British Para Table Tennis

Risk Management Strategy

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Version No.	Version Date	Summary of changes
1.0	Feb 2015	Initial document
1.1	Jun 2019	Updated to reflect changes in terminology

Introduction
The delivery of the objectives of British Para Table Tennis (**The Organisation**) will always be subject to uncertainty which both poses threats to success and offers opportunity for increasing success. Risk is defined as this uncertainty of outcome of actions and events, whether positive opportunity or negative threat. The risk has to be assessed in respect of the combination of the likelihood of something happening, and the impact which arises if it does actually happen. Risk management includes identifying and assessing risks and then responding to them. Risks are also opportunities for growth and should therefore not necessarily be associated with negative outcomes.

It is imperative that The Organisation has a positive attitude to risk.

The specific risks which **The Organisation** currently faces are identified in a separate document called the "Risk Register". Risks also alter over time and the impact and likelihood scales will alter as well. In terms of Business Continuity risks, these are identified in a third risk document **The Organisation's** Business Continuity Plan.

Definition of Risk
Risk is uncertainty of outcome and good risk management allows **The Organisation** to:
- have increased confidence in achieving its desired outcomes;
- effectively constrain threats to acceptable levels; and
- take informed decisions about exploiting opportunities.

Good risk management also allows stakeholders to have increased confidence in **The Organisation's** governance and ability to deliver.

The Management of Risk
The Organisation's response to risk, which is initiated within **The Organisation** is called "internal control" and may involve one or more of the following:
- accepting the risk, which effectively means that the risk is understood fully, but the likelihood and the impact of the risk happening are acceptable and are less than the costs of mitigating/removing the risk;
- reducing the risk in an appropriate way, such as increasing controls or scaling back the activity in order to constrain the risk to an acceptable level or actively taking advantage by regarding the uncertainty as an opportunity to gain a benefit;
- mitigating the risk by "hedging" against the risk occurring such as finding alternative means of finance for example;
- transferring the risk, normally by way of an insurance policy;
- terminating the activity giving rise to the risk, thereby eliminating the risk;
- increase the risk in a calculated way, whereby the benefits outweigh the increased risk threat and the level of risk remains acceptable.

Internal control will begin with the responsibility for all risk management issues sitting with the Members of **The Organisation**. One **Member** will be delegated to take on the responsibility of being the initial author of the Risk Management Strategy and Risk Register and then being responsible with others for maintaining the accuracy and appropriateness of the document. The strategy document and the Risk Register will be reviewed at every meeting of **The Organistion's** full board.

All the **The Organisation's** sub-committees will include a review of the Risk Register as a fixed agenda item at each meeting. Every identified risk on the register will be owned by either **The Organisation's** full board or one of its sub-committees. Specific risks should be included as part of certain Job Descriptions and those staff members made accountable for the handling of those risks.

The Risk Management Process

In the business of **The Organisation**, **risk is likely to occur at one of three levels in The Organisation**.

- **Strategic risk** relating to uncertainty about the strategic decisions made, involving **The Organisation's** board and sub-committees,
- **"programme" risk** relating to uncertainty about implementation of the strategy such as the failure of the WCP team to deliver sufficient quality athletes, which results in reduced funding and cuts to the programme and
- **delivery risk**, where poor decisions may be made on a project or an operational level (such as at a competition where the risks could manifest themselves as Health and Safety or Financial) – or perhaps there are no decisions made at all. The greatest levels of uncertainty are always at the strategic level because that is where **The Organisation** is looking furthest ahead and therefore scenario planning and forecasting is at its least predictable.

The risk management process can either be "top down" or "bottom up" and risks can be identified at all three levels. It is important that if there are project or operational risks (e.g. failure to deliver targets or secure funding for example) then **Members must bring them to the attention of the appropriate Member (responsible for the Risk Register) immediately, so that these risks can be assessed.**

Risk Identification

The identification of risk can be separated into two distinct phases. There is:

- **initial risk identification** (for a new project or activity within **The Organisation**), and there is;
- **continuous risk identification** which is necessary to identify new risks which did not previously arise, changes in existing risks, or risks which did exist ceasing to be relevant to **The Organisation** (this should be a routine element of the conduct of business).

In either case risks should be related to objectives. Risks can only be assessed and prioritised in relation to objectives (and this can be done at any level of objective from personal objectives to Organisation objectives). Care should be taken to identify generic risks which will impact on business objectives but might not always be immediately apparent in thinking about the particular business objective.

When a risk is identified it may be relevant to more than one of The Organisation's objectives, its potential impact may vary in relation to different objectives, and the best way of addressing the risk may be different in relation to different objectives (although it is also possible that a single treatment may adequately address the risk in relation to more than one objective).

In stating risks, care should be taken to avoid stating impacts which may arise as being the risks themselves, and to avoid stating risks which do not impact on objectives; equally care should be taken to avoid defining risks with statements which are simply the converse of the objectives. A statement of a risk should encompass the cause of the impact, and the impact to the objective ("cause and consequence") which might arise.

As new **Organisation** projects are approved, **The Organisation Member** or committee responsible for the project must, in line with the guidance in this Risk Management strategy paper, create new risks for the project (if any) and adjust any existing risks because of the impact of the new project and update the Risk Register.

The Risk Register will be reviewed on a regular basis.

Categorising the Risk

As well as identifying risks, the next stage is to categorise the risk – that is assess the severity of the risk to **The Organisation**. The method used by **The Organisation** is to look at two criteria – **the likelihood of the risk occurring and the impact of the risk**. Each is assessed on a scale of 1-5. The size of the risk is then assessed in the table below

Descriptor	Likelihood	Impact
1	2% likely to happen	Very low
2	5% likely to happen	Low
3	10% likely to happen	Moderate
4	20% likely to happen	High
5	50% likely to happen	Very high

The score of the risk is obtained by multiplying the descriptors for the likelihood and corresponding impact together. The score for each risk is then assessed as one of three bandings.

0-10	Low
11-14	Medium
>14	High

Therefore the worst extreme could be a very high likelihood and a severe impact (5x5) giving a score of 25.

Risk Appetite

It should be noted that some risk is unavoidable and it may not be within the ability of **The Organisation** to completely manage it to a tolerable level. In these cases **The Organisation** needs to make contingency plans.

The concept of risk appetite will best be expressed as a series of boundaries, appropriately authorised by management, which give each level of **The Organisation** clear guidance on the limits of risk which they can take, whether their consideration is of a threat and the cost of control, or of an opportunity and the costs of trying to exploit it. This means that risk appetite will be expressed in the same terms as those used in assessing risk. An Organisation's risk appetite is not necessarily static; in particular **The Organisation** will have freedom to vary the amount of risk which it is prepared to take depending on the circumstances at the time.

The Organisation has had a fairly conservative approach to risk appetite, because of the need to make excellent use of public funds and the "not for profit" nature of **The Organisation**. However, as **The Organisation** moves towards much more effective governance and looks for ways to supplement public funding with sponsorship and fund raising opportunities, **Members**, in conjunction with **The Organisations** sub-committees, may adopt a higher appetite for risk in some of projects.

The agreed corporate risk appetite can then be used as a starting point for cascading levels of tolerance down **The Organisation**, agreeing risk appetite in different levels of **The Organisation**. **This is the delegation of risk appetite** to those in **The Organisation** empowered to run projects or deliver against objectives. This facilitates both a risk escalation process for the taking of risk decisions when delegated boundaries are met, and empowers people to innovate within their delegation limits. This risk management strategy and the risk register is a method of standardising the approach to risk.