

DRAFT WORLD TRIATHLON RISK MANAGEMENT POLICY

DEFINITIONS

Risk is defined as 'the effect of uncertainty on objectives. This may also be expressed as a deviation from expected outcomes, either positive (opportunity) or negative (threat).

Risk management is defined as 'co-ordinated activities to direct and control an organisation with regard to risk'.

Risk appetite is defined as 'the amount of risk that an organisation is willing to pursue or retain'.

A *risk management framework* is defined as 'a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation'. A risk management framework would be expected to include policy, objectives, mandate, and commitment to manage risk, together with plans, accountabilities, resources, processes, and activities for risk management.

RISK MANAGEMENT PRINCIPLES

Risk management at World Triathlon operates according to the following principles:

- Risk management is a continuous process and embedded in day-to-day operations. All staff actively engage in risk management in their areas of responsibility as and when required. Risk is managed both informally through good day-to-day operational management and decision making and also formally through a structured assessment process.
- The escalation of risk information is timely, accurate and insightful. Risks are assessed collectively and collaboratively, and the information is used to support planning and decision making at all levels and to inform stakeholders.
- 'Top-down' and 'bottom-up' risk assessments are integrated to produce a comprehensive picture of risk across all World Triathlon activities.
- World Triathlon captures, considers, and treats risk in an effective and efficient manner with proportionate processes and procedures. Significant risks across World Triathlon are assessed and documented by the Executive Board and/or the Audit, Risk & Integrity Committee according to standard processes and consistent impact and likelihood scoring. This is necessary for the information to be aggregated and reviewed. Minor/localised risks are documented and managed by the relevant Department with more flexibility for local determination of the appropriate tools and processes.

OBJECTIVES

World Triathlon's objectives for risk management are:

- to align risk management with the World Triathlon objectives (as set out in the Strategic Plan and elsewhere).
- to appraise and manage risks and opportunities in a systematic, structured, and timely manner, in accordance with best practice.
- to strengthen decision-making, prioritisation, and planning.
- to achieve the appropriate balance between stability and innovation; and
- to assign accountability and responsibility for risk within the World Triathlon.

RISK REGISTERS

A risk register is a structured means of identifying and classifying risk in a consistent and coherent manner, and for assigning risk ownership. It also documents existing controls, the current and target status of each risk and further actions being taken to mitigate risk.

The risk register is regularly updated and reviewed by the Executive Board.

When updating and reviewing risk registers, all concerned are mindful of the current Risk Appetite Statement, ensuring, for example, that controls and mitigations are robust for risks where the World Triathlon has an averse or cautious approach.

Each department of World Triathlon are also encouraged to hold their own risk registers, but this is not mandatory. The Executive Board ensures that they have appropriate mechanisms in place to collect information on risk identification.

WORLD TRIATHLON RISK REGISTER (WTRR)

The World Triathlon Risk Register is a summary of the key risks facing the organisation, and is the document used by the Executive Board, and the Audit, Risk & Integrity Committee to monitor and manage risk.

The WTRR is updated twice annually by the Executive Board and Audit, Risk & Integrity Committee of World Triathlon. The WTRR also informs the Risk Management Statement in the World Triathlon's Financial Statement

ROLES AND RESPONSIBILITIES THE EXECUTIVE BOARD

The Executive Board have responsibility of ensuring that World Triathlon fulfils its aims and objectives as per the Strategic Plan. The Executive Board use their members to check, challenge and help consider and assess the key strategic risks facing World Triathlon.

THE AUDIT, RISK AND INTEGRITY GOVERNANCE COMMITTEE

The Audit, Risk & Integrity (ARI) Committee will support the Executive Board and Chief Executive in their responsibilities for issues of control, risk, and governance by reviewing the comprehensiveness of assurances in meeting the Executive 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 World 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 Executive Board involvement with World 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 Statements.