



MODULE 9

Part 1: Risk management for events



Table of Contents

1. Introduction.....	3
2. What is risk?	3
2.1 Overview of risk management	4
3. Risk assessment	5
3.1 Classifying events according to risk.....	6
3.2 Steps in conducting a risk assessment	6
3.3 Risk treatment strategies	8
4. Compliance management	9
5. Legal and ethical management	13
6. Conclusion	13
7. Bibliography.....	14

**Disclaimer:**

These notes are adapted from the University of Cape Town and GetSmarter's course notes for Module 3 of the Events Management elective offered as part of the blended version of the UCT Postgraduate Diploma in Management and Marketing.

Learning Outcomes:

LO1: Recognise risk and risk management in the context of events.

LO2: Outline event risks and the associated risk management strategies that could be applied.

LO3: Recognise the importance of compliance management.

LO4: Outline the role and necessity of emergency management, disaster risk management, and crisis planning.

1. Introduction

Risk management is an integral part of successful event management. It involves informed decision-making and aims to create certainty from uncertainty. Events are full of uncertainties. Managing risk doesn't always mean disasters won't happen as there are still circumstances and eventualities that are out of the event manager's control. However, procedures need to be put in place to minimise those potential risks.

It is a legal requirement in most countries, including South Africa, that events need to be planned and executed in accordance with the laws of the destination. Every country will have different laws, which is why it is important that an event manager contact the event office for the area in question as soon as an event idea is being seriously considered. The event office should be the first port of call, as this is the office that will have to grant permission to hold the event. The event office will also be able to convey what the most important laws and procedures are. Some events may involve a considerable amount of red tape, while others may just need to follow the basic rules and regulations. The scope and complexity of the event will also, to a large degree, determine the laws that may or may not apply.

2. What is risk?

Risk is normally associated with the likelihood or probability that something could go wrong, and people often think of the physical or financial damage or loss that could occur as a result of a risk being realised. However, in an event management context, risk can refer to anything that has the potential to alter the way the event runs and thereby affect the financial and reputational success of the event (Shone & Parry, 2013:222). For example, booking a venue that is too large can be just as risky as booking one that is too small, because although overcrowding and potential injury may be a problem with a small venue, a venue that is too large may create the perception that the event is unpopular or not worth attending, and the cost of the larger venue will not be covered if the venue is not filled.



Risks are normally classified according to the economic impact or potential damage (which could result in injury, death, property damage, environmental degradation, or social disruption) that they can cause (Ninow, 2010:334). Shone and Parry (2013:222) explain that risks can be loosely grouped into four categories:

1. **Economic risks:** Potential economic losses (e.g. insufficient sponsorship, lower than expected ticket sales).
2. **Performance risks:** Related to the entertainment or attractions at an event (e.g. cancelling an event due to a performer being ill).
3. **Psychological risks:** Closely linked to reputation; attendees' past experience of a similar event or venue will influence their perception of the event.
4. **Physical risks:** This refers to physical hazards that could endanger the public or event participants (e.g. health and safety problems, crime and vandalism, security problems).

The event manager needs to ensure that risks are identified and managed at each stage of the event, from planning and build-up, to the actual event and subsequent breakdown or load out. Good risk management is not only important from a social and economic viewpoint, but also from a PR and marketing perspective, because disasters that occur as a result of poorly-managed risks can quickly ruin an event's reputation.

2.1 Overview of risk management

Risk management is "a systematic process whereby there is a gathering of information to assist with the identification of risks and future uncertainties which affect...legal liability and exposure to loss or harm" (Ninow, 2010:345). Risks should always be avoided or mitigated as far as possible, and it is at the start of the risk management process that all the potential risks related to the event, and their severity, are identified. The event manager must never simply dismiss risks, thinking that the chance of them occurring is too small. They should take all the necessary steps a reasonable person would to identify the risks and put appropriate risk management strategies in place to deal with those risks (Ninow, 2010:345). It is negligent not to carefully consider all the risks and attempt to put strategies in place to control them.

After these risks have been identified, it is very important to compile documentation that outlines the risks as well as the relevant plans and procedures that will be put in place to deal with them. This includes any accompanying licences, permits, and legal documentation required for the specific event. The events office for each city requires these documents to be in place before permission is granted for large or public events. A small private event such as a wedding in a private home technically will not be required to submit such plans to the city council unless they are erecting temporary structures. However, the city does encourage all events, even small events, to submit plans. The reasoning behind this is that there may be large events happening in the area on the same date and time and then the two events may impact on each other with regard to parking and free flow of traffic for instance.



3. Risk assessment

Events differ in size, complexity, and duration. These factors will determine the nature and extent of the planning required by the event organiser to create safe working conditions and ensure the general safety of all role players.

The event manager should establish a risk assessment plan in the planning phase. They must conduct a preliminary risk assessment and plan for managing possible hazards in order to reduce or eliminate risks. This risk assessment must comply with local and relevant national occupational health and safety legislation.

In order to assess the risks associated with staging an event, the event manager must:

- Identify the hazards associated with activities contributing to the event, where the activities are carried out, and how the activities are to be undertaken;
- Identify people who might be at risk and how they could be harmed;
- Identify existing precautions, for example, precautions regarding the venue design and operational procedures, or existing safe systems of work;
- Evaluate the risks; and
- Decide what further actions are required, for example, improvement in venue design and safe systems of work.

All employers and self-employed people must assess the risks to workers and others who might be affected by their work. They need to decide whether safety precautions are adequate and what other controls might be needed.

A risk assessment for the build-up and breakdown can only be carried out once information has been received from the contractors, other companies, and people who will be working on site. It is up to each contractor to make sure that they abide by the safety rules and regulations relating to their product or service, but it is the event manager's job to make sure that they are enforcing it on the event site. The venue itself may have safety rules and regulations that need to be carried out during the build-up, breakdown, and potentially during the event. For example, an event taking place aboard a ship or on the landing strip of an airport would have strict safety rules and regulations that would need to be enforced. It will also be necessary to visit any venue being used for an event beforehand to identify specific hazards.

Hazards associated with the assembly of large numbers of people can vary according to the nature of the event, and these hazards must similarly be assessed on their level of risk. The history of the performers and attendees can provide valuable information. The overall event risk assessment will then indicate areas where risks need to be reduced to acceptable levels.

3.1 Classifying events according to risk

Some events are inevitably riskier than others, and the risk profile will depend on many factors such as size, duration, location, nature of the activities, and the target market. Shone and Parry (2013:228) explain that events can be classified as either low, medium, or high risk:

- **Low-risk events:** These are most frequently indoor events that do not involve any specialist or unusual activities. They are usually regular, routine events and the organisers and attendees have experience in creating and attending these events respectively. Management and staff possess the necessary expertise to host these events. Examples include indoor banquets and dinners, or small business conferences.
- **Medium-risk events:** These are normally large indoor or outdoor events that take place in locations that the public doesn't attend regularly, or that are outside of their normal range of event experience. However, the organisers, managers, and a large number of attendees would normally have experienced similar circumstances at related events of this kind. Examples include street festivals, sporting competitions, and public shows.
- **High-risk events:** These events involve a large number of people and include activities and locations that both the attendees and organisers (including management, staff, and emergency services) are unfamiliar or inexperienced with. These events are also characterised by obvious dangers to the participants in the absence of adequate safety precautions. Examples include high-speed racing events, events that take place over an extended area or route (such as the Two Oceans Marathon), complex open-air public events held for the first time, and outdoor corporate team building activities.

3.2 Steps in conducting a risk assessment

A thorough risk assessment can be broken down into seven steps. Figure 1 provides an overview of each of these steps. The event manager needs to conduct this assessment early on in the conceptualisation and planning stages to determine the feasibility of the proposed event based on the potential risks and threats. Completing the risk assessment as early as possible is important, because sometimes the assessment will reveal that an event is too risky for the event manager to take on, and this will prevent unnecessary work and resources being used on an event that is not feasible.

The Risk Assessment Process



Figure 1: The risk assessment process (Ninow, 2010:346-348)

The risk assessment steps in Figure 1, as outlined by Ninow (2010:346-348), are summarised below.

Step 1: Identification

The first thing to do is to identify what types of risks the event could face. It is only once all the potential risks have been identified that the event manager will be able to evaluate the consequences and potential impact of each risk. It is useful to draw up a table at this stage to document the risk, its cause, and its potential consequence.

Table 1: Examples of potential risks, causes, and consequences at an event. (Adapted from: Table 17.1 in Shone & Parry, 2010:347)

<i>Risk</i>	<i>Cause</i>	<i>Consequence</i>
Evacuation	Fire, bomb threat, or a structural collapse	A stampede, which can cause injury or death
Fire	Combustible materials, carelessness, arson	Injury, death or damage to property
Unruly crowd behaviour	Drunkenness, unhappy fans, overexcitement	Injury, death, looting and theft, and loss of property
Terrorism	Political or newsworthy event	Injury, death, property damage and negative publicity
Power failure	Electrical grid down, standby generators	Injury, darkness, looting, theft, event closure and financial loss

Step 2: Evaluation and prevention

After the risks have been identified, the consequences of each risk occurring must be evaluated in terms of their severity. Preventative measures that have to be instituted to avoid or eliminate each risk should also be decided on (the goal is also elimination before resorting to reducing or mitigating the risk).

Step 3: Reduction and mitigation

Sometimes it isn't possible to completely eliminate a risk, and the event manager will have to settle for finding ways to minimise the likelihood or severity of its occurrence, and prevent some of its potential negative effects. This needs to be a strategic effort to reduce, control, and alter certain factors to minimise the likelihood of the risk occurring.

Step 4: Monitoring

The systems and processes that are put in place to manage the identified risks have to be managed effectively to ensure that the agreed upon procedures are being followed. This needs to be paired with efficient communication and reporting procedures. Monitoring risks



effectively helps the event manager to identify early warning signs of a potential risk coming to fruition, or to respond quickly if an unexpected risk is suddenly realised.

Step 5: Response

This step involves drafting prearranged action plans (responses) that will be carried out in the event of an emergency (for example evacuation plans for fire and bomb threats). This helps to eliminate ambiguity and provide structure and guidance to the individuals responsible for managing these risks when the emergency occurs.

Step 6: Recovery

Next, the actions and decision-making processes that will enable the event to resume once the emergency has been dealt with needs to be drafted. The anticipated functionality of all the infrastructure and services needed to run the event must also be pre-empted to determine the minimal requirements for continuing with the event as planned. Recovery will depend on the scale of the emergency. For example, a small fire at one of the food stalls at a music festival will allow the rest of the event to continue while the fire is being put out, but an earthquake that results in considerable structural damage to all the stages, stalls, and buildings (not to mention injuries) will most likely result in an event shut down.

Step 7: Rehabilitation

Lastly, planning around how to replace infrastructure following a disaster is important. For example, how would one go about replacing air conditioners, hot water, ice, and lighting in the event of an unforeseen power failure?

3.3 Risk treatment strategies

There are different ways in which risks on an event can be treated, and the chosen strategy will depend on the nature and severity of the risk. Ferdinand and Kitchin (2012:164-166) outline four strategies that event managers can put in place to treat risks and offer a form of control when a risk becomes a reality:

1. **Avoidance:** The first line of defense is to avoid risks by anticipating them and cancelling them out before they become a problem. For example, if there is a high risk of rain in the season that a bride wants to have her wedding, the event manager can avoid the risk of rain-damaged furniture and equipment by booking an indoor venue rather than planning an outdoor garden reception.
2. **Prevention:** This is where thorough risk assessment and planning comes into play. Carefully identifying potential risks, ensuring that detailed operational plans are set up, and that potential risks and hazards are clearly communicated to everyone working on the event, will ensure that the likelihood of a disaster or emergency occurring is lessened.
3. **Reduction:** Unfortunately, not all risks can be avoided and, as such, strategies need to be put in place to reduce the severity of any potential losses due to the risk. For example, training security and medical personnel to reduce their response times in an emergency will result in less damaging consequences, and potentially save many lives.



4. **Transfer (diffusion):** To transfer risks means to spread those potential risks out (in other words, not putting all your eggs in one basket so to speak). This can involve storing equipment at different locations for example, or transferring risk to an insurance company. Hiring a security company to manage cash in transit is also another way of diffusing risk.

Who makes the decisions?

An important part of managing and planning for risk is determining who will be in charge of making decisions related to the formulation and implementation of risk management strategies. There are usually key people on the event's management team (and the management teams of role players such as medical and emergency services, local authorities, and fire brigades) responsible for making the decisions related to risk and safety management. It is important that there is a clear understanding of who makes decisions and who is responsible for each task right from the planning stages of the event.

It is also important to ensure that individuals are put in charge of monitoring risks throughout the event to ensure that an early warning system is put in place should a risk be realised. Documenting any decisions made is also very important for future reference, and event managers can use the information and experience gained from previous events to help plan for the next event (Ninow, 2010:354-355).

4. Compliance management

Compliance management refers to arrangements concerning local legislation, regulations, by-laws, permissions, licences, and clearance certificates for events. It encompasses all the aspects of an event that have to be cleared by local (or in the case of larger events, provincial and national) authorities and regulatory bodies (Ninow, 2010: 349). Each country and region will have slightly different laws and regulations concerning events, and the event manager will have to conduct research to establish what the relevant event laws and regulations are in the region they are planning to host the event.

Until fairly recently, South Africa did not enforce policies and standards in the event industry. Today, there are acts and by-laws in each city that events need to comply with. However, there is still a lot of room for interpretation and the officials enforcing these laws are not always consistent, which is problematic. For example, a very strict fire chief may be allocated to one event, and the next event will have a very lenient chief.

The SANS 10366 Health and Safety at events is the document that technically governs events taking place in South Africa. However, each province can have its own by-laws and regulations that will need to be established and abided by. These are very important documents for event managers to have on file at all times. Please note that they are subject to change from time to time, therefore event managers should always check that they have the latest copies before submitting.

Event by-laws in South Africa:



The following documents outline some of the procedures and guidelines that event managers would have to follow from a compliance perspective when planning to host an event in one of the three major South African cities:

- [City of Cape Town event by-laws](#)
- [Johannesburg Joint Operations Centre \(JOC\) guidelines](#)
- [Durban \(EThekweni\) Events Management Office](#)

Sometimes it is difficult to determine which events require permission to host and which don't. In Cape Town, for example, it depends on attendance numbers, as outlined in the [City of Cape Town events permitting guidelines](#). However, a small wedding at a private residence without any temporary structures and an attendance of 100 people does not need city approval, but it is always best to check with the local events office first.

Ideally, the relevant city should be contacted as soon as the idea or concept of the event has been determined to enquire as to whether or not the event must be submitted for approval. To be safe, this advice applies to any event. It goes without saying that public events, events where temporary infrastructure is required, events that will affect transport routes, or events that will produce large amounts of noise need to obtain approval.

Note:

Every city has a different way of working, and what applies in one city might not apply in another. It is a tricky area of the planning process for the event manager, as there is not always a lot of consistency, but precautionary measures need to be taken to ensure that these procedures are adhered to. Event managers can enlist the help of compliance and risk management lawyers that specialise in events should they require assistance.

An event permit needs to be issued before an event can take place. If outside of Cape Town's municipal boundary, the event organiser must approach the local SAPS station commander with a complete event plan. This plan needs to go to the local disaster management office too. SAPS requires that the event be categorised as low, medium or high risk. The relevant SAPS forms need to be completed and a copy of the SAPS letter needs to be given to the disaster management office as they allocate resources or plan according to categorisation.

Mandy Mulder's Q&A session with Hurworth & Associates, an engineering company that signs off temporary structures and manages safety permissions at events:

1. Having worked with Hurworth & Associates on many of SA's premium events, I know you to be what I can call the "event engineers". Not only do you sign off on the temporary structures, but you are also very knowledgeable on the health and safety issues around events. How do you approach each event?

"It has to be crystal clear to all on site who the event organiser is. Every person who has been given an area of responsibility must understand exactly what they are responsible for. The main issues I would say would be fire safety and structural safety as well as health and safety, which relates to food preparation.

Communication from top to bottom should be seamless and the decision makers must at all times be easily contactable.

The person responsible for collecting the COC's (Certificates of Compliance) should understand what the books or paperwork contain and know what to do with them if and when the authorities request them."

2. You have a lot of experience in working with the various city departments around SA. What is the process when applying for a temporary structure at an event?

"It is true that the different local councils have slightly different methods and requirements when applying for the erection of a temporary structure. We have found that it is best to go see the local council that is responsible for the area where you will be required to erect the structures. Let them tell you specifically what they require in terms of paperwork, fire population certificates, site plans, letters of motivation etc.

There are four separate independent players involved in the approval process when applying for the erection of a temporary structure:

1. Events office
2. Building development management (local council) (BDM)
3. Fire department (local)
4. Engineering sign-off of the structures and the handing over of the SANS 10400 (Form 4), which is the completion certificate.

They all work together and will not grant approvals if the entire process is not followed correctly.

The events office has its own booklet of documents that needs to be filled in by the event organiser. They will also issue you with an event organiser reference number, which is required for the BDM application.

The application to erect a temporary structure with BDM is normally done by us at Michael Hurworth & Associates. The complete application consists of:

- Event organiser reference number from the events office;
- Erf number of the site;
- Appointment of registered engineer (Form 2) SANS 10400;

- Owner of property signatures;
- Internal layout plan – seating plans etc.;
- Site plan;
- Location plan for fire access;
- Structural drawings;
- Land use management forms; and
- Motivational letter.

The BDM accepts the application if all the above relevant documents are present. They will issue a card number, charge a scrutiny fee, and will then send the application to the fire department for their approval stamp. When it returns, the BDM, if satisfied, grants approval and alerts the events office of the approval. The events office can now issue the event permit.

Once the structure is erected, the appointed competent person (engineer) will visit the site, and, if satisfied, issue the SANS 10400 (Form 4) to the event organiser. The fire department will then visit the site and issue a population certificate only when they receive a copy of the engineer's completion certificate SANS 10400 (Form 4).

The whole process takes time and we always seem to be under pressure due to not enough time being allocated for the applications and paperwork. “

3. From a temporary structure point of view, what are the key things you look for from a safety perspective?

“When looking at a temporary structure for safety we are looking at a vast number of things that would contribute to the safety of the structure and indeed the safety of the people who will be using it. To name a few:

- General appearance and condition of the entire structure.
- The condition of the fabric or skins.
- Structural joining points, leg plates and bolts, purlins etc.
- Cross bracing to be in place and secured correctly.
- Anchor points – pegs, ballast, the use of static points.
- Suspended objects to be backed up with safety lines.
- All leg uprights to be secured by means of 4-ton ratchet straps or similar.

- Correct firefighting equipment in place including the relevant signage.”

4. Tell us about an interesting or disastrous experience you have had regarding structures at an event. I know I have personally pulled down many tents in my time at Chattels due to safety risks.

“The Irish Ball at the Castle of Good Hope a few years ago had to be closed down due to extreme wind conditions in excess of 60km/h. The notorious northwester buffeted and tore into the clear PVC skins and it was obviously unsafe to hold a gathering inside, not to mention the creaking and yawning of the marquee that made it impossible to hear or speak to each other. “

5. Legal and ethical management

When it comes to honouring agreements and delivering on what is promised, event managers and all the parties involved in making the event a success should strive to act in an ethical manner and honour their obligations and contractual agreements (whether verbal or written). This being said, it is always advisable, from a legal perspective, to have a written contract or service level agreement (SLA) with relevant stakeholders (such as suppliers, contractors, and sponsors) in place to ensure that obligations are fulfilled and deadlines are met. Working on an event without establishing any contractual agreements is very risky, because parties that the event manager may be dependent on could decide not to deliver on what was agreed upon, leaving the event manager to rush around and make last minute plans, or in the worst case scenario, cancel the event. Generally, an SLA should cover aspects such as confidentiality, liability, taxation, privacy, warranties, and financial record keeping (Ninow, 2010:351).

SLAs in the hotel industry:

In this [Hotel Executive article](#), Debi Scholar outlines some of the challenges and advantages of entering into SLAs with meeting and event planners. She discusses the challenges that hotels (as the supplier) and event planners (as the client) face in reaching consensus as to what should be included in SLAs, and discusses the advantages of having a SLA in place to protect both parties.

6. Conclusion

Events are risky to organise by nature, as there are so many variables that have to be taken into account when considering safety and security aspects, as well as risks associated with financial loss and reputational damage. However, instead of ignoring these risks and hoping for the best possible outcome, event managers can take a proactive stance and, through



careful planning and early identification, these risks can be either avoided completely or managed and minimised.

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