

Identifying Risks

We will adopt a “top down” and “bottom up” approach to risk identification, thereby aiming to identify the strategic and operational risks that may prevent the achievement of our business objectives and strategic priorities.

The Senior Management Team will identify the strategic risks that may impact on us achieving our business objectives and strategic priorities.

We recognise that the successful delivery of our objectives also depend on external stakeholders (such as funders, sponsors, partners suppliers, etc). We will therefore work closely with other stakeholders to identify risks on joint activities.

Types of risk

As already stated, a risk is “something happening that may impact on the achievement of our objectives”. This may be an event occurring outside of our organisations (such as a natural disaster or changes in legislation) or the event may occur internally (for example the departure of key staff or failure of computer technology).

The list is not exhaustive and is intended to assist with the risk identification process.

Risk Categories

Category / Description	Category / Description
<p>External This includes risks arising from:</p> <p>Political factors such as change in government Economic factors such as competition costs Legal and regulatory obligations such as compliance with health and safety laws and regulations Environmental issues such as pollution or fuel consumption Infrastructure issues such as such as transport system for staff, power supply systems, suppliers, business relationships with partners, dependency on internet and email “Acts of God” such as floods, earthquakes and fire Terrorist activity such as bombs or attacks</p>	<p>Operational This includes risks arising from:</p> <p>Business processes such as the delivery of key services Human resource issues such as the recruitment and retention of skilled staff Reputation issues such as events or procedures which may damage our credibility and reputation Technology such as the failure of key IT systems Facilities such as a change in the availability or existence of facilities Health and Safety such as a change in legislation Stakeholders such as risks experienced by our partners that would have a knock-on impact on us meeting our objectives.</p>
<p>Financial This includes risks arising from:</p> <p>Budgetary issues such as the availability or allocation of resources. Fraud or theft of assets</p> <p>Capital investment issues such the making of appropriate capital spending decisions.</p>	<p>Strategic These include risks arising from:</p> <p>Policy decisions by us or others that affect our priorities</p>

Assessing Risks

In order to decide how to handle risk we have to assess its significance. We will do this by assessing each risk in terms of how likely they are to occur and the magnitude or impact of the consequences if they were to occur.

It is not easy to assign best estimates of probability and impact and in most cases the decisions will be a matter of judgement. We recognise that there will always be a degree of uncertainty as we try and predict the likelihood and impact of future events. Where available we will use our experience and/or historic records to assist us in these judgements. For example, prior knowledge of a contractor on a key project can help us assess the likelihood of whether the project will be completed on time or our degree of dependency on IT systems can help us assess the impact to our business if they were to fail.

Probability

We will rate the probability of a risk being high, medium or low.

Probability	Description
High	There is a strong possibility this risk will occur. (Possible within this quarter)
Medium	The probability of this risk occurring is moderate. (Possible within this year)
Low	There is a slight possibility this risk may occur. (possible within 1-10 years)

Impact

We will rate the effect the risk will have when realised as high, medium or low as detailed below:

Impact Category	Description
High	Serious financial loss. Serious damage to reputation. Serious impact on business objectives, strategic priorities, activities or milestones.
Medium	Some financial loss /damage to reputation. Significant impact on business objectives, strategic priorities, activities or milestones.
Low	Minor or no financial loss/damage to reputation. Minor impact on business objectives, strategic priorities, activities or milestones. Little or no effect on service provision.

Risks

Identification of controls and actions

Having described the risk and carried out the inherent assessment of a risk it is important that the existing controls are identified, described and assessed. A control is a process, procedure or action that is undertaken and if effective reduces the likelihood of a risk cause from occurring.

Due to their nature, there will be certain risks identified where it will be impossible to identify controls that will reduce the likelihood of the risk occurring. In this instance there is a need to ensure that appropriate actions are identified in the mitigation plan to manage the impact of the effects that arise if the risk is realised.

In many circumstances there will be a requirement to identify the further action needed to be undertaken in order to manage the risk and reduce the residual risk rating. The actions identified form the mitigation plan which identifies the owner of the action, the implementation date and also the progress made on the implementation.

The mitigation plan will hold two types of actions, those that are to be implemented to improve controls and those that are identified to manage the effects of the risk realising.

Assigning ownership

The importance of identifying risks is not only to identify the important areas to which resource should be allocated but also to allocate responsibility for management of these risks.

Effective risk management emerges when ownership of any particular key risk is allocated to an appropriate senior official; without ownership being assigned at a senior level responsibility and authority for implementing control or risk mitigation action is unlikely to be clear.

Monitor, Communicate and Feedback

Once a risk management process has been developed and control responses implemented we need to obtain assurance on the effectiveness of our actions and periodically review the risks we have identified to ensure it reflects the changing environment.

We will implement the following reporting and review mechanisms.

Board: It is the Board who is the *primary risk owner* for Strategic Risk. The Strategic Risk Register and Mitigation Plan will be reviewed annually.

CEO and Senior Management Team: It is their responsibility to review the risk register at least quarterly and each year they are required to undertake a full risk assessment and update the risk register.

Embedding

We will work towards ensuring that the processes designed to manage risk are built into our everyday business practices and procedures across our sport. The benefits of this will include:

- Greater management focus on issues that really matter
- Reduction in management time spent fire fighting
- Fewer “surprises”
- More focus internally on doing the right things in the right way.
- Greater likelihood of achieving business objectives
- More informed risk taking and decision making.

We will specifically use the following measures to embed our risk management process:

- **Goal alignment:** we will align operational and individual objectives with our overall strategic priorities.
- **Job descriptions:** we include risk management roles and responsibilities explicitly within individual job descriptions and require risk management as a core competency.
- **Risk taking:** we will recognise and reward informed risk taking and problem prevention and encourage staff to actively participate in the risk identification and management process.
- **Process requirement:** We will include risk identification, management and reporting as an integral requirement for all business processes and especially for all major change programmes.
- **Performance measures and early warning indicators:** We will develop performance measures for effective risk identification and ensure these are appropriate and sufficiently focused on future goals so that they can act as an effective early warning system.
- **“No blame” culture:** We will balance individual responsibility with a “no blame” culture in which individual mistakes are tolerated, quickly learned from and used for the benefit of the whole organisation.
- **Inclusiveness:** We will include risk management in as many policy documents and procedures as possible and not treat risk management as a separate exercise to be undertaken in isolation.
- **Benefit realisation:** We will ensure that our staff understand the purpose of their roles and effectively communicate the benefits of risk management to them personally as well as to the whole of the sport.
- **Training and education:** We will engage in a programme of training and education as a key means of changing the culture to one that is willing to accept risk management.
- **Success and failure:** We will publicise success stories across the sport and encourage management to share lessons learnt from things that did not go according to plan.

Risk Register

No.	Area	Description	Probability	Impact	Management Plan	Owner	Status
1	Participation / Excellence	Events					
2	Participation	Coaches / Teachers					
3	Participation	Volunteers					
4	Participation	Increasing Participation					
5	Participation	Increasing Participation					
6	Excellence	WCP					
7	Excellence	Talent Pathway					
8	Excellence / Participation	Doping					
9	Governance	Legislation					

Glossary of Key Terms

Assurance

Gaining (independent) confirmation that our risk assessment and control response is appropriate, adequate and achieving the effects for which it has been designed.

Strategic Risk

The risks we have identified that affect the ability of the organisation to achieve its objectives.

Operational risks

The risk we have identified that affect our ability to fulfil everyday functions and processes.

Control

A control is a process, procedure or action that is undertaken and if is effective reduces the likelihood of a risk cause from occurring.

Control rating	Identifies the effectiveness of a control.
Embedding risk management	Ensuring that our risk management strategy and process is built into the objectives, functions and processes within every level of British Fencing.
Impact	The effect (High, Medium, Low) that a risk would have on us if it occurred.
Probability	The probability (High, Medium, Low) of a risk occurring.
Primary risk owners	The officers who have overall responsibility for managing and reporting the risks assigned to them. They also have the authority to ensure that the right actions are being taken.
Control Assessment	The classification (Strong, Acceptable, Needs Improvement or Very Weak) we give to a risk response or control based on the effectiveness of that response in reducing the risk.
Risk	Something happening that may impact on the achievement of our business objectives. It includes risk as an opportunity as well as a threat.
Risk appetite	The level of risk we are prepared to accept or tolerate before we consider action necessary.
Risk assessment	The process by which we identify and assess the risks associated with our activities within each level of the organisation.
Risk management	A systematic process by which we identify, analyse, evaluate, treat, review and monitor the impact of risks in a cost-effective way.
Risk register	A document for capturing important information about each risk we identify. It includes a brief description of the risk, the objective it affects, its likelihood, impact and rating, how we are controlling it at the moment and details of the risk owners.
Risk response	An action or process that we currently have in place to either reduce a risk to an acceptable level or increase the probability of a desirable outcome.