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First Edition

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Published by:
Politeknik Tuanku Syed Sirajuddin,
Pauh Putra, 02600 Arau, Perlis.

Printed in Perlis.

e ISBN 978-967-2258-93-3

CONTENTS

IV ACKNOWLEDGEMENT
V ABSTRACT
2- 14 TOPIC 1: RISK MANAGEMENT CONCEPTS
15 EXCERCISE 1
16-39 TOPIC 2: RISK MANAGEMENT PROCESS
40 EXCERCISE 2
41 REFERENCES

PREFACE

This book was design to provide a frame of reference for Polytechnic Diploma in Event Management or students majoring in event management industry. The book is alternatively helpful to those who wish to keep in enhancing knowledge and skills on fundamental event industry. This Event Risk Management book is purposely-designed ample review questions that consists of notes and learning activity that covering all chapter;

Topic 1: Risk Management Concept

Topic 2: Risk Management Process

In order to gain better learning effects, this book should be use as reference. Finally, we hope that this book beneficial to all students and others either they have basic or not because it is essential to be as a basic reference.

ACKNOWLEDGEMENT

First, we would like to thank to Allah SWT the Almighty for establishing us to complete this book Event Risk Management.

Next, the most gratitude wish goes to our family for giving us strong support in completing this book. Additionally, special thanks to the team of publishing of this book.

Not to forget many thanks to all our superior in Politeknik Tuanku Syed Sirajuddin start from Director, Academic Deputy Director, Academic Support Deputy Director and Tourism and Hospitality Head of Department. Also, special thanks to all our colleague in Tourism and Hospitality Department and specifically in Event Management Unit.

Finally, we wish readers a pleasant reading and apologize for any omissions and errors. I hope that this book will be beneficial to all, especially Polytechnics students so that they can have clearer view on event management industry.

ABSTRACT

This book of Event Risk Management cover the basic of risk management concepts and application basic step of risk management process.

The content of this book cover the importance of risk management, identify risk and the phase of the event management. Other then that, the functional area of event management, job specification and job description also applied in this e book for the topic 1.

For the topic 2, it focus on how to manage the process of risk management, method to identify risk, permit and licenses also legal management in event risk management. Students are provided with integrated knowledge and skills in event industry towards the community and country itself.

Last but not least, the fundamental of event risk are discuss through the exercise after every last topic. With this book, it should be the best way for student to refer and used in order to improves their knowledge and understanding.

TOPIC 1 RISK MANAGEMENT CONCEPTS



WHAT IS RISK?

RISK

The possibility of something happening that impacts on your objectives. It is the chance to either make a gain or a loss

RISK MANAGEMENT

The process of identifying such risks, assessing these risks and treating these risks





IMPORTANCE OF RISK MANAGEMENT

1. To prevent and reduce loss by making event as safe and secure as possible.



2. To control potential loss



3. To minimize legal and financial liabilities



4. Operate responsibly



5. The potection of assets



6. Properly manage growth





IDENTIFY RISKS IN EVENT

PHYSICAL

-Physical risks include potential threats to the physical well-being of participants. Include such things as food poisoning, injuries that may result from the activity or event.

REPUTATIONAL

-Those things that may result in negative publicity for your organization. For example: publicity campaign containing offensive materials.

EMOTIONAL

-Involve the potential of your event to result in emotional distress for any participant in the activities. For example: harassment, emotional trauma, extreme fear or anxiety.

FINANCIAL

-Potential negative consequences of the event that can negatively impact the fiscal stability of your organization. For example: misuse of organization funds, theft.

FACILITIES

-Risks to the facility in which you are holding the event or risk inherent at the facility itself. For example: fire codes, maximum capacities, heating and cooling, parking issues etc.



DESCRIBE COMMON RISK FACTORS

ACTIVITIES

*Hazardous activities and attractions

- *Food safety and alcohol service
- *Program, performers, participants

AUDIENCE



- *Audience demographics
- *Crowd size and density
- *Crowd behaviour

COMMUNICATIONS

*Lack of command centre and control



*Insufficient equipment and signage

COMPLIANCE



- *Regulatory permits, licenses, approvals
- *Illegal activity

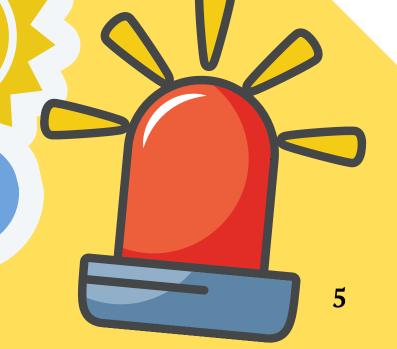
EMERGENCY PLANNING *Inadequate crisis management plans >*Lack of emergency response

*Lack of emergency response coordination

ENVIRONMENT



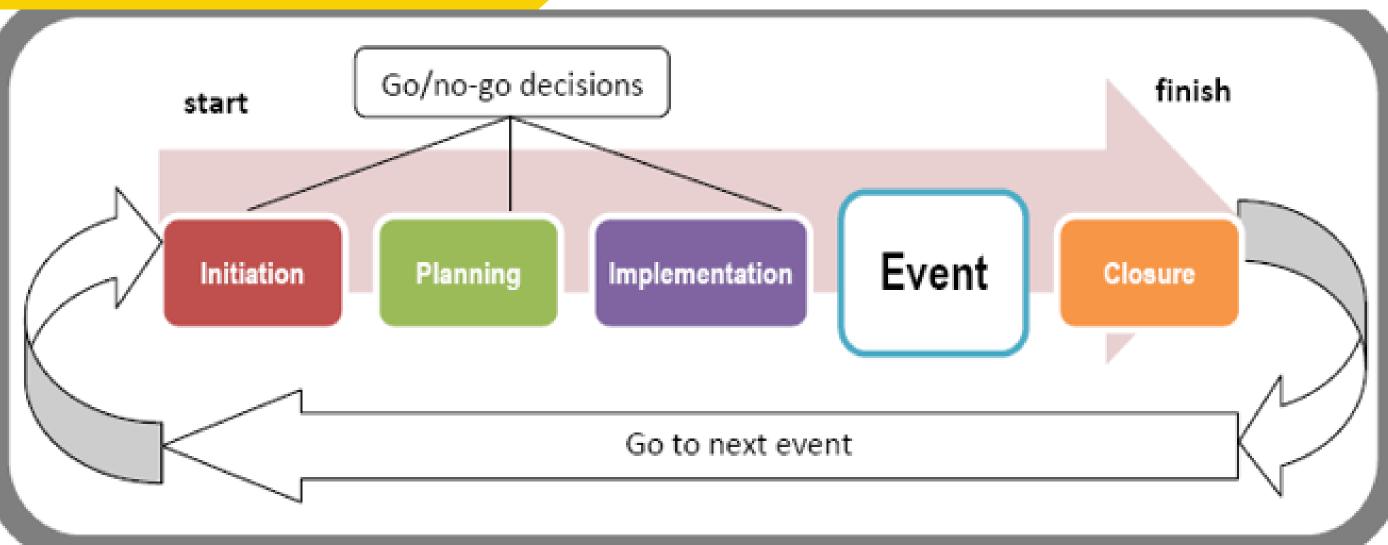
*Proximity to hazards



DESCRIBE COMMON RISK FACTORS

The State of the S	100	The same of the sa		
EVENT PLANNING		 Incompetent management Lack of policies and procedures 		
EVENT TYPE AND PURPOSE		 First time, one time event Misrepresentative promotion 		
FINANCES		Insufficient funding, insufficient insurance Vulnerable cash handling procedures/areas		
HUMAN RESOURCE		 Insufficient staffing Untrained/inexperienced personnel 		
INFRASTRUCTURE		Inadequate power, technology, utilities Insufficient traffic and parking management		
OPERATIONS		Occupational health and safety Installation, operation, close-down logistics		
ORGANIZATION		Unclear structure of authority Unsanctioned leadership/decision making		
SITE		Untried or temporary venues Temporary structure and staging		
SUPPLIERS		Specialist, skilled, union requirements Lack of supplier contact and control		
TIME	✓	Inadequate planning and decision time Event start and ending times, duration Arrival and departures modes		

THE PHASE OF EVENT MANAGEMENT





INITIATION

- Determine mission, goals and objectives
- Specify concept, scope and expected outcomes

PLANNING

- Assess resource requirements
- Develop standards specifications
- Determine tactics

IMPLEMENTATION

- Acquire goods, services and HR
- Coordinate logistical and spatial requirements
- Monitor and control scope, schedule, costs, quality and risks









THE EVENT

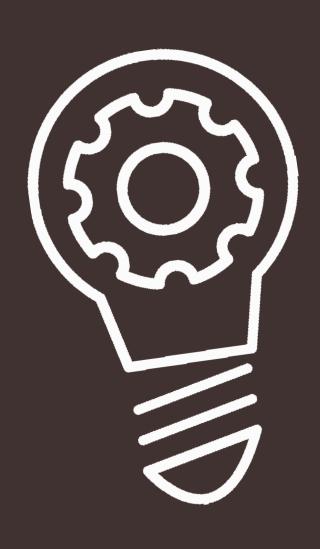
Inspect and monitor service delivery
Direct on-site logistical operations
React to changes and problems

CLOSURE

- Supervise event shutdown and obligation fulfillment
- Collect data and feedback
- Analyze and evaluate outcomes
- Compile final report

A Picture Is Worth a Thousand Words



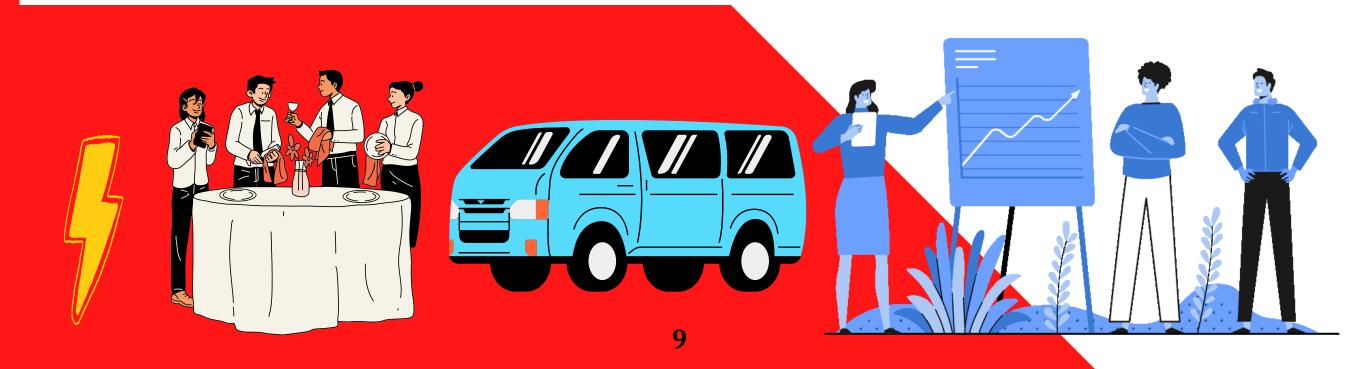


THE FUNCTIONAL AREAS OF EVENT MANAGEMENT

ADMINISTRATION	DESIGN	MARKETING	OPERATIONS	RISK
Financial	Catering	Marketing Plan	Attendees	Compliance
Human Resources	Content	Materials	Communications	Decisions
Information	Entertainment	Merchandise	Infrastructure	Emergency
Procurement	Environment	Promotion	Logistics	Health & Safety
Stakeholders	Production	Public Relations	Participants	Insurance
Systems	Program	Sales	Site	Legal
Time	Theme	Sponsorship	Technical	Security

Facilities	Equipment	Administration & finance	Staff/personnel	Support services
Booking venue	Chairs & tables	Event budget	Announcers	Catering
Parking	Directional signs	Income &	Receptionists	Governing
		expenditure		bodies
Registration	Fire extinguishers	Procedures &	Safety staff	Emergency
		policies		services
Access	Seating	VIP list	Volunteers	NGO

Transport	Sport presentation &	Health &	Post event clear	Marketing &
	medal ceremonies	safety	up	promotion-
Public transport	Bouquets	Risk	Closing the	Publicity
_		assessments	event	timetable
Pool cars & drivers	Commentators/ announcers	Emergency planning	dismantling equipment	Branding
Arrival/departure arrangements	Prizes	First aid provision	Storage and return of equipment	Media coverage
	Guest speakers	Insurance		



THE JOB SPECIFICATION OF RISK MANAGER

- Skills needed for successful event risk manager:
- Problem Solving
 - designing risk management solutions and processes for an entire organization.
- 2. Analytical Skills
 - Risk managers should place focus on the analysis, with the referenced data added to the appendix.
- 3. Communication Skills
 - Language skills are also important in risk management as they can be used to communicate with all types of people.
- 4. Business understanding
 - understand how the business works and all the different internal and external factors that can affect its performance.

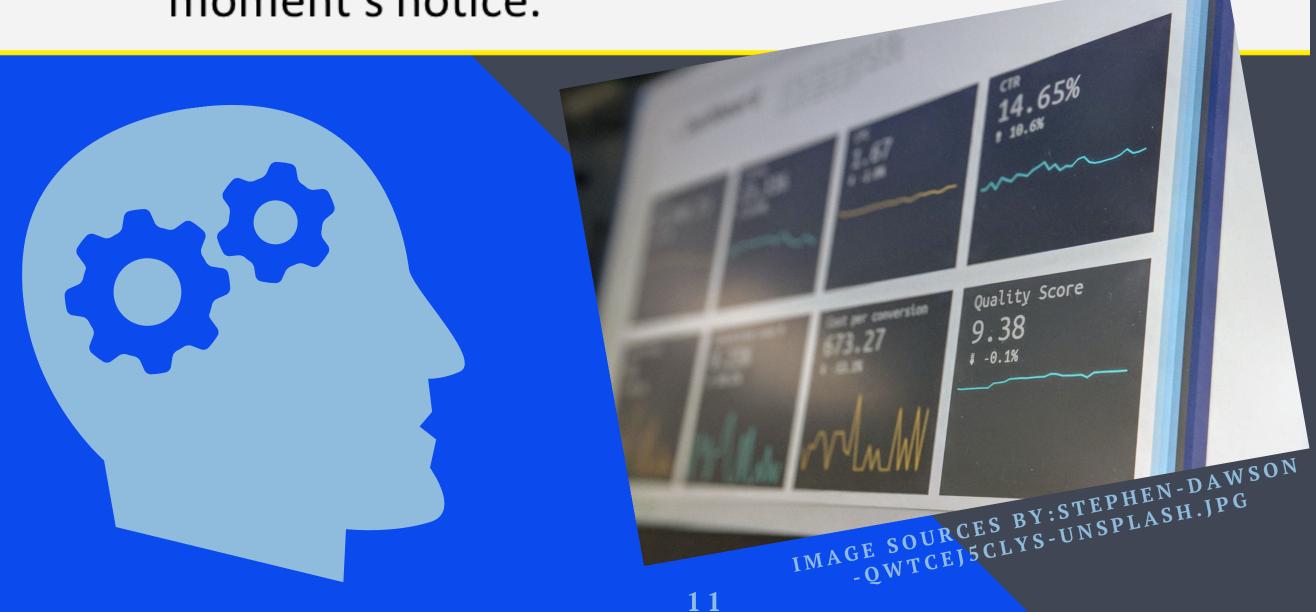
Negotiation skills

✓ You have to negotiate with other departments to decide what's possible, convince staff to be riskaware, liaise with auditors and justify yourself to your boses.

THE JOB SPECIFICATION OF RISK MANAGER

Skills needed for successful event risk manager:

- 5. Negotiation skills
 - ✓ You have to negotiate with other departments to decide what's possible, convince staff to be riskaware, liaise with auditors and justify yourself to your boses.
- 6. Numeracy Skills
- ✓ Risk analysis involves a lot of numbers costs, estimated risks, probabilities and so on and while you don't need to be a mathematician, you do need to be comfortable and confident with calculations.
- Working Under Pressure
 - when something unexpected occurs and you need to be able to update your strategies and react at a moment's notice.



THE JOB SPECIFICATION OF RISK MANAGER

Skills needed for successful event risk manager:

- 8. Collaborative Skills
 - collaboration as well as sharing between teams and team members.
- Technical Competency
 - ✓ To keep updated on risk management best practices, risk managers always need to do research, reading and also a lot of networking.

10. Character

Risk managers have to have independence and integrity, stand firm on their decisions and will not be easily persuaded by other people.



THE JOB DESCRIPTION OF RISK MANAGER

Designing and implementing an overall risk management process for the organization Performing a risk assessment: analysing current risks and identifying potential risk that are affecting the company Performing a risk evaluation: evaluating the company's previous handling of risks and comparing potential risks with criteria Establishing the level of risk the company are willing to take Preparing risk management and insurance budgets Marinating records of insurance policies and claims Reviewing any new major contracts or internal business proposals Building risk awareness amongst staff by providing support and



training within the company

THE JOB DESCRIPTION OF RISK MANAGER

- Risk reporting tailored to the relevant audience
- Explaining the external risk posed by corporate governance to stakeholders
- Creating business continuity plans to limit risks
- ☐ Implementing health and safety measures and purchasing insurance
- ☐ Conducting policy and compliance audits, which include liaising with internal and external auditors







Instruction:

Please answer ALL questions below with TRUE or FALSE

risk management process. () (10 MARKS)
10. Communicate and consult is the ongoing throughout all steps in the
criteria that should be considered in developing risk criteria. ()
()9. The kinds of consequences that will be considered is the important
8. Experience and records is among the methods in identifying risks.
management process. ()
7. Communication and consultation are NOT essential to the overall risk
() 6. Establishing the context is the first step in risk management process.
5. Reputational is ONE (1) of the types of risks in event management
4. Physical risks include potential threats to the physical well-being of participants. ()
3. Balancing opportunity and risk is the process of risk transfer ()
2. ONE (1) of the good reason to manage risk is to reduce unexpected and costly surprises. (
1. The definition of risk management is the process of identifying such risks, assessing these risks and treating these risks. ()

15

ALL THE BEST

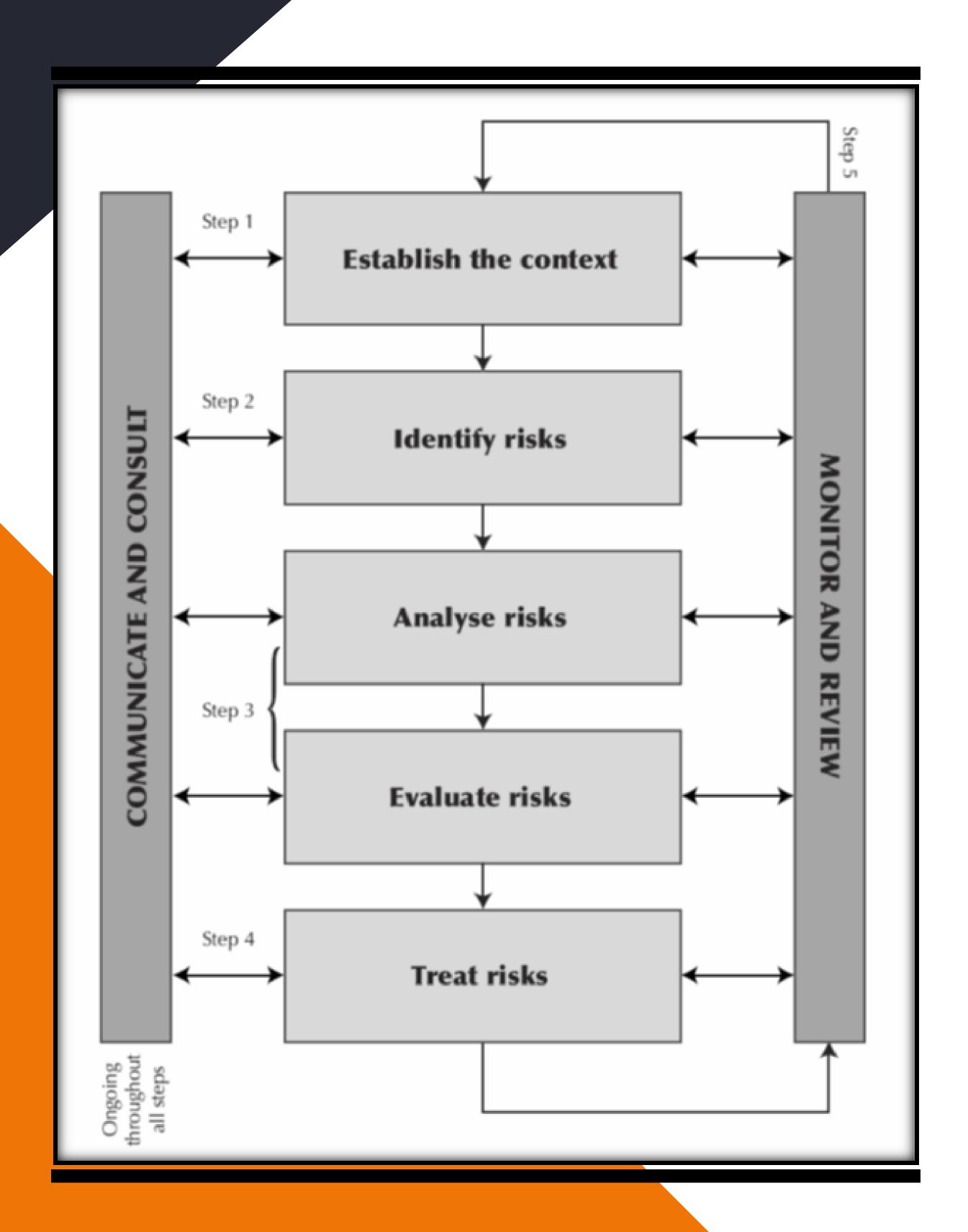
TOPIC 2 RISK MANAGEMENT PROCESS

BASIC STEPS IN RISK MANAGEMENT PROCESS

5 risk management process steps combine to deliver a simple and effective risk management process:

- STEP 1: ESTABLISH THE CONTEXT ~ Effectively identify risks will include taking into account the event objectives and event holder capabilities as well as factors external to the organisation or event.
- > STEP 2: IDENTIFY RISKS ~ once risks are identified, you develop an understanding of the nature of the risk and its potential to affect your goals and objectives.
- STEP 3:ANALYZE AND EVALUATE THE RISK ~ This involves analysing the likelihood and consequences of each identified risk. You make decisions about whether the risk is acceptable or to warrant treatment.
- > STEP 4: TREAT THE RISK ~ referred to Risk Response Planning. You assess your highest risks and set out a plan to treat or modify these risks to achieve acceptable risk levels.
- > STEP 5: MONITOR AND REVIEW THE RISK ~ the step where you use it to monitor, track and review risks.

RISK MANAGEMENT PROCESS



STEP 1: ESTABLISH THE CONTEXT

- Answering the 'who', 'what', 'when', 'how' and - 'with what' questions?
- Who is going to be involved?
- What are they actually going to be doing?
- When are they going to be doing it?
- How are they going to do it?
- With what resources will they undertake this?

METHODS TO DENTIFY RISKS

1.EXPERIENCE AND RECORDS

Start by reviewing internal and industry records for the types of incidents that have happened in the past (this is only an indicator as not all future risk incidents have previously happened).



IMAGE SOURCE BY: HAYLEY-LYLA-ES9-WNM2XKY-UNSPLASH

METHODS TO IDENTIFY RISKS

2 BRAINSTORMING

Get together with those who know the event well to find out what the business relies upon and the things that can - and do - go wrong.





METHODS TO IDENTIFY RISKS

3.ANALYSIS

Analyze internal systems and processes to identify critical points. For example, when will event volunteers be briefed, it may be a critical point in the process and the last opportunity to ensure they have the relevant information.

Equally, the organizer may be engaging other services for the event and will need to ensure that the provider is able to demonstrate adequate insurance cover prior to any contract being signed off.

METHODS TO IDENTIFY RISKS

4.PERSONAL FEEDBACK

Look up any reports or reviews that might identify things that could affect the ability of the event to succeed.

The advent of social media means that many successful and less than successful events have running commentary available relating to how well those events were managed.

More broadly, using the internet can help identify how well similar international, national and state events have been run and put organizers in contact with event managers who can provide personal feedback.



METHODS TO IDENTIFY RISKS

5.AUDIT AND OTHER RECOMMENDATIONS

Look for findings (e.g. of financial audits or post event evaluations) as they may also identify things that could affect the ability of the event to succeed.



STEP 3: ANALYZE AND EVALUATE RISKS

PROCESS:

- Look at the adequacy of existing controls. Identify how the risk is currently being mitigated.
- What are the consequences if it occurs?
- How likely is it to occur? (Evaluate likelihood based on existing controls)
- Multiply consequences by likelihood to give a level of risk.
- Review the level of risk determined against the acceptance criteria identified in Step 1.
- Decide which risks are to be treated or accepted. Decide this by identifying at what value a risk changes from being acceptable to unacceptable.
- Record the analysis

STEP 4: TREAT RISKS

WHAT ARE THE CHOICES?

- Reduce the likelihood of the risk occurring;
- Reduce the consequences of the risk occurring;
- Accept the risk on the basis that you are doing all things reasonable;
- Avoid the risk by discounting this activity – don't do it!; or
- Transfer the risk by way of contract, insurance, etc.



STEP 4: TREAT RISKS

RISK TREATMENT OR RISK RESPONSES

A) AVOIDANCE

- Removal of risk liabilities or hazards
- Modification or elimination of elements, requirement, practices, activities

B) REDUCTION

- Reduce the likelihood of its occurrence
- Minimize the severity of the consequences
- Security, protective equipment, contingency plans



STEP 4: TREAT RISKS

RISK TREATMENT OR RISK RESPONSES

C) RETENTION

- Retaining the financial liability for the loses
- Sufficient resources, funds

D) TRANSFERENCE

- Transfer the liability and impact to a third party
- Contractual transfer, insurance coverage, waivers of indemnity, joint ventures



STEP 5: MONITOR & REVIEW

THIS CAN BE DONE BY:

- 1. Risk reviews.
- 2. Review progress of new 'Treatment
- 3. Action Plans' (i.e. the implementation of new controls).
- 4. New risks can also be identified from:
 - Accident, incident and claims reports;
 - Findings, financial audits and post event evaluations;
 - Physical inspections;
 - Reviewing other similar events;
 - Speaking with stakeholders/Committee; and
 - Reviewing the performance of the event.

COMMUNICATION & CONSULTATION

Communication and consultation does not mean asking everybody their opinion about everything. When planning consider the following in relation to communication and consultation requirements:

- **Objective**s what are the aims of involving different people in the process?
- **Participants** who are the appropriate parties to be involved at each step of the process?
- Perspectives what particular contribution or view point is anticipated and required from each participant?
- Methods how will consultation take place? It may not always be practical to get all the parties together in one place.



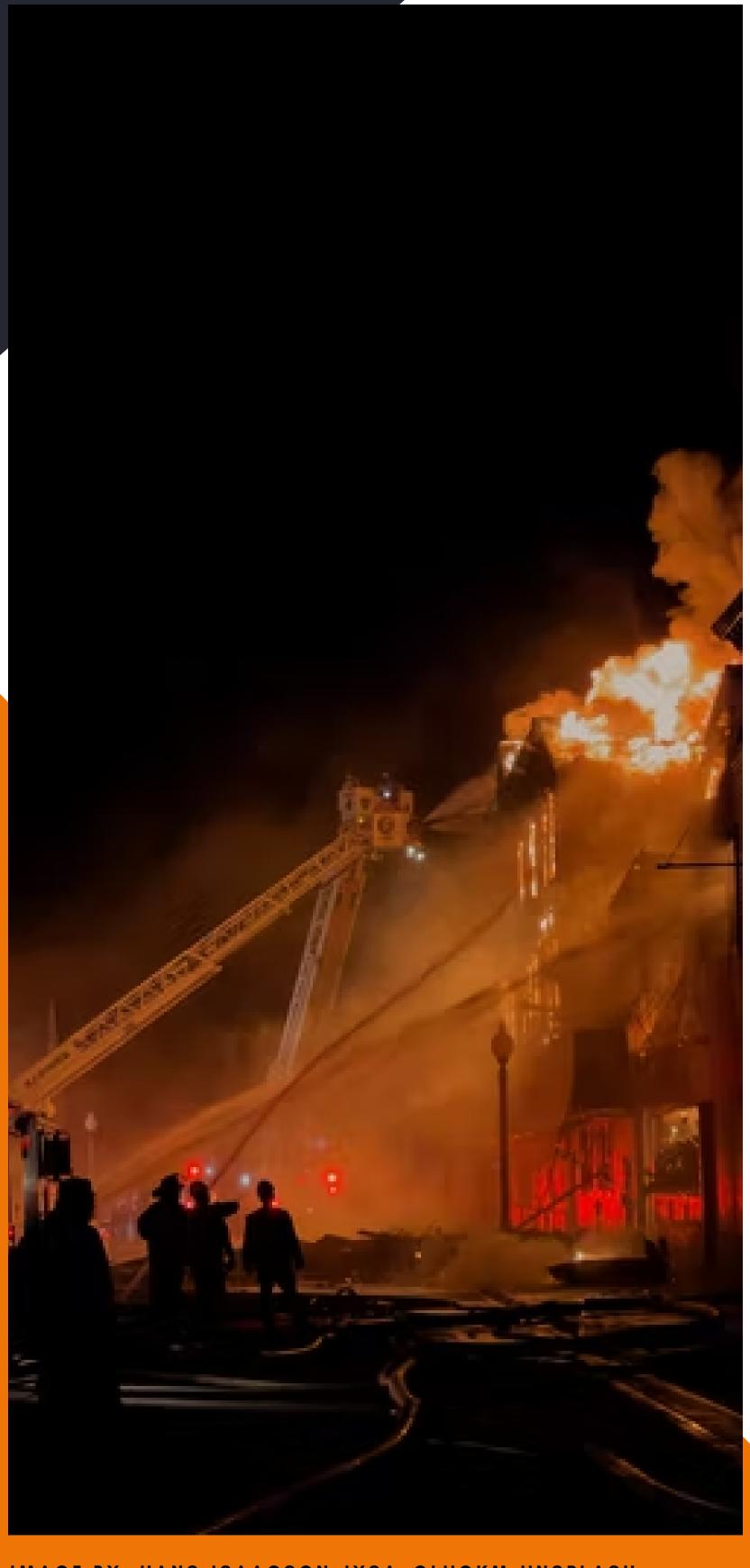
BENEFITS OF RISK PLANNING



IMAGE BY: PRISCILLA-DU-PREEZ-Q7WGVNBUWJO-UNSPL/

- Improved communication
- More efficient use of resources
- Less duplication of effort
- Quicker recognition of risks
- More thorough response to risks
- Fewer surprises and crises

HAZARDS OF NOT PLANNING



- Faulty
 assumptions
 and
 unrealistic
 expectations
- Underfunding and over spending
- Gaps in risk recognition and treatment
- Haphazard stakeholder participation
- Inconsistent
 and
 uncontrolled
 decision
 making
- Increased risk

IMAGE BY: HANS-ISAACSON-JYSA_OLUQKM-UNSPLASH

PERMITS AND LICENSES FOR EVENT

- Alcohol: it takes
 between 75-90 days
 to process an application
- Noise (if playing music or hosting live entertainment: check local ordinances and apply to all necessary government agencies for a noise permit prior to the event
- Health permit:
 one time event
 organizers will
 need to secure a
 health permit if
 food/drinks will be
 sold to the public



PERMITS AND LICENSES FOR EVENT



- BUSINESS
 LICENSE/VENDOR
 PERMIT
- FIRE/FIREWORKS PERMIT
- Building permit
 (large tents will
 need a building
 permit): for
 example
 carnivals, outdoor
 events. In order
 to put up tents in
 public spaces, a
 building permit is
 required
- STREET CLOSURE PERMIT
- RACE PERMIT

IMPORTANCE OF PERMITS APPLICATION

SAFETY

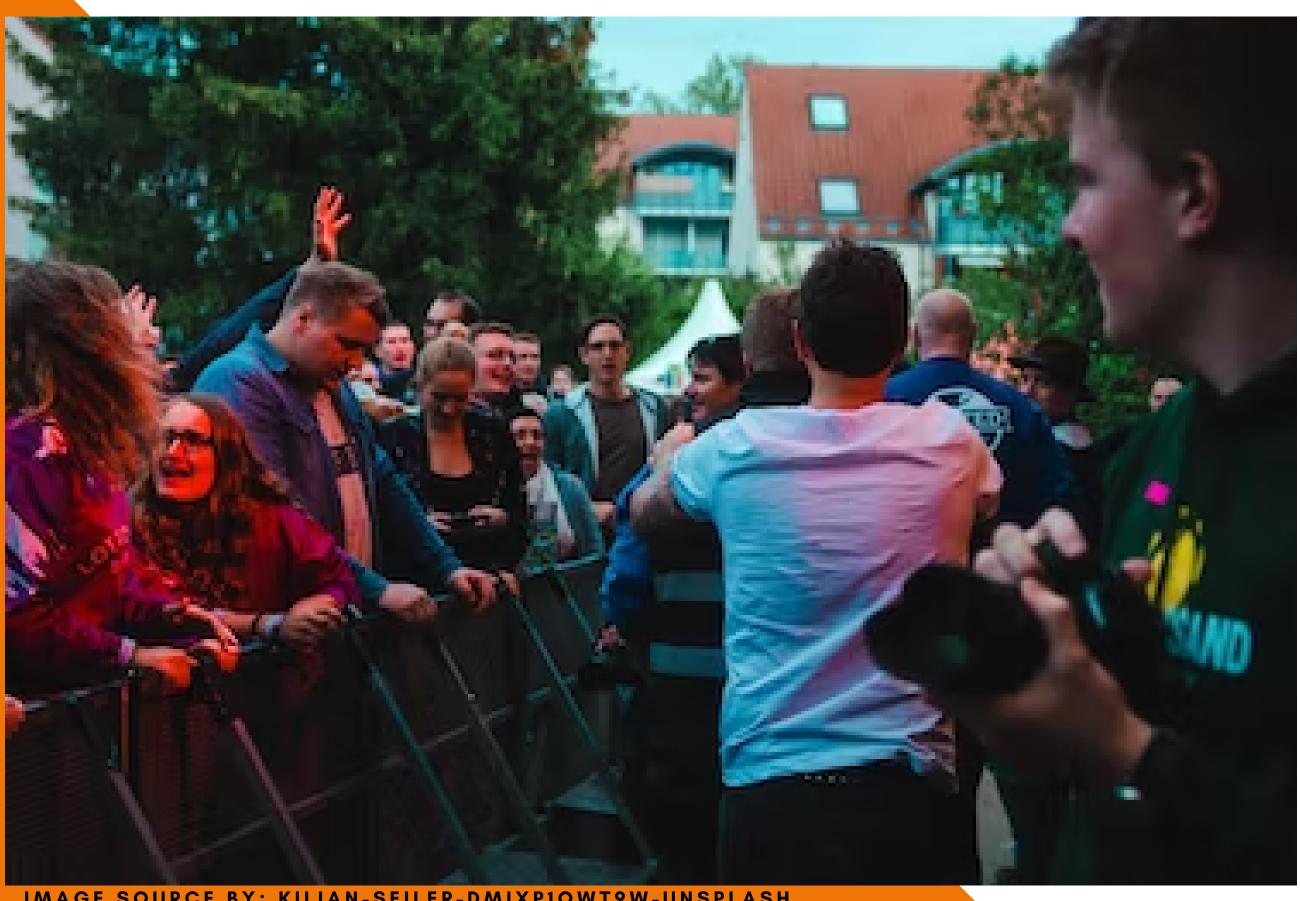
 One of the main reasons of licences and permits is to ensure community safety.

OR GANIZATION REPUTATION

• When operating an event that disrupts the local community, doing this without a permit can be damaging to the image of your club.

RISKING YOUR EVENT

 Failing to hold the required permits and licenses can result in your event being cancelled, or even worse, shut down



WHAT KIND OF PERMITS IS IMPORTANT FOR AN EVENT?

For a special event such as festivals, concerts, circuses, etc, you need to have permits that you can get from local or provincial authorities. As an event manager, it is your responsibility to ensure that your event is secure from any kind of security, environmental, health and safety risks.

For arranging an event in any public areas such as parks, etc you are required to have a permit. You cannot arrange any event in public areas without the permission of local authorities. In the case of private property, you need to take permission from the landowner. Without taking permission are not allowed to use someone's private property for any purpose.

WHAT KIND OF PERMITS IS IMPORTANT FOR AN EVENT?

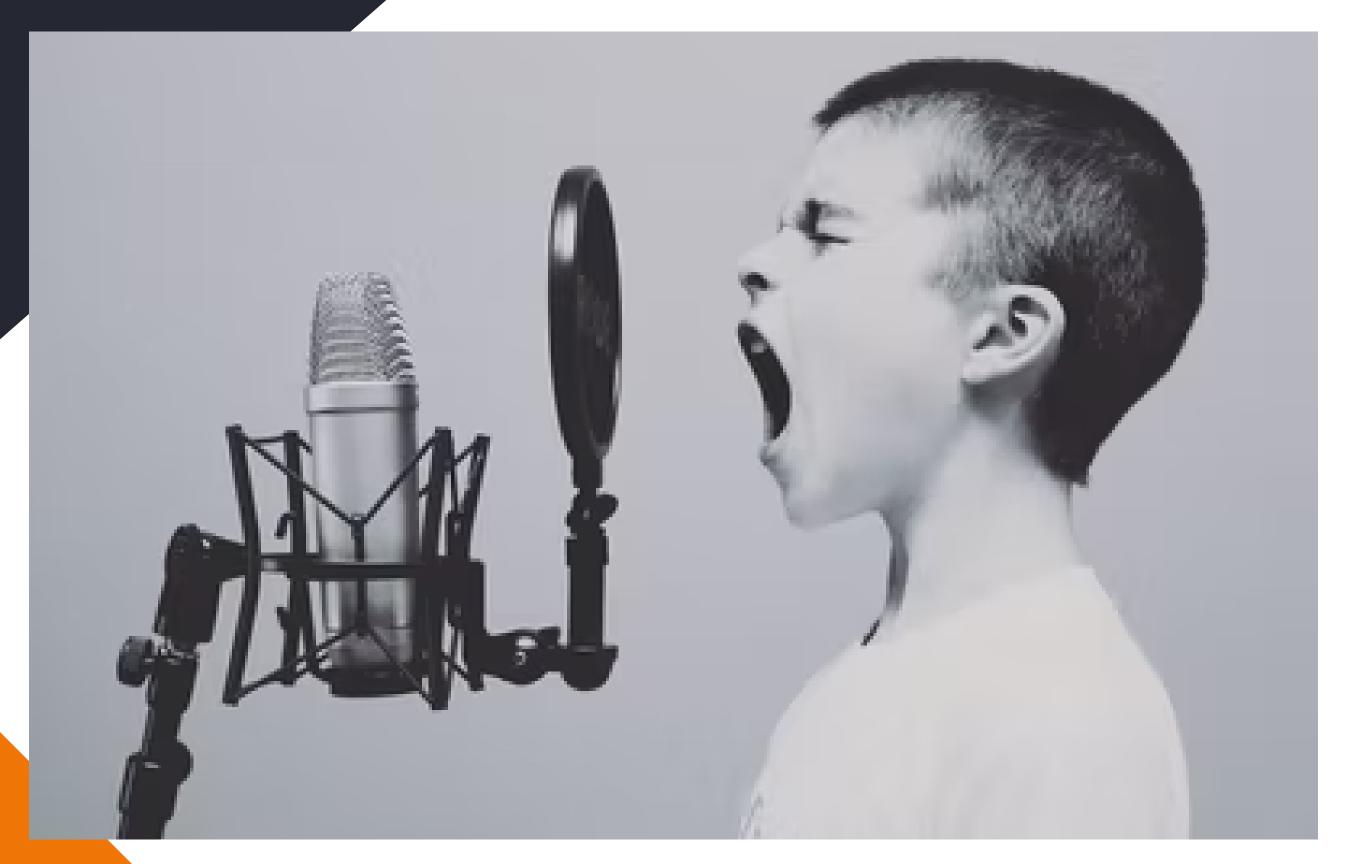


IMAGE SOURCE BY: JASON-ROSEWELL-ASKEUOZQHYU-UNSPLASH

Music is usually an important component of an event. An event is somehow incomplete without music. In order to avoid noise, you need to measure the maximum number of decibels. For exceeding the noise limit, you will have to get the permit. You can also choose venues that are equipped with "sound restrictors"

There are many venues that have strict hours of closing. If you think that your event will require more time, you will have to take the permit from the local authority to exceed the time limit.

CONTINUE PERMIT APPLICATION

In case you want to use fireworks in your event, you cannot do this without any permission. You will always have to have a permit provided by local authorities before using fireworks in your event.

For events that are arranged for the purpose of fundraising, you are required to apply for a permit first.

The health and safety of the attendees are very important. You need to get a permit from the Food Control Department and prepare the food according to the specified guidelines to ensure the safety of those who are serving and those who are attending.

CONTINUE PERMIT APPLICATION

In case of an event that includes cars or bike competition, you have to take a permit from the police and take all the safety measures.

Before arranging an event, you need to get permits from local authorities according to your needs. To meet your different needs approving agencies, review and monitor your event. This way you will be able to arrange a successful event.



LEGAL REQUIREMENT

LEGAL REQUIREMENT THAT EVERYTHING 'REASONABLY PRACTICAL' HAS BEEN DONE TO PROTECT SAFETY AND HEALTH

- Legal documentation
- Provide documented evidence that risk assessment has been conducted
- Insurance companies
- Issuing coverage require risk assessment with stakeholder consultation
- Regulatory authorities
- Consult appropriate authorities
- Staff and stakeholders
- Aware and realize the risk, consequences, responsibilities

EXERCISE2

A)	LIST	DOWN	SIX	(6)	BENEFIT	O F
·	RISK	PLANN	ING:			

1	 	 	
2			
3			
4			
5			
6			

B) LIST DOWN SIX (6) HAZARDS OF NOT PLANNING

1		
2.		
2		
4.		
5.		
6.		

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e ISBN 978-967-2258-93-3

