

6 Risk Management/Compliance and Regulation

What is risk?

Risk is any potential threat to your business, organisation, staff, volunteers or event that could change direction of your operations for the worse. Some examples of risk include:

- weather as in natural disaster such as flood, fire or cyclone
- a staff member or volunteer injuring themselves
- damage to your building premises where you operate your business
- change in government policy

Risks can include health and safety risks, financial, legal, human resources and administrative risks.

What is risk management?

Essentially, risk management deals with what can go wrong and what will be done to prevent, avoid and/or manage risk if it happens. Risk management is the strategic development of a plan of action to manage or cope with possible problems or risks before they happen and how you will manage the impact of those problems if they occur.

Advantages of an effective risk management plan

- Protects members, staff and visitors from injury
- Protects your committee from legal liability
- Your organisation and board will be better informed for decision-making
- Your organisation and board will be better placed for asset management

Developing a good risk management plan

Because your event or organisation is unique, the risks associated with it are also unique. Appoint a risk manager in your organisation. Have that person consult your board, staff, volunteers and clients to identify the potential risks in your organisation or business operations. You should cover things like your premises, financial procedures, equipment and human resources. Develop a plan and identify what could go wrong and what systems/procedures you can put in place to protect or minimize their potential impact.

Web sites like www.ourcommunity.com.au provide risk management templates you can download for free.

In your plan, beside each risk, mark whether it is high, medium or low. You can also use categories such as possible, probable or unlikely to identify how likely a risk is to occur. Also include the severity of potential impact – if the risk happened would it be minor, major or severe?

In your plan consider things such as:

- Permits and licenses
- Documents (for example, contracts, permits, evacuation plans)
- Natural disaster (fire, flood, cyclone, drought)
- Machinery
- Vehicles
- Assets
- Human resources
- Employee procedures
- Stakeholder considerations
- Insurance
- Site map
- Car parking
- Traffic control
- Signs
- First Aid
- Security
- Waste management (includes disposal of dangerous chemicals)
- Copyright
- Intellectual Property Management

Links and resources

- ArtsLaw www.artslaw.com.au
- ArtsYakka www.artsyakka.com/
- Australian Copyright Council www.copyright.org.au
- Business Advisory Services www.business.gov.au
- Office of Liquor and Gaming Regulation www.olgr.qld.gov.au/
- Our Community www.ourcommunity.com.au
- Viscopy www.viscopy.com.au



Checklist

- Have you identified the risks and liabilities in your event?
- Check with your local council about managing regulations and licenses
- Have you researched and applied the legal and industry standards required for a community arts project?
- Have you sought professional advice for your risk management plan?
- Are you aware of the contracts and legal agreements you need to have in place for your event?
- Does your insurance policy adequately protect you?

Telephone Advisory Service

Got a creative idea? Looking for help to grow it? Arts Nexus can assist you to develop your creative ideas into real ventures, find funding, write grants and manage your project. Contact us today on 07 4051 4433 or admin@artsnexus.com.au

References www.ourcommunity.com.au

Disclaimer: this information is correct at time of printing August 2009. Details are subject to change.



**Arts Nexus Inc 18/78 City Arcade, Grafton Street Cairns PO Box 4995 Cairns Qld Australia 4870
Tel 07 4051 4433 Fax 07 4051 4244 info@artsnexus.com.au www.artsnexus.com.au**