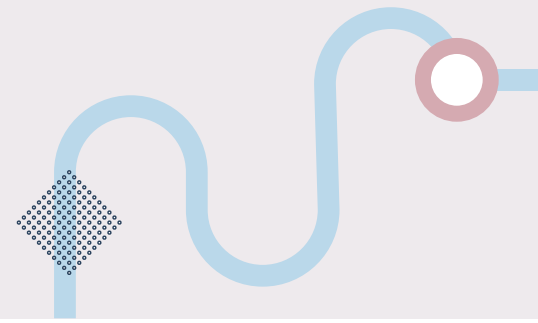


Risk Management Policy



Centre Name	
Centre Address	

Policy Name	Risk Management Policy
Policy Number	
Date Created	
Effective Date Adopted by the Board	
Version Number	
Date of Last Version	
Administrator Responsible	
Administrator Contact Information	

POLICY HISTORY

Version Number	Approved by	Revision Date	Author

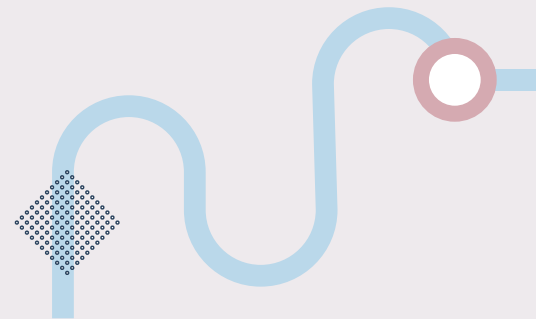
DOCUMENT CONTROL

Document Ref		Title	Risk Management Policy
Version & Date		Author	
Directorate:		Approved by Management	
Reviewed		Change History	

You can fill this out on a screen using Adobe Reader [Download Here](#) or by printing.



Risk Management Policy



Enter Centre Name Here

INTRODUCTION

Good governance asserts that the role of the Board as the governing body or Board of Directors is to provide leadership and direction to the organisation within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board, Management and employees are committed to the principles of good governance and to complying with relevant legal and regulatory requirements and the obligation of a Good Governance Code (TBD).

An effective control system provides assurance that the organisation will not be hindered in the achievement of its objectives or in the orderly and legitimate conduct of its activities by circumstances that are reasonably foreseeable. The essence of risk is uncertainty, and risk is defined in ISO 31000 as "the effect of uncertainty on objectives – the effect being positive or negative". While the organisation needs to address and mitigate, to the maximum extent possible, threats and exposures to its organisational priorities, activities and programmes, the definition of risk also requires it to consider the opportunities or upside risks that exist in the uncertain environment in which it operates, and it can address and exploit these opportunities.

An effective Risk Management system identifies and assesses threats and opportunities and ensures that they are effectively managed. The organisation's Risk Management initiatives should be integrated with other management processes to support decision-making and to assist achieving its aims, purpose and priorities.

PURPOSE

The purpose of this policy is to provide a framework to identify, assess and rank risks, and to develop strategies to deal with risks so as to provide reasonable assurance that the strategic objectives and priorities of the organisation will be achieved. The Risk Management policy (RMP) sets, in effect, the framework in which risks (threats and opportunities) will be managed. As part of this overall RMP, it is expected that the Board, in conjunction with the Manager, will develop a Risk Appetite Statement for the organisation. The risk process will also yield a risk register to reflect current or emerging uncertainties and actions in place to address the threats and exploit the opportunities. Risk registers are "live" documents that need to be regularly reviewed and refreshed, to ensure that they capture current uncertainties, threats, vulnerabilities and opportunities.

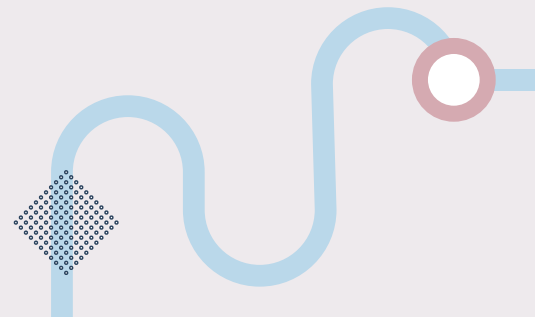
This policy aims to formalise and embed the process of Risk Management in the culture and ethos of the organisation and provide a Risk Management Framework to identify, assess and manage risk by developing strategies that will provide assurance that the organisation's objectives will be achieved. The policy also contributes to the effective management of potential threats and opportunities and sets out the roles and responsibilities for managing risk throughout the organisation. The policy sets out the following:

Definition of terms.

- Risk Governance Structure: Roles and Responsibilities of the Board, the Audit & Risk Committee (if the Finance Committee should become the Audit & Risk (A&R) Committee or any Committee with responsibility for overseeing the effectiveness of the Risk Management Framework and centre managers.
- Risk Management Framework; Risk Identification and Assessment, Risk Treatment, Risk Monitoring and Reporting, Risk Register, Risk Appetite and Risk Escalation.



Risk Management Policy



DEFINITION OF TERMS

1. Risk

Risk is defined as the effect of uncertainty on objectives, and the effects can be positive and / or negative. Risks may be considered as uncertainties that could result in the organisation suffering loss, damage or disadvantage, not benefiting from opportunities available, or failing to achieve its objectives due to unwanted or uncertain internal or external events or actions. Risks, by their very nature, may or may not occur and from our organisational perspective, they could be categorised as strategic, reputational, stakeholder, financial, technological, personnel / talent, operational, etc.

2. Risk Management

Risk Management is the ongoing process effected by the Board, Committees, Chief Executive and employees to identify, assess, manage and control potential events or situations, in order to provide reasonable assurance regarding the achievement of objectives and to drive value in the organisation. The organisation endeavours to manage all risks to be within its Risk Appetite and which could prevent the attainment of its stated objectives, purpose or aim, while at the same time not limiting its ability to attain those same objectives by taking on an acceptable level of risks that may lead to positive outcomes and add value.

It is recognised that Risk Management is not solely about managing risks: it is about identifying and taking opportunities. It is also acknowledged that Risk Management is about being "risk aware" rather than "risk averse". The intention is that Risk Management will become embedded in the culture within the organisation rather than operating as a standalone function. As potential risks often outweigh the resources available to manage them, it is important to apply available resources to mitigate risks in a cost-effective and efficient manner.

3. Risk Assessment

This is the process to determine the likelihood / probability of specific events occurring and the magnitude of their possible consequence / impact on the organisation. Risks are assessed and prioritised on the combined basis of their likelihood of occurrence and the resulting impact if they should materialise using a ranking scale.

4. Risk Register

The Risk Register is a recording and monitoring tool. The Corporate Risk Register is a key governance document for the Board and the A&R Committee, and it will be informed by the operational and strategic activities, and by the internal and external environment within the organisation.

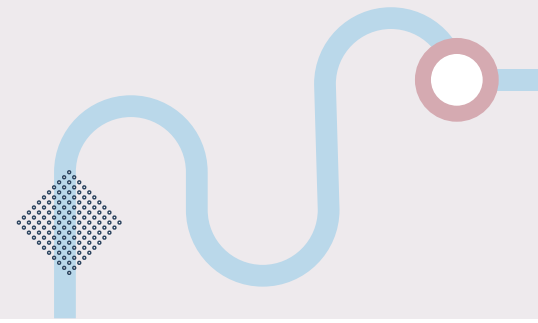
5. Risk Appetite

A Risk Appetite Statement specifies the amount of risk the organisation is willing to seek, pursue, accept or tolerate in the pursuit of its mission, its purpose, its aims and its long-term objectives. It reflects the Risk Management Philosophy, and in turn, influences the organisation's culture and operating style. It indicates the parameters within which the organisation would want to conduct its activities.

Setting a Risk Appetite is not about the elimination of all risks; rather, it is about embracing risks in areas in which Management has the appropriate skills, knowledge and experience to take advantage of the opportunities presented, while limiting risks in other areas. The approach of the organisation is to engage in reasoned and reasonable risk-taking. The priority is on minimising exposure to reputational, compliance



Risk Management Policy



and financial and other risks, while accepting and encouraging an increased degree of calculated risk-taking and exploiting opportunities in pursuit of its objectives and priorities. It recognises that its appetite for risk varies according to the activity undertaken, and that its acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established. A balanced assessment must be taken on threats and opportunities. The Board and Manager recognise that in many cases there are risks attached to both doing something and doing nothing.

A. RISK GOVERNANCE STRUCTURE: ROLES & RESPONSIBILITIES

All employees have a part to play in managing risk by:

- Being aware of the nature of risks in their day-to-day work.
- Monitoring the effectiveness of management procedures created to mitigate those risks identified.
- Being responsive to the changing nature of the risks faced by the organisation.

Specific responsibilities for the policy and processes are as follows:

The Board

The role of the Board is to provide leadership and direction within a framework of prudent and effective controls that enables risk to be assessed and managed. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives and priorities. The Board is responsible for maintaining sound Risk Management and internal control systems within the organisation.

The Board, in conjunction with the Manager / other designated person, is responsible for establishing and maintaining a sound system of internal control that supports the achievement of Policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the organisation faces. The Board is responsible for approving the Risk Management Framework, and monitoring its effectiveness, regularly reviewing the Corporate Risk Register, as well as approving the Risk Appetite Statement. It is supported in this work by the A&R Committee. In addition, the Board, through its Committee,¹ shall require an external review of the effectiveness of the Risk Management Framework and its governance periodically.

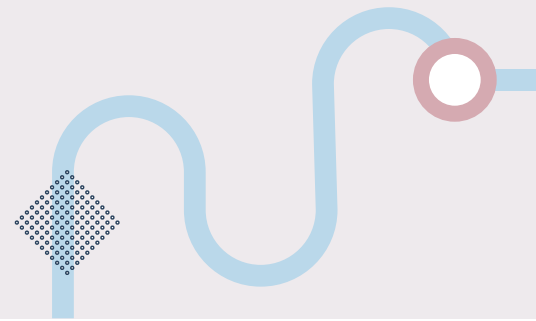
Other key elements of the Board's oversight of Risk Management include:

- Making Risk Management a standing item on the Board Meeting Agenda.
- Reviewing management reporting on Risk Management and noting / approving actions as appropriate.
- Ensuring Risk Management experience / expertise in the competencies of at least one Board Member. Where the composition of the Board does not allow for this, expert advice should be sought externally.
- Confirming in the Annual Report that the Board has carried out an assessment of the principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.

¹ While the Board has established an A&R Committee to assist with its consideration of issues relating to audit, governance and Risk Management, the Board maintains responsibility for and makes the final decisions on all of these areas.



Risk Management Policy



The Manager

The Manager has overall responsibility for ensuring that Procedures and Processes are in place to enable adherence to this RMP. Additionally, they will:

- Ensure the implementation of the RMP across the organisation.
- Encourage a Risk Management culture throughout the organisation so that Risk Awareness is embedded as part of the organisation's decision-making and operations.
- Identify and monitor corporate level risks that could impact on the achievement of the strategic objectives and outline to the A&R Committee / Board where a new corporate level risk arises or where there are significant changes in circumstances surrounding an existing one.
- Manage the implementation of all aspects of the risk function, including processes, tools and systems to identify, assess, measure, manage, monitor and report risks.

The Chief Risk Officer / Executive Lead on Risk / Risk Owner (ideally this should be a different position). This is (insert designated person)

The Chief Risk Officer / Executive Lead on Risk / Risk Owner is responsible for:

- Supporting the implementation of all aspects of the risk function, including the implementation of processes, tools and systems to identify, assess, measure, manage, monitor and report risks.
- Assisting in the development of and management of processes to identify and evaluate business areas' risks.
- Coordinating the corporate risk reporting and review process and managing and maintaining infrastructural elements (e.g. management reporting, including reporting to Committees).
- Ensuring the provision of adequate training and awareness of Risk Management
- Ensuring the communication of the key elements of the Risk Management Framework
- Reporting to the A&R Committee / Board on the Corporate Risk Register, and implementing the Risk Management Framework.

Centre Staff

Individual Centre employees have a key part to play in managing risk by:

- Being aware of the nature of risks in their day-to-day work as well as being aware of risks within the Corporate Risk Register.
- Monitoring the effectiveness of management procedures created to mitigate those risks identified.
- Being responsive to the changing nature of the threats and opportunities faced by the organisation.
- Proactively identifying and mitigating, where possible, significant risks and bringing these to the attention of colleagues.
- Managing risk effectively within their own work and area of authority.
- Escalating risk events or "near miss" incidents when they occur.
- Supporting the centre manager and Chief Risk Officer / Executive Lead on risk in implementing the RMP.



Risk Management Policy

B. RISK MANAGEMENT FRAMEWORK

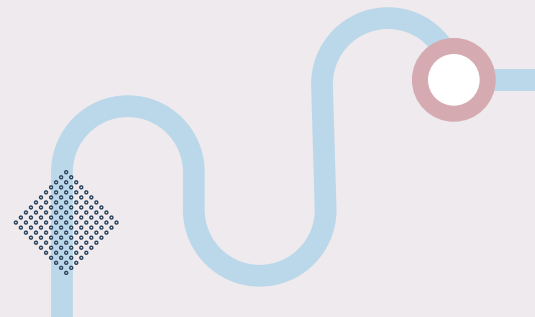
Risk Management is an iterative process consisting of steps which, when taken in sequence, enable continual improvement in Risk Management and decision-making. It constitutes a logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable the organisation to minimise losses and maximise opportunities.

Effective Risk Management focuses on understanding and measuring risk rather than necessarily avoiding or totally eliminating it, and within the organisation it comprises the following components:

Figure 1: Risk Management Cycle



Risk Management Policy



Risk Management is the identification, consideration, monitoring of risks and controls that can affect performance and the achievement of an organisation's objectives. Each of these steps are discussed below.

Risk Identification

This is achieved by regular monitoring and assessment of risk as part of the planning process and dealing with one-off or new uncertainties as they emerge.

Risk Assessment (addresses the risk, both threats and opportunities)

- Addressing each risk based on the assessment will incorporate a number of options distinguishing between threats and opportunities as shown below.
- The options in relation to threats are to:
 - Treat: implement a suitable control or combination of controls to reduce (mitigate) the risk to a more acceptable level.
 - Tolerate: knowingly accept the risk as it falls within the "Risk Appetite". In such a circumstance, the risk is deemed acceptable, compared to the cost of improving controls to mitigate it.
 - Transfer: transfer the risk to another organisation (e.g. through insurance or contractual arrangements with a business partner).
 - Terminate: avoid the risk, that is, do not undertake or stop the associated business activity.

The options in relation to opportunities are to:

- Exploit: implement actions to allow for capitalising on the situation that presents itself.
- Share: intensify analysis and feasibility assessment and seek shared views and support on follow-up actions.
- Enhance: examine and analyse to see if the improvement is achievable and merits further work.
- Ignore: decide that the opportunity, for now, is not worth pursuing.

Risk Monitoring

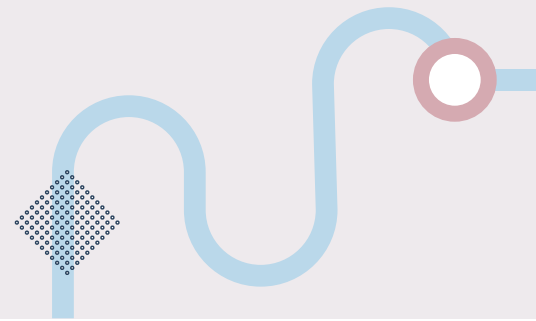
There should be an ongoing review and scanning of the environment in relation to threats and opportunities, and this will enable updating of the risk register regularly. The Annual Report will include confirmation that the Board has carried out an appropriate assessment of the organisation's principal risks, including a description of these risks, where appropriate, and associated mitigation measures or strategies.

Risk Mitigation

- When risks (threats and opportunities) have been identified, assessed and analysed and ranked as set out earlier in terms of likelihood and potential impact, the organisation should consider and where necessary develop or re-emphasise the mitigations and actions in place or proposed to address the significant risks identified.
- In terms of mitigating threats, the organisation uses the treatment / toleration / transfer / termination approaches listed above.



Risk Management Policy



- In terms of capitalising on opportunities, there are several approaches used by the organisation, including:
- Exploit: active pursuit of the potential upsides.
- Share: further analysis and feasibility assessment and seek shared insights.
- Enhance: consider if the improvement is achievable and merits further work.
- Decline: agree that, although potential exists, now is not the right time or not worth pursuing at this stage.

Risk (Register) Reporting

The register is the primary tool for risk tracking, containing the overall statement of risks and the status of any risk mitigation actions. The Register should be reviewed by the Board on an ongoing basis.

- The Risk Register will include:
- A description of the risks relative to its strategic priorities and functions.
- The category or type of risks.
- The current mitigations and actions in place to address the risks.
- An assessment of the likelihood that a risk will occur and the possible consequences if it does occur, ranked in accordance with the agreed rating scale.
- An outline of additional proposed mitigation actions, where appropriate; and who is accountable and responsible for managing that risk.

Within the context of risk reporting considerations should be given for **Risk Escalation**. It is recognised that risks can evolve quickly due to changes in the external environment, the proximity of an event, or a change in Risk Appetite. Risk Escalation, **and the provision which supports it**, allows for the appropriate management of both existing and emergent risks.

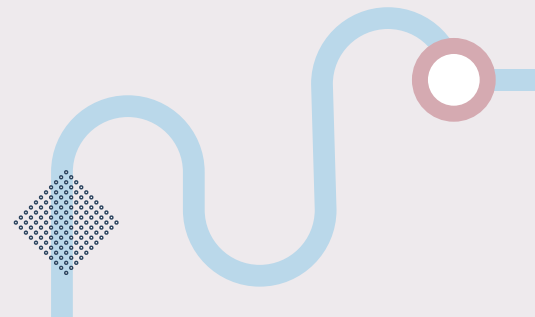
The following considerations influence whether a risk may require escalation:

- Where risks are rated as high or are judged to be a prevalent issue, these should be considered in the context of the Risk Appetite Statement Tolerances.
- Where the impact of a risk is rated major or severe using the Risk Matrix and the existing controls are deemed insufficient.
- Where the risk trend and the external environment merit heightened monitoring of the situation.
- Where the impact of a risk is major or severe in an area where the organisation has a Low-Risk Appetite.
- Where the risk relates to a substantial project or significant new programme.
- The proximity of a potential risk incident.

It is vital that the organisation escalates risks in a timely manner, where possible, to ensure that they can be managed effectively.



Risk Management Policy



Review

This policy will be reviewed by the A&R Committee (any Committee with responsibility for overseeing the effectiveness of the Risk Management Framework) and Board on an annual basis, to ensure it remains fit for purpose, and any amendments will be formally approved by Board.

Assurance

The **Risk Management policy**, the implementation of the system outlined, and the regular review of the Risk Register are a key part of the assurance arrangements within the organisation.

Additional Resources

In order to register risk, please click on the links below:

(put in link to risk register)

APPENDIX 1: RISK REGISTER TEMPLATES

Role of the Board

The role of the Board is to provide leadership and direction within a framework of prudent and effective controls that enables risk² to be assessed and managed. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives and priorities. The Board sets the Risk Appetite Statement and is responsible for maintaining sound Risk Management and internal control systems within the organisation.

Risk Management Policy (RMP)

The purpose of this policy is to provide a framework to identify, assess and rank risks, and to develop strategies to deal with risks so as to provide reasonable assurance that the strategic objectives and priorities will be achieved. The RMP sets, in effect, the framework in which risks (threats and opportunities) will be managed.

Risk Register

As part of embedding Risk Management across the organisation, the risk process is supported by a Risk Register that should reflect current or emerging uncertainties and actions in place to address the threats and exploit the opportunities. Risk registers are "live" documents that need to be regularly reviewed and refreshed, to ensure they capture current uncertainties, threats, vulnerabilities and opportunities.

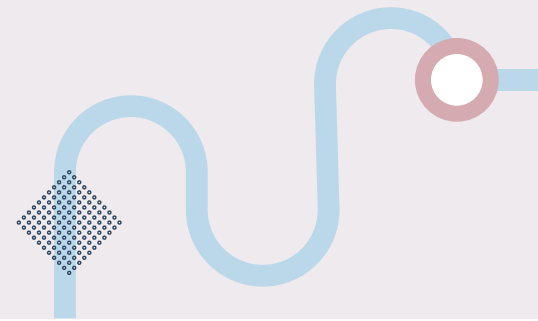
The Risk Register is a key governance document and will be informed by the operational and strategic activities and by the internal and external environment within which the organisation operates. Note that the sample Risk Register is a basic document and should be adapted for each organisation. In the context of two illustrative priorities, Governance and Communications, this document reflects an initial consideration of threats and opportunities, the mitigating measures, and actions in place.

For this example, in assessing the levels of risk the likelihood and impact of the risk is quantified. A grading of 1-5 is awarded (1 being the least likely / lowest impact, 5 being the most likely / highest impact). The following table reflects the guidance in ISO 31000, the Risk Management standard. The risk score is calculated by multiplying both scores (the likelihood score and the consequence score) to get the total score.

² Risk is defined as the effect of uncertainty on objectives/ priorities and the effect can be positive as well as negative



Risk Management Policy



Likelihood	Consequence
1 Rare	1 Negligible
2 Low	2 Minor
3 Medium	3 Moderate
4 High	4 Significant
5 Very High	5 Substantial

It is recognised that Risk Management is not solely about managing risks: it is also about identifying and taking opportunities.

It is also recognised that Risk Management is about being "risk aware" rather than "risk averse".

Below are some sample Risk Registers to consider, with example risks and suggested actions given.

Below are the priorities set out by the Governance Code for Sport – you could use the charity codes – both are similar and equally apply to (insert company name)

Priority 1 - Governance – (_____) is committed to enhancing current and implementing new good practice governance structures and arrangements across the organisation.



Risk Management Policy

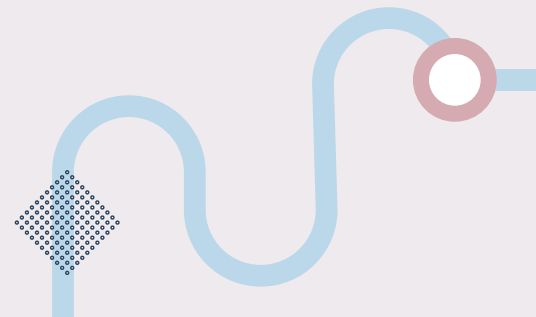


Table 1: Example Risk Register (for Priority 1 - Governance)

Risk / Threat Descriptor	Current Actions, Mitigations or Controls in Place	Consequence	Likelihood	Score	Suggested Actions	Ownership Accountability
In the context of the proposed revision of our rules / Governance Framework/ Constitution that support necessary governance changes to structures and arrangements, failure to get the necessary support and buy-in to secure the changes in governance.	To meet the compliance requirements of the Governance Code for Sport, detailed work is planned and underway to examine, update and propose necessary changes.	5	3	15	Carry out or complete a benchmark review and consider use of Sport Ireland governance resources. Undertake actions aimed at getting buy-in, including communications around the need for changes in governance.	To be assigned.
Current Policies, Procedures and protocols not fit for purpose and related failure to update governance systems or approve and implement new Policies	The adoption of changes necessary were agreed at last Board Meeting with key action being the establishment of the Governance Working Group/ Committee whose members are overseeing, on behalf of Board, the development of a new Governance Framework and updates on rules.	5	3	15	Governance Working Group/ Committee Terms of Reference to be circulated and invitations to the membership to contribute to the work of the group could be considered, with the use of Membership Focus Groups as an alternative	To be assigned.
Lack of clarity on roles and responsibilities within the governance structures and blurring of accountability and performance obligations.	Work underway updating and refreshing of the schedule of matters reserved for the Board, to include obligations in the rules / Constitution and the Governance Code for Sport.	5	4	20	Board review of the Terms of Reference and Work Programmes for the Board itself and the Committees.	To be assigned.



Risk Management Policy

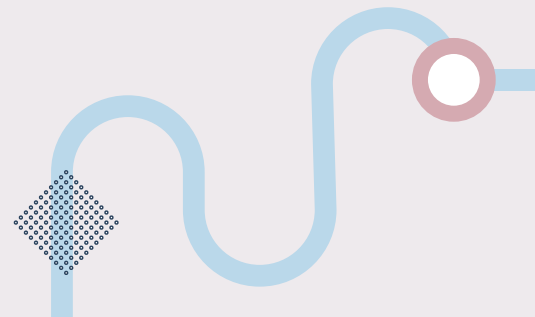


Table 2: Example Opportunity Register (for Priority 1 - Governance)

Governance -- opportunity descriptor	Current actions to exploit and deliver this opportunity
The adoption and embedding of new modern governance structures and arrangements and other initiatives can further enhance the reputation and standing of our organisation.	As well as work programme, a new Communications Plan is being agreed and new governance section / updates on website to show the work being done. Governance Compliance Statement to be signed off by Board following due diligence approach.
The Governance Agenda will require significant and targeted investment to build capacity, capability and competencies within the membership through targeted leadership and development programmes and structured initiatives.	We will avail of training and development opportunities for Board and Committee Members and staff available from Sport Ireland. We will also scope out additional support necessary and look to resource these.

Priority 2 - Communications – Ensure an effective Communications Strategy, underpinned by an implementation plan, to sustain and enhance the image and profile of the organisation

Table 3: Example Risk Register (for Priority 2 - Communications)

Risk / Threat Descriptor	Current actions, Mitigations or Controls in Place	Consequence	Likelihood	Score	Suggested Actions	Ownership Accountability
In the context of the current and prospective membership demographic, failure to embrace and achieve benefit from new communication channels and platforms or to ensure that the channels and platforms are fit for purpose.	Communications Strategy in development and other aspects being considered by the Board. Specialist expertise recruited to assist.	5	4	20		To be assigned.
Failure to maximise the benefit of social media and other channels or platforms to communicate with members and others.	Social Media policy in place. Communications Officer role. Aspects also within the Communications Strategy.	4	4	16		To be assigned.



Risk Management Policy

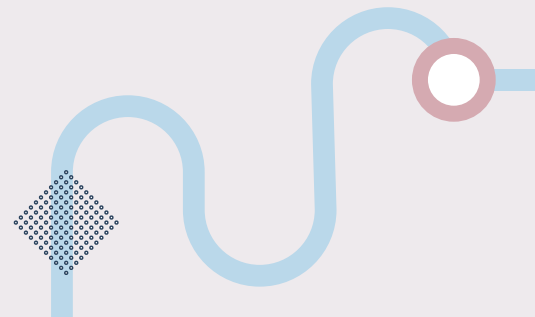


Table 4: Example Opportunity Register (for Priority 2 - Communications)

Communications - opportunity descriptor	Current actions to exploit and deliver this opportunity
The potential of the website and related technologies to host and deliver webinars, videos, blogs, etc., and to have the site reconfigured and made smartphone enabled or more accessible through other devices.	Review of functionality of website underway and looking to build on the positive and well received initiatives undertaken during COVID lockdowns.

Table 5

The example below shows a risk register mitigating measures and actions in place and a Residual Risk Score. The Residual Risk Score depicts the impact of controls and can be a useful tool for Boards in their Risk management process. The controls to be implemented can be future actions to further control the Risk Response.

Risk Identification			Initial Risk Rating (Inherent)			Existing Control Measures	Residual Risk Rating			Risk Response	Controls to Be Implemented	Target Implementation
Risk ID	Risk Description	Strategic Objective	Risk Likelihood	Risk Impact	Risk Score	E.g. SOPs and Policies	Risk Likelihood	Risk Impact	Risk Score	Risk Owner		
1		1	Possible (3)	Major (4)	12		Possible (3)	Moderate (3)	9			
2		3	Remote (1)	Major (4)	4		Remote (1)	Major (4)	4			
3		3	Unlikely (2)	Major (4)	8		Unlikely (2)	Major (4)	8			
4		3	Possible (3)	Major (4)	12		Possible (3)	Major (4)	12			
5		3 and 4	Possible (3)	Major (4)	12		Unlikely (2)	Major (4)	8			
6		5	Likely (4)	Major (4)	16		Likely (4)	Major (4)	16			
7		5	Possible (3)	Major (4)	12		Unlikely (2)	Major (4)	8			
8		5	Almost Certain (5)	Major (4)	20		Unlikely (2)	Major (4)	8			

(SOPs – Standard Operating Procedures)



Risk Management Policy

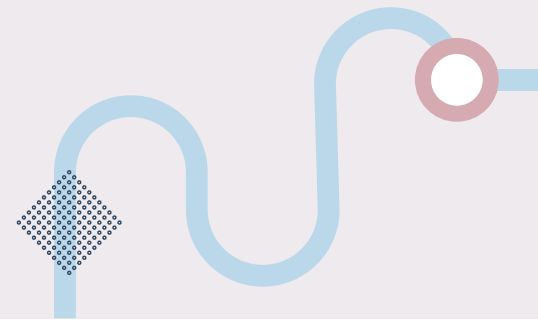


Table 6 Example Scoring Matrix

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Remote (1)	1	2	3	4	5

	Sample Risk Register				
Risk Number	Type – Corporate / Section	Principal Risk	Mitigations / Controls	Approximate Overall Risk Rating (H / M / L)	Owner
1	Corporate				
2	Corporate				
3	Corporate				
4	Corporate				
5	Corporate				

(Sample policy from FCRS)

Opp. No.	Type – Corporate / Section	Principal Opportunity	Enablers	Approximately Overall Opportunities Rating (H / M / L)	Owner
1	Corporate				
2	Corporate				
3	Corporate				

