



Risk [FRG016]

#### BRITISH TRIATHLON'S VIEWS ON RISK

British Triathlon recognises that embedded risk management is a critical element of well-informed decision-making and robust business processes that will enable us to deliver our strategic and development plan. Embedded risk management is imperative since we have resource constraints and have key targets and objectives.

British Triathlon approach to risk management is led by the Chief Executive with support from the Executive Team, the British Triathlon Board, and the Triathlon England Management Board (herein known as the Boards). The Chief Executive has specific responsibility for managing risk through the annual operational plan and the budgeting process.

As the National Governing Body for triathlon, in order to manage risk and improve our governance, British Triathlon will:

1. Approve and monitor the financial process (full cycle) to enable effective management of the business;
2. Have an awareness of all material issues to enable informed decisions;
3. Ensure that all risks are assessed, managed and mitigated where possible to ensure the potential threat to the business is minimised;
4. The reserve policy is set to ensure that sufficient reserves are in place to meet any material risks to the business;
5. The responsibility to ensure that British Triathlon adopts best practice as appropriate in respect of all its business processes, embracing the concepts of fairness, transparency, effectiveness, accountability, equality, diversity and best practice;
6. Retains the ultimate responsibility for disciplinary governance of the sport. It may seek to delegate executive action in such areas to appropriately qualified panels, but it must ensure that the organisation follow best practice.

Our strategy sets out our risk management process, the roles and responsibilities of each of the Executive Team and the interdependencies with other stakeholders. It is prefaced by several principles that underpin British Triathlon's approach to risk management.

#### **RISK MANAGEMENT: THE APPROACH AND PRINCIPLES**

British Triathlon is committed to ensuring the risk is managed within the organisation and to ensure we achieve our key objectives, our approach to risk management is as follows:

1. The principles of risk management and the risk management processes are the same for all colleagues whether dealing with strategic, programme, project, directorate or team level risks.
2. British Triathlon's aim is not to be driven by paper, but we do need to record key risks, have controls in place (i.e. actions in place to manage risks) risk assessment and planned actions. We will endeavour to get key points across so we try to be succinct.
3. British Triathlon aims to work across the organisation with the Boards review of the risk register.
4. We are committed to reviewing our risk register on a quarterly basis.
5. Key risks should be escalated to the Executive by teams, directorate, and project.
6. Our strategic risk register is reviewed by the Executive Team, the Audit Risk and Governance Committee, and then in summary form by the Boards. The principles of upwards cyclical review also apply to team, directorate, project and programme risks.
7. British Triathlon's risk register should reflect the risk profile at a given time.

#### **RISK MANAGEMENT PROCESS**

##### **RISK IDENTIFICATION**

Risks to the delivery of the strategic and development objectives can be identified at all levels of the organisation including the senior managers, directorates, teams, programme and project leads. Risks are identified cross organisationally, not just in isolation. Risks have been included in our risk register and have been assigned an owner at Executive level.

##### **RISK ASSESSMENT**

Risks within British Triathlon have been assessed using the likelihood and impact indicator set out below. Our assessment of the risks relies upon our judgment. In assessing risk, colleagues are expected to apply common sense using other colleagues as a sounding board when necessary.

Following the identification of a risk, through looking at the impact of particular scenarios, the likelihood of the risk occurring is estimated on the basis of historic evidence, or experience that such situations have materialised, or are likely to do so again.

Each risk is then assigned a score at a post mitigating factor level.

Likelihood Scoring:

Impact Scoring:

Likelihood (Over Next 1 Year)
5 = Highly Probable >90%
4 = More than likely 60-90%
3 = Evens chance 40% - 60%
2 = Less than likely 10% - 40%
1 = Highly Improbable <10%

Net Impact (Over Next 1 Year)
5 = Catastrophic (£1m+ or long term impact)
4 = Major (£300k-£999k or long term impact)
3 = Significant (£150k-£299k or impact)
2 = Moderate (£50k-£149k or short term impact)
1 = Low (Less than £50k or short term impact)

By multiplying the Likelihood score by the Impact score this gives each risk a total score.

#### ADDRESSING RISKS

Most risks cannot be eliminated altogether, and risk management involves making judgements about what level of risk is acceptable.

Generally, any red risks, those receiving a total score of 9 or above are viewed as unacceptable in the first instance and are to be “treated” by specific actions.

#### MONITORING, ESCALATING AND REPORTING RISKS

The Executive Team will regularly monitor risks, risk assessment and controls. On average we are committed to ensure that the risk register is reviewed formally on a quarterly basis, at each meeting of the ARG Committee, and an onwards escalation for review in summary form by the Boards. British Triathlon recognises that a regular review of the risk register / profile will enable British Triathlon to respond appropriately on a timely basis to any significant changes.

#### RISK OWNERS

All risks are assigned to an appropriate member of the Exec Team.

#### COMMUNICATION AND LEARNING

British Triathlon has set out its principles and approach to risk management within this document, but we do recognise that risks do not necessarily arise in isolation. All members of the Executive

Team, senior managers of the business and those working on programmes and projects are encouraged to share risk information with each other as appropriate.

All colleagues are expected to be made aware by their line manager of the key components of risk management as set out in this strategy, and follow the principles, approach and processes set out in this strategy.

British Triathlon will ensure that there is open discussion in respect of any actual errors or mistakes or near misses so that the organisation can reflect upon and share any learning. The British Triathlon Board encourages an open, honest, self-aware culture in relation to risk.

## **INTERDEPENDENCIES**

British Triathlon is aware that it does not operate in isolation from other sports or its partners.

British Triathlon is aware that there is a high reliance on Government funding and therefore will actively share its risk register with those partners that British Triathlon deem necessary.

## **ROLES AND RESPONSIBILITIES**

### **THE BOARD**

The Boards have responsibility of ensuring that British Triathlon fulfils its aims and objectives as per the Strategic Plan. The Boards use their portfolio directors to check, challenge and help consider and assess the key strategic risks facing British Triathlon.

### **THE AUDIT, RISK AND GOVERNANCE COMMITTEE**

The Audit, Risk and Governance (ARG) Committee has been established to support the Boards and Chief Executive in their responsibilities for issues of control, risk and governance by reviewing the comprehensiveness of assurances in meeting the Board's assurance needs and reviewing the reliability and integrity of these assurances.

### **CHIEF EXECUTIVE, AS ACCOUNTING OFFICER**

The Chief Executive is personally responsible for the management of opportunity and risk to achieve the right balance commensurate with British Triathlon's business and risk appetite. This includes responsibility for ensuring that:

- A system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- The Boards are involved with British Triathlon's risk management system; and
- A risk register is maintained.

The Chief Executive sets and communicates the risk management strategy, provides leadership and direction over the risk management process and regularly reviews the risk register as well as conducting an annual review of the effectiveness of the system of internal control in support of the Governance Statement.

#### TRIATHLON COLLEAGUES

All colleagues are responsible for actively considering risk and control as part of their day to day work. This includes identifying, assessing, addressing, monitoring, escalating and reporting risks owning controls (actions) that manage risk.

Those responsible for leading directorates, teams, programmes and projects are responsible for ensuring risks are reviewed regularly and that risk management is embedded with the business processes.

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