



## **Risk Management**

Sport organizations have greater responsibility towards their members than ever before. In today's nonprofit organizations, risk management means more than locking away valuables and taking steps to keep participants from physical harm. It also means managing financial and human resources wisely, governing effectively and projecting a positive image towards funding agencies, sponsors and the community.

There are three important areas of responsibility of the sport organization in risk management:

1. To provide a safe environment for participants. This means having policies and standards that promote safe programs in a safe facility, overseen by qualified personnel and trained volunteers.
2. To make decisions fairly, especially decisions that affect members. This means having and following proper policies and procedures when making important decisions and handling disputes among members.
3. To properly care for and protect its assets and resources, including money, equipment, facilities and intangible property such as data, corporate image and marketing rights.

### WHAT IS RISK?

Risk for the sport leader is defined as "the chance of injury, damage or loss." For sport organizations, this can be extended to mean the "chance of injury to your members or participants, damage to your property or property of others which you may be responsible for, or the loss to your organization, directors, volunteers, members or to someone else."

### WHY RISK MANAGEMENT?

Risk management is a discipline for dealing with uncertainty. It is defined as "reducing the chances of injury, damage or loss by taking steps to identify, measure and control risks."

**Check out this website for 10 things your Association can do to help manage your risks.**

[www.nonprofitrisk.org](http://www.nonprofitrisk.org)

#### Why Manage Risk?

- The threat of litigation is increasing. Our society is more litigation-orientated and the public is expecting nonprofit organizations to be more accountable and business-like in managing their business.
- The risk of client/participant harm. Causing harm to a client/participant, however unintentional, undermines your purpose and jeopardizes your mission.
- For your own safety and security. Sound risk management will help create a sense of confidence and safety.

*Source: [www.nonprofitrisk.org](http://www.nonprofitrisk.org)*

## WHAT IS A RISK MANAGEMENT PLAN?

A risk management plan is a way of formalizing this task into a regular, annual activity for the sport organization. Some examples of simple risk management measures in sport are:

- Design a system so that sports equipment and premises are inspected regularly and thoroughly.
- Follow a policy regarding minimum number and minimum qualifications of instructors, coaches or other staff.
- Have adequate insurance for your facilities and office.
- Review and tighten up policies and criteria for selection to a provincial team.
- Ensure proper and progressive coaching techniques are used in your developmental program.

Risk management techniques can be found at: [www.nonprofitrisk.org/tutorials/rmtutorial/3.htm](http://www.nonprofitrisk.org/tutorials/rmtutorial/3.htm)

## THE RISK MANAGEMENT PROCESS

The process of risk management is a three-part activity. It involves:

1. First, look at the situation and ask what can go wrong and what harm could result?
2. Second, identify practical measures that can be taken to keep such harm from occurring.
3. Third, if harm does occur, identify practical measures that can be taken to mitigate its impact and pay for any resulting damages or losses.

The practical measures that can be used to manage risks fall into four categories:

- Assume the risk – decide that the risk is minor and do nothing.
- Reduce the risk – find ways to change or modify an activity or environment so that the degree of risk is reduced. Policies and procedures regarding programs are examples of risk management.
- Avoid the risk – choose not to do something. If your organization cannot offer a service/program while ensuring a high degree of safety, it should choose not to provide the program.
- Transfer the risk – accept the risk but transfer the liability associated with it to someone else through a written contract. Liability insurance and insurance contracts are some examples of this.

Remember that the simpler the risk management strategy is, the more likely it is that it will be applied.

Source: [www.nonprofitrisk.org](http://www.nonprofitrisk.org)

The Nonprofit Computer Assisted Risk Evaluation System (Nonprofit CARESTM) is a Web Based tool designed specifically for nonprofits. This assessment tool can be found at:

[www.nonprofitcares.org](http://www.nonprofitcares.org)

## SPORT MANITOBA RESOURCE LIBRARY:

### **Feature Resources:**

- Legal Liability and Risk Management: A Handbook for Directors
- Your Risk Management Program by Rachel Corbett – Centre for Sport and Law
- Managing Risks by Rachel Corbett and Hilary Findlay – Centre for Sport and Law

**Come visit Susan Stastook at Sport Manitoba to borrow any of these resources.**

## **TAKE CHILDREN SAFELY OUT TO THE BALLGAME**

Organized sports improve physical fitness, coordination, self-discipline and teamwork for children, but these activities can also put participants at risk for injury unless precautions are in place.

Hospital emergency rooms treat thousands of children each year for sports related injuries. Sports-related injuries occur more frequently in sports programs with higher levels of participants and more often during practice rather than games.

Non-profit sport organizations need to take precautions to protect young athletes and the organization from harm. It is your responsibility to see that youth in your programs are safe from foreseeable harm.

### **Sports Injury Prevention Tips for Young Athlete Programs**

- Dress participants in appropriate protective equipment.
- Maintain safe playing conditions.
- Have an emergency plan for injuries during practice and games.
- Enforce safety rules.
- Provide trained adult supervision for the game/practice.
- Provide proper training and skill building for the young athletes.
- Match and group children according to skill level, physical and mental maturity.

*Source: [www.nonprofitcares.org](http://www.nonprofitcares.org)*

**Did you know?** In Canada, 30% of all injuries to adults result from sport and recreational activities. This figure rises to 40% for injuries in the 15 - 25 age group.

Insurance does not prevent losses. But insurance can help pay for insured losses and the cost of investigating or defending allegations of wrongdoing. Be sure your organization has adequate and appropriate insurance coverage.

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### **SURF THE WEB FOR ADDITIONAL RESOURCES:**

[www.nonprofitrisk.org](http://www.nonprofitrisk.org)  
[www.nonprofitcares.org](http://www.nonprofitcares.org)  
[www.sportlaw.ca](http://www.sportlaw.ca)

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