of the principles, actions and requirements of the risk management plan and monitoring its implementation within NZSF;
- b. provision of the necessary tools and resources to identify and manage risks;
- c. review of risks on a quarterly basis, including identification of new risks, changes to existing risks and retirement of previously identified risks (through a formal decision making process);
- d. the manner in which ownership of risks is taken by senior management or others in accordance with function or expertise;
- e. regular reporting of the status or risk items to the Board;
- f. appraisal of risk owners' actions taken to manage risk and correction of inappropriate performance;
- g. internal compliance and control systems for the implementation of the risk management plan;
- h. consideration of non-financial audits; and
- i. compliance with regulatory requirements and best practice.

## **c. NZSF Risk Manager**

The Risk Manager is responsible for:

- a) Identifying legislation, policy and guidelines affecting risk management practices at NZSF;
- b) Maintaining NZSF's Risk Register;
- c) Providing assistance and support throughout NZSF for risk management;
- d) Organising appropriate risk management education and training for NZSF **contractors**; and
- e) Monitoring the implementation of the NZSF Risk Management Framework across the organisation.

## **ci. NZSF Board Members**

Board members will be responsible for:

- a) championing the roll out of the NZSF Risk Management Framework into NZSF's operations;
- b) ensuring staff understand their responsibilities with respect to operational risk management; and
- c) developing a risk aware culture within their area of responsibility.
- d) advising the Risk Manager of needs for any training, development and facilitation;
- e) maintenance of risk registers within their areas;

## e. Risk Owners

Risk owners are responsible for:

- a) Identifying existing controls to help manage the risk;
- b) Developing treatment plans to reduce the likelihood and/or impact of the risk; Monitoring the implementation of the treatment plans and reporting on their effectiveness and outcomes; and
- c) Monitoring and alerting senior management of significant changes in risk status.

## 14. RISK FRAMEWORK

### 1. Risk Matrix

The Board of NZSF has approved the following risk matrix

| Risk Matrix |                | IMPACT        |          |          |          |          |          |
|-------------|----------------|---------------|----------|----------|----------|----------|----------|
|             |                | Insignificant | Minor    | Medium   | High     | Extreme  |          |
|             |                | 1             | 2        | 3        | 4        | 5        |          |
| PROBABILITY | Rare           | 1             | Low      | Low      | Low      | Moderate | Moderate |
|             | Unlikely       | 2             | Low      | Low      | Moderate | High     | High     |
|             | Possible       | 3             | Low      | Moderate | High     | High     | Extreme  |
|             | Likely         | 4             | Low      | Moderate | High     | Extreme  | Extreme  |
|             | Almost Certain | 5             | Moderate | High     | High     | Extreme  | Extreme  |

### 2. Risk Grading Criteria – Impact Ratings

The Board of NZSF has resolved that risk be assessed over the following categories in relation to impact (consequence):

- a) *Financial* – impact on NZSF finances
- b) *Operational* – impact on provision of NZSF products, projects and services
- c) *Brand/Reputational* – impact on NZSF brand and general credibility
- d) *Physical/Safety* – impact on the safety and well-being of people
- e) *Regulatory/Legal* – impact on NZSF regulatory exposure
- f) *People* – impact on corporate knowledge / continuity

(Impact ratings and criteria are shown on the next page)

Impact levels and criteria are shown in the following table:

|   |               |   | Financial     | Operational                                | Brand/<br>Reputational  | Physical/<br>Safety  | Regulatory/<br>Legal  | People/<br>Participation   |  |
|---|---------------|---|---------------|--|---|--|---|--|--|
|   |               |   | <b>IMPACT</b> | 5  | Extreme   | A risk that can prove catastrophic or terminal for the whole organisation.   | More than \$100,000   | Unable to deliver product/services in a region. Widespread migration of members to competitor organisation. Prohibited from delivering competition at any level. | Collapse of organisation. Major inquiry into systemic misconduct. Wholesale resignation of Board Members or Senior Management. |
| 4 | High          | Risks which can significantly jeopardise some aspects of the organisation, but which will not result in organisational failure. |               | More than \$25,000 but less than \$100,000 | Widespread failure or loss of product/service standards. Increasing migration of members to competitor organisations. Unable to deliver the National Championships. | Loss of affiliated clubs/providers. Investigation of serious individual misconduct. Loss of significant skills from Board or Senior Management.  | Serious injury of player/participant due to compromised safety standards. Preventable serious injury of member or public. | Civil action against organisation and/or Board due to negligence. New regulations that impede operations.  | Active participation declines by more than 15%, but less than 25%.   |
| 3 | Medium        | Risks which will cause some problems, but nothing too significant.  |               | More than \$10,000 but less than \$25,000  | Moderate impact on product/service standards. Unable to deliver local sports competitions. Widespread discontent by members/participants.                           | Threats of withdrawal from affiliated clubs/providers. Failure of prominent branded project or product. Failure of a club or provider. Individual or group misconduct. Sustained public criticism of the organisation. | Systemic injuries of players/participants and/or public. Increased frequency of near misses.                              | Regulatory/police investigation with adverse findings against organisation and/or Board.   | Net active participation declines by more than 5%, but less than 15%.  |
| 2 | Minor         | Any risks which will have just a mild impact, but should be addressed.  |               | More than \$1,000 but less than \$10,000   | Minor impact on product/service delivery. Competitive threats to membership. Constrained capacity to meet the demands of existing or new members/participants.      | Localised negative media coverage.   | Minor injuries of players/participants and/or public.   | Regulatory/police investigation of organisation and/or Board without adverse findings.   | Net active participation declines by more than 0%, but less than 5%.   |
| 1 | Insignificant | Risks which do not pose any significant threat and which can be left unmitigated without special action.                        |               | Less than \$1,000                          | Very minor, temporary product/service disruption.   | Media interest in local issue.   | Insignificant injuries of players/participants and/or public.   | Persistent complaints against organisation and/or Board.   | Stable net active membership.  |

### 3. Risk Grading Criteria – Likelihood Ratings

The Board of NZSF has resolved that the following probability thresholds and ratings in relation to assessing risks be used.

|                   |   |                |  |
|-------------------|---|----------------|--|
| <b>LIKELIHOOD</b> | 5 | Almost Certain | Will probably occur more than once within 12 months                  |
|                   | 4 | Likely         | High probability that will occur at least once within next 24 months |
|                   | 3 | Possible       | Reasonable likelihood that could occur more than once in 24 months   |
|                   | 2 | Unlikely       | Not likely to occur within next 24 months                            |
|                   | 1 | Rare           | Not impossible but highly unlikely                                   |

### 4. Risk Tolerance Levels

The Board of NZSF has resolved that the following risk tolerance thresholds be used in relation to the actions NZSF personnel shall take in relation to managing risks.

| RISK LEVEL      | REQUIRED ACTIONS   |
|-----------------|--|
| <b>EXTREME</b>  | <p><b>Intolerable</b></p> <ul style="list-style-type: none"> <li>• Operations / activity should be <u>discontinued</u> until level of risk is able to be reduced (or written authorization to continue is provided by the NZSF CEO and Chairman). Consider options for reducing the impact or probability of the risk.</li> <li>• CEO to be informed ASAP and provide urgent attention, guidance and approval of mitigation strategy.</li> <li>• Consider external advice (legal, insurance or risk advisor).</li> </ul> |
| <b>HIGH</b>     | <p><b>Tolerable level of risk – significant management &amp; monitoring required</b></p> <ul style="list-style-type: none"> <li>• Action should be taken to ensure risk level is As Low As Reasonable Practicable (ALARP). Consider options for reducing the impact or probability of the risk.</li> <li>• If level of risk is ALARP continue to manage using documented operating procedures.</li> <li>• Increase monitoring of controls to ensure effectiveness in managing the risk.</li> </ul>                       |
| <b>MODERATE</b> | <p><b>Tolerable level of risk – follow operating procedures</b></p> <ul style="list-style-type: none"> <li>• Ensure risk level is As Low As Reasonable Practicable (ALARP).</li> <li>• If level of risk is ALARP continue to manage using standard operating procedures with normal monitoring protocols.</li> </ul>   |
| <b>LOW</b>      | <p><b>Tolerable level of risk.</b></p> <ul style="list-style-type: none"> <li>• Maintain existing controls. No additional controls required.</li> </ul>  |

**Policy Approved: [INSERT DATE]**

12th December 2023

**Review Date: [INSERT DATE]**

September 2025