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## **P16 RISK MANAGEMENT POLICY**

Scheduled Reviewed                      Triennially or as required

Date of Board Approval                      8 November 2016                      Last Board Review: 25 November 2024

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### **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:

- Develop a risk aware culture across the entire sport that is consistent with best practices
- Provide frameworks to manage potential risks to the organisation and participants
- 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:

- Outline the principles of risk management which are to be applied by KA's Board, staff, contractors, volunteers, Member State Associations and Affiliated Clubs;
- Describe KA's risk management framework; and
- 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 in managing 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 Safety 1<sup>st</sup> Policy
- The Karting Integrity Framework and associated Policies
- The Karting Australia Risk Management Program (KARM)
- Risk Management procedures;
- Circuit and Facilities Safety Regulations and Guidelines;
- Targeted risk assessment approach to Circuit and facility inspection and consequent Licencing;
- The general safety rules and regulations contained within the KA National Competition Rules;
- Guides and training for officials working at karting competitions



- Supervision of all karting competition by trained, graded and Licenced 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 levels 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/ ISO 31000:2018 Risk Management Guidelines, including the principles, framework, and process outlined in the standard.

## Policy

Karting Australia is committed to:

- 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.
- Delivering consistent high-quality risk management practices, including acting upon risks identified through frameworks and tools in a timely manner.
- Developing and maintaining best practice tools and frameworks in order to identify, analyse, evaluate, treat, monitor and communicate risks.
- Ensuring key stakeholders recognise that it manages risks responsibly.

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

- Identify risks and associated opportunities in a planned and co-ordinated manner, and to respond to them with cost effective actions. This will include the CEO reporting risks to *Karting Australia's* Board of Directors
- 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.
- Manage the risks that could impact on its organisation while achieving a tangible and sustainable organisational performance.
- Enable achievement of long-term business objectives, notwithstanding those risks it may face.
- 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, with particular attention to risks to KA rated as 'very high'.

The Board is responsible for reviewing the recommendations of the Chief Executive Officer (CEO) and the endorsement of KA's risk management framework 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, with particular focus on risks to KA rated as 'very high' and 'high'. 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 management*

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, with particular focus on risks to KA rated as 'very high' and 'high'. 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.

### **Safety Compliance & Championship Manager**

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

Safety Compliance & Championship Manager is the administrator of the risk management framework and is responsible for:

- Working closely with KA's external risk management consultants to deliver KARM
- monitoring all direct KA risks;
- ensuring KA's Affiliates & Members comply with KA processes including Risk Management through audits & consultation;
- maintaining KA's risk processes;
- defining and delivering risk management awareness to Affiliated Associations and Clubs;
- instigating required periodic reviews of risks; and
- reviewing the risk management framework

### **Member States and Affiliated Clubs**

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

Member States and Affiliated 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.



Member States and Affiliated 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.

Member States are required to fulfill those General Administrative, Operational Responsibilities and Sporting Powers that the AKA Ltd Board has determined should be formally delegated to each Member State in accordance with Bylaw B1 – Responsibilities Delegated To member States and Articles 5.1(a)(i) and 20 of the Constitution – 16 October 2019 that enable them to effectively and efficiently conduct, encourage, promote, advance, control and manage Karting within their State in accordance with the Rules, Regulations, By-Laws, Policies and Safety Standards formulated, adopted, and issued by KA.

Affiliated Clubs must maintain their legal status as an entity in accordance with the applicable requirements of the relevant State, Territory, or Commonwealth legislation, and must comply with the requirements of Bylaw B5 – National Club Affiliation Requirements. Further, on an annual basis they are required to:

- Acknowledge the conditions of Membership and Affiliation and agree to make application for/or to renew Membership and Affiliation with AKA and the State Association.
- Acknowledge and agree to abide by the AKA National Club Affiliation Requirements.
- Undertakes to be bound by the Constitution of AKA, the AKA National Competition Rules (“NCR”) including all By-Laws, Policies, Regulations, Safety Standards, Board decisions and instructions issued by KA and the Constitution of the State Association and its Rules including all other Policies, and instructions issued by the State Association.
- Understand that upon acceptance of Affiliation, KA and the State Association will grant the Club all the benefits, advantages, privileges and services associated with being a Member and Affiliated with KA and the State Association.
- Understand and acknowledge that any breach of the requirements of Membership and Affiliation may, in accordance with the Constitution of KA and/or the Constitution of the State Association, render the Club liable to the loss of Membership and

Affiliation as well as the loss of all benefits, advantages, privileges and services associated with being a Member and Affiliated with AKA and the State Association.

- Understand that any significant breach of the NCR’s may render invalid any insurance cover and/or indemnity for any event and/or person in question.
- Understand that subject to compliance with these conditions of Membership and Affiliation, the Club shall be entitled to organise authorised events by means of an Organising Permit issued by AKA or on behalf of AKA by the State Association.



### **Staff, Contractors, Officials and 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 Stewards and the Clerk of the Course at every Race Meeting must undertake an inspection of the Circuit and complete the approved KARM pre-racing checklist prior to the commencement of Competition on every day of every event. The completed KARM assessments must be provided 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 or the State Associations event documentation and KOMP where all KA risks are to be recorded.

### **Policy Requirements**

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

- Conflict of interest Policy
- Board Charter
- Delegation Policy
- Privacy Policy
- Risk Management Policy
- Safety 1<sup>st</sup> Policy
- Travel Policy
- Expense Reimbursement Policy
- Whistleblower Policy
- Karting Integrity Framework and associated Policies:
  - Member Protection Policy
  - Child Safeguarding Policy
  
  - Competition Manipulation and Sports Wagering Policy
  - Improper Use Of Drugs and Medicines Policy
  - Code Of Conduct
  - Social Media Policy and Acceptable Use of Social Media
  - Complaints and Discipline Of members Bylaw
  - Karting Australia Tribunal bylaw