



GUIDELINE ON RISK MANAGEMENT POLICY



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**Guideline on
Risk Management Policy
“Safe Scouting”**

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Foreword

Dear Readers,

As risk is inherent in every aspect of life, to be aware of it and to know how to address it, is very much vital.

In Scouting, as risk is always present in any Scouting activity, I am happy to present to you the Guideline on Risk Management Policy booklet. This latest publication of the World Organization of the Scout Movement/Asia-Pacific Region, NSOs will be introduced to the concept of "Safe Scouting" which is all about being aware of the risks that may be involved in any Scouting activities in regard to the safety of youth members, volunteers, staff and the NSO.

Using this handbook as a guide, NSOs will be able to learn how to develop a National Risk Management Policy, a reference document for the Volunteers and Staff of the NSO which should define their objectives and commitment to risk management. This policy must be understood, implemented and maintained at all levels of the NSO. It should become an integral part of every NSO's culture, practices and processes.

Let me congratulate Ms Emma Barker from Scouts Australia, who was a member of the APR

Management Sub-Committee (2007-2009) and is now the Chairman of APR Membership Growth Sub-Committee (2009-2012), for meticulously developing the text and taking the lead in editing it to its final production. Surely, her significant contribution to this publication will give NSOs a fresh perspective in looking at risk at all levels.

Jejomar C. Binay
Chairman
APR Scout Committee

Producing this booklet on risk management has taken years in the making. The idea to come up with a risk management policy surfaced since the early 1990s and particularly expressed at the first APR Scout Leaders Summit in 1993. At that time, Scout leaders agreed that NSOs must look into the safety of their members – young and adults – while they are participating in Scouting activities at any level.

The very first “APR Risk and Safety Management Workshop” was held in 2003 in Singapore. It was at this workshop where several points on risk and safety were clarified, and there was a growing sense of urgency to speed up the work in this area. A major point was raised at the workshop: “Safety is not managed. It is risk that is managed in order to increase safety”.

From the workshop, a definition of Risk Management was developed, which is the systematic application of comprehensive tools for an assessment and treatment process which consists of

- the identification of risks
- the analysis of their potential effects
- the evaluation of options for treatment
- the implementation of preventive and/or reactive measures
- the effective supervision and repetitive revision

of the process aiming at the elimination and/or reduction of risks to an acceptable calculated level in order to maximize the experiences of Scouting in accordance with our mission.

As a follow up to the Singapore workshop, a sub-regional workshop was held in Bhutan attended by many NSOs particularly from South Asia. The participants appreciated the value and importance of risk management and recommended that a guideline should be created for the use of NSOs.

To make the story short, the long process has finally become a reality. Special thanks to the APR Management Sub-Committee of 2007-2009 for its hardwork and commitment to produce the very first draft of this long-awaited guideline, in particular to Ms Emma Barker, as a member of that committee for writing the text. Subsequently the task was carried forward by the current Management Sub Committee of 2009-2012 co-ordinated by Mr Richard Miller. Emma again volunteered to help in the final version as it now appears.

We certainly hope that this booklet becomes a fundamental tool for NSOs in developing or strengthening their risk management policy.

Abdullah Rasheed

Regional Director
WOSM/Asia-Pacific Region

INTRODUCTION

“Guideline on Risk Management Policy Safe Scouting” is all about being aware of the risks that may be involved in any Scouting activities in regard to the safety of youth members, volunteers, staff and the NSO. “Safe Scouting” should become an integral part of the NSO’s culture, practices and processes.

Risk is deemed to be things such as accidents, hazards and negative impact to the NSO. It is necessary to be thinking ahead to minimise risk and be ready to address unforeseen circumstances.

Risk is inherent in most aspects of everyday life. We all manage risk continuously, sometimes consciously and sometimes without realizing it, but not always in a systematic way.

Risk Management is fundamental to the effective management of all organisational functions and activities. This includes managing risks that are both internal and external to the organisation. However, whatever risk occurs there must be a way to

systematically identify, analyse, evaluate and treat the risk according to its seriousness. Risk Management is an ongoing process consisting of steps, that when undertaken in sequence, enable continual improvement in decision making.

Risk Management in World Scouting is the systematic application of comprehensive tools for an assessment and treatment process which consists of:

- The identification of risks.
- The analysis of their potential effects.
- The evaluation of options for treatment.
- The implementation of preventative and/or reactive measures.
- The effective supervision and repetitive revision of the process.

The purpose of this document is for the National Scout Organisation (NSO) to develop a National Risk Management Policy as a reference document for the Volunteers and Staff of the NSO. The policy for Risk Management must define the NSO’s objectives for and commitment to risk management.

The Risk Management policy must be relevant to the NSO's strategic context and its goals, objectives and the nature of its business. The policy must be understood, implemented and maintained at all levels of the NSO.

At times the nature of risk is apparent, such as in conducting an abseiling exercise, at other times, risk will not be so apparent and may manifest in the form of new legislation or policy change. These included both internal and external risk to the National Scout Organisation and it is imperative when considering risk that the NSO looks at all levels of risk.

NSOs understand risk in the physical sense within activities, events and functions but there are other areas that must be considered which are sometimes overlooked. These are the areas of Child Protection and Financial.

The Asia Pacific Region considers these three types of risk, physical, child protection and financial to be the most relevant to NSOs within the region.

KEY RISKS FOR NSOs

Physical Risk

In most situations the NSO will come across physical risk. This is a diverse area which can be any negative impact at any level of the NSO at activities, events and functions. Physical risk is not limited to accidents but it can also include, but is not limited to, projects not achieving their objectives, natural causes or disasters.

These risks play a large role in the risk management of the NSO and how they can be assessed and controlled. It is important for the NSO to develop methods to define risk management and then to identify various sequences of events which might lead to undesirable consequences so they can be properly well managed. Physical risk treatment is achieved by reducing the frequency of initiating events, developing reliable means of protection and mitigating the consequences.

Child Protection

Children and young people have the right to be emotionally and physically safe at all times. Risk management in terms of Child

Protection must look at ways to minimise the risk of child abuse to youth members and ensure that allegations of such a nature are handled in a consistent and appropriate manner.

It is important that the NSO develops a Child Protection Policy and Procedures to ensure that all members of the NSO understand the context of Child Protection and have ways to deal with issues if they arise.

The risk to the NSO is high if allegations are made but not dealt with consistently and appropriately and generally these are aligned to the laws of the country.

A Child Protection Policy should deal with the following specific areas:

- Understanding child abuse
- Identifying child abuse
- Responding to situation of suspected or known child abuse
- Prevention (screening, reinforcement, procedures)
- Training
- Privacy

See Appendix A in regard to Child Protection Policy guidelines.

Financial Risk

Financial risk is a fact of life in the modern business world. NSOs today are run as a business and therefore need to consider financial risk. Credit risk, the risks of issuing or dealing in financial instruments and the risks inherent in treasury operations are just some of the financial issues that can threaten business performance. The challenge is compounded by an increasingly demanding and complex regulatory environment.

Financial risk management is the practice of ensuring that the NSO does not become insolvent or unviable and therefore unable to deliver the Scouting program. Financial risk implications for the NSO can derive from physical and child protection issues as well as those financial in nature.

Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. NSOs need to improve financial risk management, they need to develop tools to measure, monitor and report on financial risk issues, they need to consider any regulatory requirements and conduct

health check to ensure they are not in breach of regulations or compliance matters.

RISK MANAGEMENT PROCESS

Risk Management is planning to minimise the impact on the NSOs objectives should something negative happen.

Technically it is defined as a systematic use of management policies and processes designed to identify, analyse, evaluate and treat risk, and develop a culture within the NSO that is mindful of potential opportunities and adverse effects.

Risk is often specified in terms of an event or circumstances and the consequences that may flow from it. The risk is measured in terms of a combination of the consequences of an event and their likelihood – this risk may have a positive or negative impact.

The risk management process involves managing to achieve an appropriate balance between realizing opportunities for gains while minimizing losses. It is an integral part of good management practice and essential element of good corporate governance.

The risk management in essence is a process within your NSO of:

1. Establishing a context for risk management
2. Communicating risk management
3. Identifying the risks
4. Analysing the risks
5. Evaluating risks by considering the likelihood of events and the consequences or impacts of events
6. Treating risks by avoiding the risks, controlling the risk, financing the risk, transferring the risk or reducing the risk
7. Implement, monitor and review risk.

Risk Assessment

Context of risk management in the NSO

- When developing a risk management policy the context of the policy must be developed to fit with the vision, mission and goals of the NSO.
- The policy must also identify the wider environment within which the NSO operates.

- The scope and objectives for the risk management process needs to be developed and set.
- There is a need for the risk management policy to set out identifying how risks will be measured.
- The risk management policy needs to be able to allow for the identification of what will be involved in the risk assessment process.

Communicating the risk management process

- It is essential that good communication and consultation is conducted during the risk management process. It is very important that the membership of the NSO is aware that the NSO is developing a risk management policy.
- Good communication and consultation will improve people's understanding of risk and the risk management process. It will also ensure that all stakeholders are heard and it will help all members of

the NSO be clear on their roles and responsibilities.

Identifying the risks

- When developing the risk management policy there is a need to identify all risks and their consequences.
- Key strategies need to be outlined in the risk management policy in order for the stakeholders of the NSO to identify these risks. Some strategies which can be included could be:

- Brainstorming at a staff meeting
- Brainstorming with stakeholders with relevant knowledge and experience
- Development of "what if" scenarios
- Researching relevant data

- Most activities of the NSO will be comparatively straightforward. In these circumstances the process of identifying the risk is directly comparable with that

already well practiced by all levels of volunteer and staff management.

Analysing the risks

- Once the risks have been identified, it is then necessary to analyse the risks. The NSO must analyse the risk in order to establish the probable impact of the risk on the NSO.
- Steps to analyse risk needs to be outlined in the risk management policy. Some key strategies that could be incorporated into the risk management policy are:
 - What are the causes of the risk? i.e. realistically and objectively identifying the actual causes of the risk
 - What is the likelihood of the risk? i.e. the frequency or the probability for the risk occurring
 - What is the consequence? i.e. consideration of what

will happen if the event occurs

- What is the level of risk (combination of likelihood and consequence)
- What factors affect the likelihood or consequences?
- What is the level of uncertainty?
- What are the limitations to the analysis?

In order to analyse risks it is useful to put together a risk rating matrix which helps you define the differing levels of likelihood, consequences and risk.

Likelihood

Consider the frequency or probability of the risk occurring. Use an abbreviated likelihood rating table as below to estimate the likelihood of the event occurring.

Level	Descriptor	Description
A	Almost certain	>90%
B	Likely	~75%
C	Possible	~50%
D	Unlikely	~25%
E	Rare	<10%

Consequences

Consider what will happen if the event occurs. Consequences should always be considered from an NSO perspective. That is, can the NSO withstand and recover from any negative impact that may result from its risk exposure. Use an abbreviated Consequences rating table as below to estimate the probable consequences of the event occurring.

Level	Descriptor	Description
1	Negligible	Depending on the area of impact
2	Low	
3	Medium	
4	High	
5	Extreme	

Level of Risk

Combining the estimates of the likelihoods and consequences of the event occurring, it is possible to calculate the level of the risk that will result from the event. Use the table below to assign a Risk Impact Rating.

Consequences	Negligible	Low	Medium	High	Extreme
Likelihood	(1)	(2)	(3)	(4)	(5)
Almost certain	2	3	5	5	5
Likely	2	3	4	5	5
Possible	1	3	3	4	4
Unlikely	1	2	3	4	4
Rare	1	2	3	3	3

Evaluating risks by considering the likelihood of events and the consequences or impacts of events

- Once the risks have been analysed it is imperative that the risks are evaluated by the NSO.
- There is then a need to evaluate the risk. Consider the following:
 - What are acceptable levels of risk?
 - What are intolerable levels of risk?
 - Does the risk need treatment?
 - What are the priorities for treatment of risks?

Risk Rating

Having analysed the risk, decide whether to accept the level of residual risk and assign a priority and action required using the rating table below.

Level		Risk Rating
6	Severe	detailed research and planning involving (external) experts and senior management
5	High	detailed research and planning required, experts, reporting to senior management
4	Significant	receives priority in determining solutions
3	Moderate	incorporated into regular work plan, requires specific management + monitoring procedures
2	Low	can be managed by routine procedures
1	Insignificant	should be the subject of regular monitoring

Management Process

Treating risks by avoiding the risks, controlling the risk, financing the risk, transferring the risk or reducing the risk.

- To effectively treat risks, the NSO needs to understand how the risks arise. Some ways to treat risks are:
 - Contingency planning – plan in advance for an event that may happen so as to minimise any negative affects should it happen.

- Sharing the risk – that is use of waiver or sharing risk with other service providers
 - Transfer the risk – through insurance
 - Avoiding the risk – no longer undertake the activity
 - Financing the risk – setting funds aside to pay for the consequences
 - Reducing the risk – through changing work practices
- Sometimes there are trade offs between costs and benefits. There will need to be a judgment as to whether the cost of reducing the risk is worth the benefit of the reduced risk.

Implement, monitor and review risk

- Risk management is an ongoing process and needs monitoring. The effects of risk treatments need to be monitored and reviewed to ensure they are adequate and effective and new risks need to be scanned for.

RISK MANAGEMENT GUIDELINES

The Risk Management Process outlined previously divides Risk Management into two categories, that being, Risk Assessment (involving the Context, Identification, Analysis and Evaluation of risks) and a Management process (involving the Treatment, Monitoring and Reviewing and Communication of risks). These categories combined are known as the "Risk Management".

For the NSO to understand how the total process can be applied at all levels of planning within their NSO there are some useful guidelines. This should be used by both volunteers and professional personnel.

Risk Management is the Responsibility of "All Levels"

For any large organisation, there are different levels of responsibility and at all levels Risk Management must be considered. A National Scout Organisation is no different. The different levels at an NSO are:

- Individual members of the NSO;

- Managers/Professional Staff of the NSO;
- Whole of NSO

In order to ensure that all levels are taking the responsibility of Risk Management seriously it is important for the NSO to consider any issue from the perspective of "One-Up" and "Two-Down". This means that individuals must be considering and referring risk to the next higher level (One-Up) and the next two lower levels (Two-Down) to effectively manage risk.

Example 1

A Group Leader might consider the direct effect of a risk manifesting to their Scouting Section and also to the individuals in them (Two Levels Down). At the same time, the Group Leader might also consider what effect, if any, it may have on the District (One Level Up).

Example 2

A major event Co-ordinator may consider the direct risks to the event itself and to the participants and in turn will plan to minimise these risks (Two Levels Down) whilst at the same time they will need to consider the effect of these risks on the NSO as a whole (One Level Up).

If all individual members are aware of risk in their own planning processes and refer risks through the "Two-Down" and "One-Up" approach then the likelihood of omitting to treat a risk or to miss the opportunity to apply the treatment more widely across the organisation is greatly reduced.

All individual members have a role to play through this process through:

- Being observant;
- Taking ownership and responsibility;
- Bringing their own experiences to planning; and
- Being pro-active in reducing risk by using the Two-Down, One-Up approach.

Referring Risk

The NSO must have a process documented which outlines “when” and “how” risk is notified to the NSO Headquarters. In general terms, a High and Severe risk must be notified to the NSO Headquarters immediately by the individuals who have conducted the Risk Assessment. If a risk is deemed to have major or catastrophic ramifications for the NSO then the Headquarters must be notified during the planning phase.

Importantly all individuals are encouraged to refer any risk to the next higher level for assessment regardless of whether a Risk Assessment has been completed. This means that any member can make a notification based on their own knowledge and experience without the reliance on any formal process.

Risk Assessments and Action Plans

Risk Assessments and Action Plans may take the form of existing procedural documents and checklists to more complex studies specific to a particular

event, activity or function. As all levels of the NSO are responsible for managing risk then these may be developed at any level of the organisation.

Risk Assessments and Action Plans should be required to ensure that risk is being considered in the following circumstances:

Before commencing any event, business function; When a new risk is identified in a current activity or function; or At the discretion of managers for any event, activity or function which is perceived to present exposure to risk.

See Appendix B for an example of a Risk Treatment Plan and Appendix C for an example of a Risk Treatment Schedule.

Assistance

The NSO must provide assistance to all levels of the organisation to ensure that risk is being managed effectively. It is imperative the NSO communicates to its members where they can obtain assistance in relation to Risk Management so that individuals can seek assistance when required.

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RESOURCES:

- 21st APR Scout Conference – Risk Management paper
- Risk Management Policy, Scout Australia
- Running the Risk? Risk Management Tool for Volunteer Involving Organisations, Volunteering Australia, Melbourne
- Risk Management System, Scouts Australia (SA Branch)

Appendix A

The World Scout Bureau - European Regional Office and the European WAGGS jointly produced a Child Protection Tool Kit. The kit is a starting point in developing an Association's needs to ensure that children and young people are safe at all times.

The Kit gives 8 key principles to be considered when developing a Child Protection Policy. It also points out that it is important in the development of any Child Protection Policy that national legislation is taken into account. The document can be downloaded from the library of www.scout.org.

Appendix B

RISK TREATMENT ACTION PLAN

ID number:

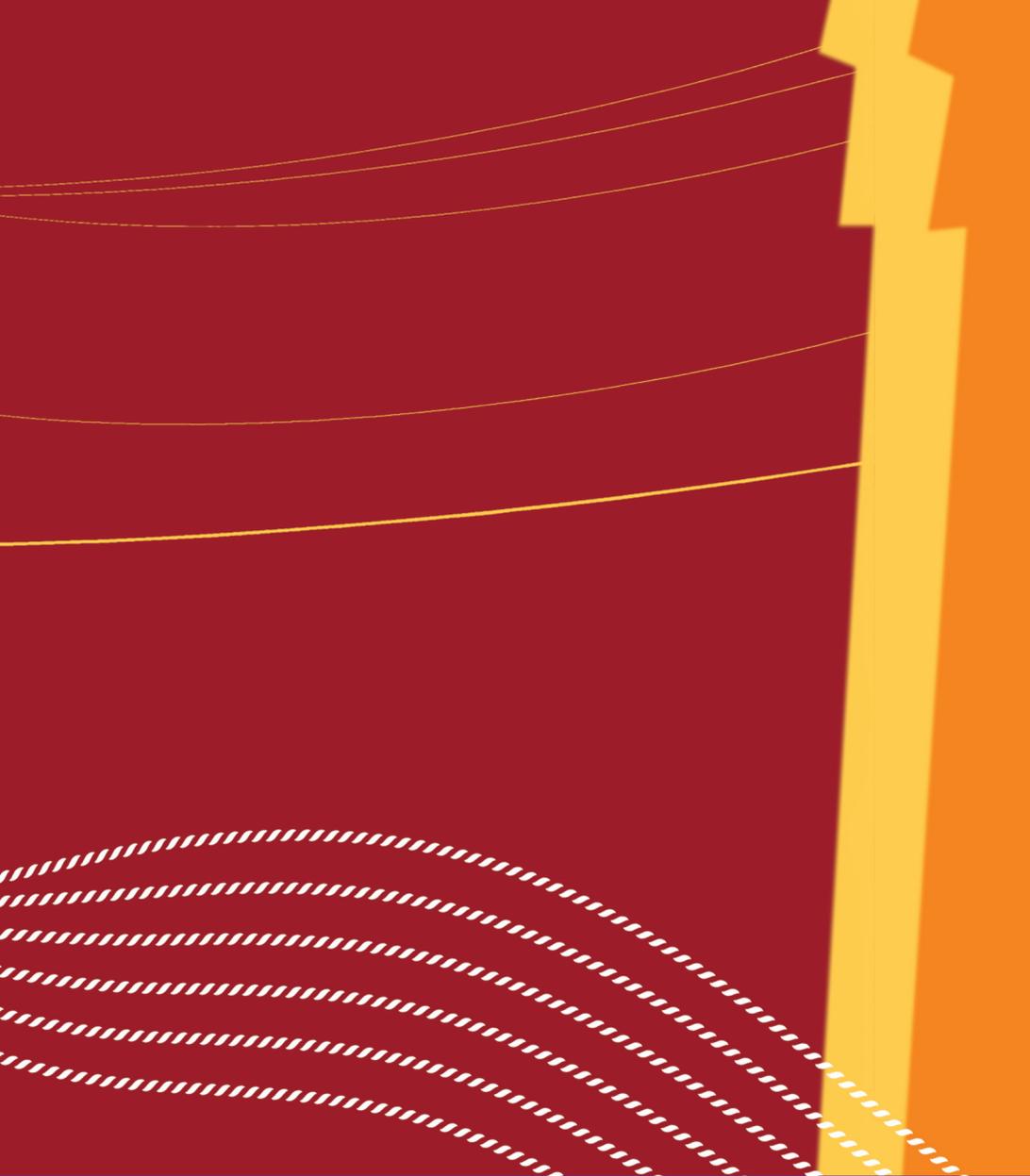
Risk:

Treatment Options considered:

- 1.
- 2.
- 3.

Action Plan:

1. Proposed treatment:
2. Resource requirements:
3. Responsibility for implementation:
4. Timings:
5. Reporting and monitoring required:



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