Risk Management Strategy

Purpose

The purpose of this document is to detail the Croquet England Risk Management Strategy, including the process, roles and responsibilities. Reference should also be made to the Charities and risk management (CC26) guidance provided by the Charity Commission.

Scope

Risk can be defined as 'something happening that may impact on the achievement of our objectives'. These could be governance, operational, financial, external or compliance risks. Risks can also arise from not taking opportunities to deliver better quality and cost-efficient services to our stakeholders.

For Croquet England, risk management means having in place a corporate and systematic process to identify, evaluate, control, review and monitor the impact of uncertain events. It includes having staff/volunteers with the appropriate skills to identify and assess the potential for risks to arise.

It is important that our approach to risk management is clearly documented, and this strategy describes the approach that we use to identify, assess, address and review and report on our risks.

Risk Management Process

The Croquet England risk management process consists of four stages, as shown below:

- Risk Identification – see section 5.
- Risk Assessment – see section 6.
- Risk Management – see section 7.
- Risk Monitoring, Communication and Feedback – see section 8.

Identify (5)   Assess (6)   Manage (7)

Monitor, Communicate and Feedback (8)
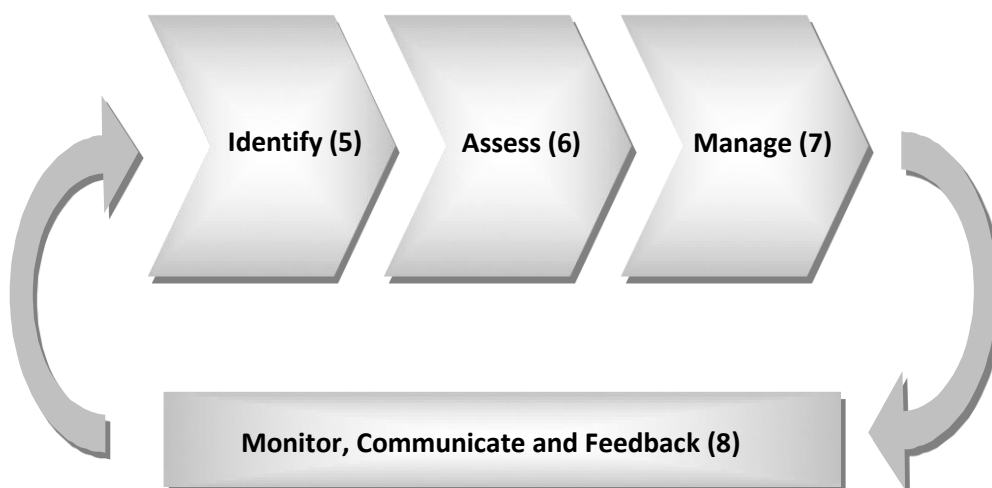
Roles and Responsibilities

The table below sets out the Roles and Responsibilities in Croquet England. This defines "who does what" to avoid risks being unmanaged.

Board of Trustees	• Set the 'risk appetite' for strategic priorities. • Approve the Risk Strategy. • Annually review the Risk Register • Primary risk owner for Strategic Risk
Executive	• Produce a risk register. • Ensure the Risk Strategy is implemented. • Regularly monitor and manage strategic & operational risk. • Ensure risk management is embedded into the organisation. • Ensure strategic and operational risk is regularly monitored and managed by the organisation. • Produce Assurance statements where required.
Committees	• Identifying risks in their respective areas

Risk Identification

Types of risks that Croquet England may face include:

- Anything that could disrupt or threaten the continuity of the organisation.
- Anything that could threaten the achievement of our objectives and strategic priorities.
- Anything that could damage Croquet England's reputation or undermine members' or the public's confidence in Croquet England.
- Failure to guard against theft and fraud.
- Failure to comply with regulations such as health and safety.

The list is not exhaustive and is intended to assist with the risk identification process. For further guidance, refer to Annex 2 of Charities and risk management (CC26).

We use a 'top down' and 'bottom up' approach to risk identification, aiming to identify the strategic and operational risks that may prevent us achieving our business objectives and strategic priorities. The Executive, with the support of the Board of Trustees, is responsible for identifying the major risks that may impact on us achieving our business objectives and strategic priorities. Croquet England Standing Committees are also responsible for identifying risks in their respective areas (e.g., Safety, Rules) and reporting them to the Executive.

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

Risk Assessment

To decide how to handle risk, the first step is assessing significance. Each risk will be assessed for how likely it is to occur and the magnitude or impact of the consequences if it 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. There will always be a degree of uncertainty in predicting the likelihood and impact of future events. Where available prior experience and/or historic records will be used to assist in these judgements. For example, prior knowledge of a contractor on a key project can help in assessing the likelihood of whether the project will be completed on time or the degree of dependency on IT systems can help in assessing the impact to the organisation if they were to fail.

Probability Rating

Descriptor	Rating	Expected Occurrence
Remote	1	Only in exceptional circumstances (possible within 1-10 years)
Unlikely	2	in a few circumstances
Possible	3	in some circumstances (possible this year)
Probable	4	in many circumstances
Highly probable	5	frequently and in most circumstances (probable this quarter)

Impact Rating

Descriptor	Rating	Impact on service and reputation
Insignificant	1	• no impact on service • no impact on reputation • complaint unlikely • litigation risk remote
Minor	2	• slight impact on service • slight impact on reputation • complaint possible • litigation possible
Moderate	3	• some service disruption • potential for adverse publicity - avoidable with careful handling • complaint probable • litigation probable
Major	4	• service disrupted • adverse publicity not avoidable (local media) • complaint probable • litigation probable
Extreme/ Catastrophic	5	• service interrupted for significant time • major adverse publicity not avoidable (national media) • major litigation expected • resignation of senior management and board • loss of beneficiary confidence

Risk Management

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 risks 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 to manage the impact of the effects that arise if the risk does occur.

In many circumstances, there will be a requirement to identify the control needed to manage the risk *and* the action required reduce the residual risk.

The mitigation plan will hold both types of actions, those to improve controls and those to manage the effects of the risk being realised. The actions identified form the mitigation plan which identifies the owner of the action, the implementation date and the progress made on the implementation.

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 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 are unlikely to be clear.

Risk Monitoring, Communication and Feedback

The following reporting and review mechanisms will be undertaken to obtain assurance on the effectiveness of our actions and to periodically review the risks we have identified to ensure they reflect the changing environment.

Trustees	The Strategic Risk Register and Mitigation Plans are reviewed at least annually.
Executive	The Risk Register and Mitigation Plans are reviewed at least annually.
Committees	Identify, assess and manage risks in their area of operation. Report these risks and mitigation status against control actions to the Executive.

Embedding

Ensuring that the processes designed to manage risk are built into the everyday business practices and procedures across the sport will ensure:

- Greater management focus on issues that really matter.
- Reduction in management time spent firefighting.
- 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.

Several approaches can be used to embed the risk management process:

Alignment	Align operational and individual objectives with the overall strategic priorities.
Job descriptions	Include risk management roles and responsibilities explicitly within individual job descriptions and require risk management as a core competency.
Risk taking	Recognise and reward informed risk taking and problem prevention and encourage active participation in risk identification and management.
Process requirement	Include risk identification, management and reporting as an integral part of business processes and especially for all major change programmes, and not treat risk management as a separate exercise to be undertaken in isolation.
Performance measures and early warning indicators	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	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.
Benefit realisation	Ensure that our staff/volunteers 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	If training needs are identified, then appropriate arrangements should be made.

References

Charity Commission Guidance: Charities and Risk Management (CC26): https://www.gov.uk/government/publications/charities-and-risk-management-cc26/charities-and-risk-management-cc26

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