

Finance & Risk Committee Newsletter – August 2007

Overview of Committee Work

The Finance & Risk Committee has worked very hard over the last year on a number of projects and initiatives. The purpose of this Newsletter is to give an overview of some of the work of the Committee and to ensure that there is transparency around what we are doing. We will be publishing a quarterly website Newsletter from now (next edition due January 2008). In the meantime, if you have any queries around any of the work being undertaken by the Committee or better still if you have any suggestions for us, please email on mcoghlan_athletics@yahoo.com.

Broadly the work of the Committee can be split into the following areas

- Financial and Management Policy - planning and reporting
- Capital Projects
- Risk Management
- Fund Raising Initiatives
- Remuneration Policy

The following covers some of the developments in these core areas.

Financial & Management Policy – How do we measure our performance?

Financial

For the last year or so, the Committee has been largely focused on ensuring that there is accountability and transparency in the finances and management of the Association with the new structures. Every month at Board Meetings, a report is presented showing the up to date financial and operational position of the Association. The financial report breaks down the income and expenditure into the various areas in which they are spent. These areas are:

- Administration
- Commercial
- High Performance
- Coaching
- Development
- Competition
- Schools
- Juveniles
- Governance

The AAI website is currently undergoing a re-design – once this is complete, this financial information will be published on the website monthly in arrears.

Management / KPI Reporting

KPI stands for Key Performance Indicators. KPI reporting is an innovation of the Finance & Risk Committee to demonstrate the actual delivery of Executive Management. Each

year, the CEO is responsible for preparing an “Operating Plan” which is signed off by the Board. This plan is what the promised list of actions and delivery will be for the following year by the paid staff under the direction of the CEO.

The question then arises as to how do the Board (as the representative of the membership) check that the Operating Plan is actually being delivered and the answer is through KPI reporting. The top 5 priorities for each area are recorded and then measured against what was promised in the Operating Plan e.g. one of the priorities under Development might be ***“Increase membership of the Association by 2,000”***. The KPI report will then show the membership for both 2006 and 2007. It will then be possible to see whether or not this objective has been achieved.

The Operating Plan and KPI Reports will also be published on the website once the re-design is complete. The current format of our financial and KPI reports are presented to the Irish Sports Council as part of our quarterly liaison meetings with them and their feedback to us is that we are now the leaders among Sporting National Governing Bodies with regard to our approach to measuring our financial and operational objectives.

Capital Projects

The major capital project over the last year has been the purchase of the new premises in Northwood Court in Santry.

When this Finance & Risk Committee took office, a sale price had been agreed for the old premises at Prospect Road. As the Association has “Games and Sports Exemption” status (similar to “Charitable Status”), it was not liable for Capital Gains Tax on this sale.

Once contracts for the sale of Prospect Road were finalised, we moved on to the issue of the financing of the new premises in Northwood Court in Santry. Of course, this was largely financed by the sale of Prospect Road and also from funds coming from an old BLE account including the interest accumulated. However, there was still a shortfall and a loan had to be negotiated to make this up. This loan had to factor in the cost of fitting out and furnishing the new office and the overall capital strategy of the Association. This loan was obtained by setting up a subsidiary company limited by guarantee. This provided maximum efficiency from a number of points of view. In the end, we finally re-located to Northwood Court in February this year!!

Work is ongoing on capital investment strategy and there should be some developments in this area to report in future editions of this Newsletter.

Risk Management in Athletics

Risk Management has become a required component of all organisational planning. This is true for sporting bodies as much as it is for private and other public organisations. The Finance and Risk committee has just started the process of introducing risk management policies and guidelines into Athletics Ireland to help all the interested parties – athletes, officials, staff etc. – understand the risks and learn to manage them.

Benefits of strong Risk Management

- ***Better image leading to greater funding & sponsorship opportunities***
- ***Lower costs e.g. insurance***
- ***Safer environment for athletes, officials and staff***
- ***Compliance with statutory and legal requirements***

Our objective is to become ‘best of breed’ in National Governing Bodies in Ireland in this area. We want to establish what constitutes best practise in this area worldwide and use that as the basis for our own program.

The Australian Institute of Sport has published a document on Risk Management for Directors and Board Members of National Sporting Organisations and this provides a very strong framework that we can adopt. The Australian framework identifies five stages of risk management

Establish the Context

What are the objectives, who are the stakeholders etc.?

Identify the Risks

What can happen and how can it happen?

Analyse the Risks

Level of risk, likelihood of it occurring, consequences

Evaluate the risks

Rank the risks

Treat the Risks

Select the best response, develop and implement treatment plan

For each of these stages communications and feedback are essential. To that end we have set up an email address, risk@athleticsireland.ie for your comments and any suggestions or input you have.

Of course there is already significant progress made in many areas throughout Athletics Ireland such as Child Protection policies and in the management of large road races and we will incorporate these into our own guidelines as we progress.

A sub-committee of Finance and Risk has been set up to develop and implement a plan for risk management. Gerry Giblin of Finance and Risk, Breda Synott, Chair of the Juvenile Committee, Matt Lynch, the Child Protection Officer, Jacqui Freyne, AAI

Development Director and Eric Brady, an expert in the area of HR are the current members of the committee.

We expect that the Board of the Association will issue a policy statement on Risk Management in the near future. The committee will then plan its activities for the year which will be focused on three main areas:-

- **Child Protection**

- Matt Lynch has completed the Code of Ethics & Good Practice for Sport for Young People in A.A.I. and that should be published soon. Along with that we will plan communications to the Clubs and in particular the club Child Protection Officers about the guidelines and how best to implement them.

- **Anti-doping.**

- This will involve the potential risks to all parties – reputational, financial and so on – involved in anti-doping measures. We hope to enlist the support of the Association's Anti-Doping Officer here.

- **Risk Identification**

- Identify risk
- Categorise risk
- Prioritise risks that are present in our sport and our organisation.

The format for this will be a series of workshops or brainstorming sessions with stakeholders where we can get the widest input possible in order to be as comprehensive as possible in putting the list together.

This will enable us to put a plan together for 2008 which will address the highest priority risks that occur and also start to implement a monitoring function through a risk register which will capture all risks and provide a single repository from which they can be managed.

We hope to have our deliverables for 2007 fully identified by the end of October, along with a plan to implement them. During the next couple of months we will publish our plans as they develop for feedback and comment.

Insurance

Insurance falls under the heading of Risk Management. One of the projects undertaken by the Committee this year has been a comprehensive review of the Association's insurance arrangements. We will soon be publishing a document on the website which explains for all interested parties, the level of cover provided to them under Athletics Ireland insurance policies.

Fundraising

The fundraising committee is a sub-committee of the Finance & Risk Committee. The biggest initiative coming from this committee in 2007 will be the National Athletics Awards to be held on November 17th in the Crowne Plaza in Santry.

The format will be a black tie gala dinner with musical entertainment to round the evening off after the presentation of awards. It will be hosted with the generous support of sponsorship from Waterford Crystal.

There will be twelve categories of annual award presented on the night

- Track athlete of the year
- Field athlete of the year
- Walker of the year
- Cross Country / Road athlete of the year
- Club of the Year
- Coach/Mentor of the Year
- Recognition of an Official
- Junior athlete of the year
- Masters athlete of the year
- Performance of the year
- Athlete of the year
- Lifetime Achievement Award

The Awards Selection Committee come from across the broad spectrum of the sport and their credentials are impeccable - they are Eamonn Coghlan (Chairman), Catherina McKiernan, TJ Kearns, Maeve Kyle, Ray Flynn and Mark Hayes. The nominations in the various categories will be announced by mid-October. "Club of the Year" and "Coach / Mentor of the Year" will be chosen from submissions via a nomination form which will be published on the website in the next week along with guidelines for completion. These categories will give a particular opportunity to recognise some of the great contributions from individuals and groups from the grassroots to the elite.

Commenting on the creation of the event, Athletics Ireland President Michael Heery said "One proven way of raising the profile and of bringing attention to all that is good in the sport is to have an annual National Awards Programme. I am therefore delighted to let you know that the Board has approved the plans for the creation of a national awards programme for this year."

In what has been a very successful year for us on the international stage, the event will provide a great opportunity to bring us together and celebrate our participation at all levels in this success.

The event will be officially launched in the National press in the next week and this will be followed by additional information on the website and dispatches to the membership.

Interest in ticket reservations has been strong to date with nearly 50% of tickets already committed. Please contact Moira Aston in the Athletics Ireland Office (01 886 9933) for further information regarding reserving tickets or a table (ten people per table). The cost is 100 Eur per head.

We look forward to seeing you for a great night on November 17th!!!"

Remuneration Policy

General

The Remuneration Committee is a sub-committee of the Finance & Risk Committee. It is responsible for designing policy around staff pay levels and bonuses. It also has responsibility for making recommendations to the Board on Association expense policy for staff & volunteers. Broadly speaking, the policy around this area is that good performance should be rewarded using effective staff appraisal systems. This is tied in with KPI reporting.

Expense Policy

One of the areas the Finance & Risk Committee has examined in detail this year has been the Association policy around volunteer and staff expense rates. With effect from August 1st 2007, the volunteer expense rate has been increased to 0.65 Eur per mile. This increase is accompanied by some changes in the process for remitting expense claims. Any queries arising from this can be addressed with John Holian, the Finance Manager at finance@athleticsireland.ie. Copies of the expense claim forms are available from John.

Finance & Risk Committee

Mary Coghlan – Chair
Gerry Giblin
Peter Hanlon
Rita Brady
David Evans
Jim Kidd
Padraig McKeon