



GBS Risk Management Policy

Draft - Risk Policy GB Snowsport

Background & Introduction

GB Snowsport's (GBS) strategy approved by the Board, is underpinned by our responsibility to achieve high performance in Snowsports and be an inspiration to the wider Snowsport Community. We have clear goals and objectives which are shared with stakeholders. Actively managing the risks to achieving these is part of responsible business.

This guidance explains GBS's approach to managing risk. We blend a small number of formal structures and processes with a much broader range of integrated behavioural responsibilities and activities. This is because effective risk management needs to be embedded in the way we operate, but not so deeply embedded that it becomes invisible.

Accountability for risk management is at all levels in the organisation. Risk management as an integral part of how we operate means how we manage:

- The delivery of our strategic plan and related activities;
- The growth and development of the organisation;
- The implementation of effective financial processes and reporting procedures;
- The ability to deal with change within GBS; and
- The way we respond to challenges presented by the external environment.

Risk management needs to run through the RYA's structures and processes, adding value to everything we do.

To achieve such an integrated approach, we have in place the following controls and processes:

- An effective control environment. This means that everything we do both as an organisation and as individuals is done with integrity, responsibility, professionalism, excellence and inclusivity.
- Established consistent processes for identifying, assessing and monitoring risk.
- Appropriate controls and other responses to help reduce the impact and likelihood of risks to a level with which we are comfortable as an organisation.
- A range of internal and external assurance activities to ensure that key controls are operating as intended.
- Ways of spotting rising risk profiles before they become incidents and learning from any incidents that may happen.
- Performance monitoring of the risk management activities at both an operational and a strategic level.

In this document we will state GBS's Risk Appetite and how that informs how we manage and mitigate risk, as well as giving all staff a framework and guidance to embed sound risk management practices into their job role and day to day activities.

Risk Appetite

The principal areas of risk to which GBS is exposed are in respect of financial security, performance in sport, governance and reputation. In respect of this GBS can be considered to be

“LOW for the maintenance of financial security, good governance and reputation, but MEDIUM in the pursuit of performance in the sport, noting that the sport is inherently high risk by its nature”.

The activities of GBS are made possible by a variety of income sources, including

- UK Sport Funding,
- Commercial Partnerships,
- Philanthropy, and
- Membership and Race entries.

As a result, there is a responsibility to be cautious in the use of such funds. GBS is cognisant of the oversight of and its responsibilities to funders and other stakeholders.

Analysis of the impact of risks will be considered separately in this policy, but when considering an activity GBS will be mindful of the potential impact of the risk such activity presents. In this context, activities to be avoided are those that create undue risk of:

- Unplanned financial loss greater than £10,000
- An inability to deliver a strategic objective
- More than a minor disruption to operations
- Major reputational damage

GBS rates its risk appetite as follows:

Willingness to accept risk	Low	Medium	High
Category 1: Reputation	X		
Category 2: Finance	X		
Category 3: Governance	X		
Category 4: Performance		X	

Risk Management

Risk is anything that could impact on GBS's ability to achieve its objectives. It can arise through direct threats, leading to a failure to achieve objectives, or through a failure to capture opportunities that could provide a better way of meeting objectives.

Risk management is about identifying risks, assessing their significance and taking appropriate action to manage them. It is a fundamental part of best management practice in governance and business planning.

It is recognised that all risks need to be managed and failure to do so could impact negatively on GBS's ability to achieve these objectives or missed opportunities. It has developed a strategic risk management policy in order to provide a framework for the effective management of risks.

The ability of GBS to achieve its objectives is strengthened by robust and effective risk management. At the same time this identifies threats to stated objectives and provides a framework within which such threats can be removed, managed or minimised.

In pursuit of its purpose, values and aims, GBS will assess the level of risk associated with its various activities. It will manage the risks associated with individual activities through an effective system of internal controls.

Roles and Responsibilities

The Board have set broad principles for risk management. These are that:

- Risks are aligned to the strategy
- Risk is everyone's business
- Risk should be managed at all levels
- Individual risks should be managed at the lowest appropriate level

The GBS Board has a fundamental role to play in the management of risk. Its role is to:

- Set the tone and influence the culture of risk management within GBS.
- Determine GBS's risk appetite and set standards and expectations of staff with respect to conduct and probity.
- Approve major decisions affecting GBS's risk profile or exposure.
- Monitor the management of significant risks.
- Monitor the strategic risk register at each Board meeting.
- Satisfy itself that less significant risks are being actively managed, with the appropriate controls in place and working effectively.
- Annually review GBS's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

The GBS Audit and Risk Committee (ARC) has specific oversight responsibility to review the company's internal controls and risk management systems and to review and approve the statements to be included within the annual report concerning internal controls and risk management. While there is no internal audit capability in GBS the external audit provides some assurance around the controls in the organisation.

The role of the GBS's Senior Leadership Team (SLT) is to:

- Implement policies on risk management and internal control.

- Identify and evaluate the significant risks faced by GBS.
- Ensure actions are put in place to mitigate and eliminate risks where possible.
- Monitor the strategic risk register as a minimum of five times per year.
- Appoint a member of SLT to have responsibility for monitoring operational risk registers and to report to the SLT on a quarterly basis.
- Provide adequate information in a timely manner to the GBS ARC and Board on the status of risks and controls.
- Undertake a bi-annual review of the effectiveness of the system of internal controls and provide a report to the Board.

Implementation of Risk Management

Implementation of GBS’s strategy involves identifying, analysing, prioritising, managing and monitoring of risks. The identification of risks is derived from both a “top-down” (Strategic, Board driven) and a “bottom-up” (Operational, Management driven) process of risk assessment and analysis resulting in coverage of all aspects of GBS’s activities.

Access to the risk register should be in “real-time”. If risk management is firmly culturally embedded, consideration of risk will be second nature to any member of GBS’s executive and the practice of updating the risk register will take place on an ongoing basis, rather than simply as an exercise to meet a deadline of reporting to the Board. This will increase the likelihood of appropriate risks being identified to the Board, reducing the likelihood of unwelcome surprises.

The process prioritises risks, resulting in a focus on the key risks and priorities. The risks are then managed through the development of appropriate action plans.

Risk Management Process

Stage One – Identification of Risks

Stage one is to identify the key risks that could affect the achievement of GBS’s stated objectives. This is to be done in a corporate risk register, broken down between the different risk categories.

There should be a further risk assessment developed for any large event that GBS athletes attend or that GBS run, with GBS having responsibility to protect the sport and manage risks to the sport, even though they might not directly impact on the organisation and appear in its own strategic or operational risk registers.

Stage Two – Analysis of the Risks

The information gathered is analysed into risks scenarios to ensure clear understanding of the root cause and consequences. The risk is briefly described, the consequences noted, and a commentary of the risk included which identifies the root causes. Understanding of the root causes of the risk assists when deciding upon possible control measures.

Stage Three – Risk Profiling and Prioritisation

Estimation of Risk

Risks are currently assessed using a 1-5 scoring system for likelihood and a 1-5 scoring system for impact, as this gives greater weight to those risks most likely to occur and, therefore, identifies more clearly risks where urgent risk control may be required. The GBS Board has identified a clear methodology for the estimation of risk employed, which includes defined categories to assess the impact and likelihood of risks. Such a methodology encourages consistency across all areas of risk consideration.

Identified likelihood parameters are:

Level	Likelihood	Description
1	Improbable	Almost never expected to occur, in any circumstances
2	Unlikely	Will probably not occur, in most circumstances
3	Possible	Might happen
4	Likely	Will probably occur at some time
5	Highly Likely	Almost certain to occur in most circumstances

Identified impact parameters are:

Level	Impact	Description
1	Very Low	<p>Very low unplanned financial loss (£0 - £10,000)</p> <p>No impact on delivery of strategic objectives</p> <p>No disruption to operations</p> <p>No injury or harm.</p> <p>No adverse media coverage</p> <p>No damage to relationships with any key stakeholders.</p> <p>Complaint and litigation risk unlikely</p>
2	Low	<p>Low unplanned financial loss (£10,001 - £25,000)</p> <p>Little impact on delivery of strategic objectives</p> <p>Little disruption to operations</p> <p>Minor injury or harm</p> <p>Little adverse media coverage</p> <p>Brief (under a month) damage to relationships with any key stakeholder</p> <p>Possible complaint and/ or litigation</p>
3	Medium	<p>Moderate unplanned financial loss (£25,001 - £50,000)</p> <p>Unable to deliver a strategic objective</p> <p>Some minor disruption to operations</p> <p>Moderate injury or harm</p> <p>Negative coverage in media</p>

		Significant loss of confidence or support from key stakeholders Complaint expected, litigation probable
4	High	Significant unplanned financial loss (£50,001 - £75,000) Unable to deliver a number of strategic objectives Significant disruption to operations Serious injury or harm Short or medium term negative coverage in national and media Relationships with a number of leading athletes, Public Funders or Major Sponsors undermined. Complaint and litigation expected
5	Catastrophic	Very significant unplanned financial loss (Greater than £75,000) Unable to deliver most strategic objectives Unable to undertake most or all operations Extensive/ multiple serious injuries/ harm/ fatality Long term negative coverage in media Relationships with Public Funders or Major Sponsors terminated. Litigation expected. Resignation of Directors and Senior Staff.

It is recognised that the impact of any risk could be to cause damage in different areas, including financially and reputationally. All areas of potential damage are to be considered, the nature of the damage likely to be caused is to be noted within the report and the risk categorised in line with the highest factor. For example, very significant unplanned financial loss of greater than £75,000 with little adverse press coverage would be categorised as Catastrophic rather than Minor.

Evaluation of Risk

Once assessed, the risks are transferred to a risk matrix, recognising the importance of the event according to the likelihood of the risk occurring and its impact if it does – multiplying their respective score

Those risks with scores higher than medium impact and possible probability are considered unacceptable risks and should be addressed immediately & reviewed monthly.

Stage Four - Risk Management (Action Planning)

Risk owners are assigned to each risk and for each risk an assessment is made as to whether to:

- Control: It is usually possible to mitigate the risk by “managing down” the likelihood, the impact or both. Any control measures must reflect the potential frequency, severity and financial consequences of the risk event.
- Accept: Some risks may need to be accepted as they form part of, or are inherent in, the activity. In addition, there are some risks over which GBS has no control and some for which

any effective management actions would be prohibitive in terms of resource, be that time or cost. It is vital, however, that these risks are identified, understood, acknowledged and monitored.

- Transfer: Some risks can be transferred to another body, e.g. insurance, contractual arrangements, outsourcing, partnerships. It should be acknowledged, however, that some risks cannot be transferred and, even when they are, the impact of the risk may remain with GBS, e.g. reputational damage.
- Terminate: GBS may be able to eliminate a risk entirely by ending all or part of an activity.

Taking the gross risk score, consideration is given to risk management already in place to mitigate each risk. Recalculating the score for said risk, in consideration of such risk mitigation, generates a net, or residual, risk score. This score represents the actual current risk presented to GBS.

Stage Five – Contingency Planning

Whilst risks can be managed as set out in stage 4, the GBS SLT is responsible for devising contingency plans for risks where such an approach is possible. It is recognised that some risks are so broad, in terms of impact, that contingency plans would not be appropriate or proportionate.

Stage Six - Monitoring Risk Management

The GBS SLT is responsible for ensuring that the key risks on the Corporate Risk Register are managed and the progress with risk controls monitored, on at least a quarterly basis, with oversight from the ARC. Both the Board and ARC should self-evaluate on an annual basis.

Progress made with risk control measures should have a positive effect on residual scores for each risk. Conversely, failure to adequately implement controls, failure of existing risk control measures, or other events may have a negative effect on the risk score.

Visibility of such movement is essential for the GBS's Board, particularly in the event of a negative movement, and in order to obtain this, the movement of a risk's score since the previous report should be indicated on the working heat map.

Stage Seven – Review of Corporate Risk Register

The Corporate Risk Register is to be reviewed by the SLT at least 5 times per year in light of current activities and events, with risks being added, amended and/or deleted as appropriate. A trigger event may warrant a more frequent review.

A full review of the Corporate Risk Register is to be completed annually as part of the strategic planning cycle. This should include the production of a summary of movement for the Board.

Other Risks

The Board are conscious that the risks associated with Major Events directly delivered by the Executive form a special category of risk that should be captured within Crisis or Contingency Management Plans for each Major Event directly delivered by the Executive. These should be bespoke for each event and proportionate to the event being delivered.

Finally, the Board have also instructed the Executive to ensure that risk management is built into everyday project management.

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