



RISK STRATEGY & REGISTER

Lacrosse Scotland

Updated by Board of Directors on:
10/02/2015



CONTENTS

Section 1: Introduction

Section 2: The Risk Management Process

Section 3: The Types of Risks Faced by Lacrosse Scotland

Strategic Risks

Compliance Risks

Financial Risks

Operational Risks

Section 4: How to Evaluate Risks

Section 5: Use Preventative Measures for Business Continuity

Section 6: The Risk Assessment Process

Step 1: Identify the Risk

Step 2: Decide Who Might be Harmed and How

Step 3: Evaluate the Risks and Decide on Precautions

Step 4: Record Your Findings and Implement Them

Step 5: Review Your Risk Register and Update if Necessary

Appendices: Appendix A Risk Rating Chart

Appendix B Lacrosse Scotland Risk Register

Strategic Risk

Financial Risk

Operational Risk

Political/External Risk

Reputation/Image Risk

Lacrosse Scotland is supported by

sportscotland



SECTION 1: INTRODUCTION

1.1 Every day Lacrosse Scotland faces risks that could present threats to its success. Risk is presented as the probability of an event and its consequences. Risk management is the practice of using processes, methods and tools for managing these risks.

1.2 Risk management focuses on identifying what could go wrong, evaluating which risks should be dealt with and implementing strategies to deal with those risks. Businesses that have identified the risks will be better prepared and have a more cost-effective way of dealing with them. This document sets out how to identify the risks that Lacrosse Scotland may face. It also looks at how to implement an effective risk management policy and programme which can increase Lacrosse Scotland's chances of success and reduce the possibility of failure.

1.3 This strategy aims to help Lacrosse Scotland and its Board of Directors (hereafter referred to as "the Board") assess all risks involved in meeting the association's objectives:

- (a) act as the governing body of the Sport in Scotland; and
- (b) encourage the participation in and promotion and practice of the Sport in Scotland and foster, safeguard, promote and control the Sport in Scotland including, but not limited to:
 - (i) establishing, reviewing and enforcing competition rules for the Sport and in particular to determine different rules for different categories of player and different competitions within the Sport in Scotland;
 - (ii) organising matches, tournaments and national leagues for the Sport and to organise, select and manage representative and international teams;
 - (iii) providing facilities for the Sport;
 - (iv) providing training and coaching for players and umpires of the Sport; and
 - (v) subscribing and becoming a member of and co-operating with any National, European or World Governing Body of the Sport.

1.4 A risk register is an important process in protecting Lacrosse Scotland and its Board as well as complying with the law. It helps focus on the risks that really matter – the ones with the potential to cause real harm. In many instances, straightforward measures can readily control risks. For most, that means simple, cheap and effective measures to ensure Lacrosse Scotland is protected.



SECTION 2: THE RISK MANAGEMENT PROCESS

2.1 Associations face many risks; therefore risk management should be a central part of any associations' strategic management. Risk management helps you to identify and address the risks facing your association and in doing so increase the likelihood of successfully achieving your objectives.

2.2 A risk management process involves:

- (a) Methodically identifying the risks surrounding activities;
- (b) Assessing the likelihood of an event occurring;
- (c) Identifying events and eliminate the risk of harm;
- (d) Understanding how to respond to these events;
- (e) Putting systems in place to deal with potential risks; and
- (f) Monitoring the effectiveness of your risk management approaches and controls.

2.3 As a result, the process of risk management:

- (a) Improves decision-making, planning and prioritisation;
- (b) Helps allocate capital and resources more efficiently;
- (c) Allows Lacrosse Scotland to anticipate what may go wrong, minimising the amount of fire-fighting that would be required or, in a worst-case scenario, prevents a disaster or serious financial loss; and
- (d) Significantly improves the probability that Lacrosse Scotland will deliver its business plan on time and to budget.

2.4 Risk management becomes even more important if your business decides to try something new, for example launch a new service for members.



SECTION 3: THE TYPES OF RISKS FACED BY LACROSSE SCOTLAND

3.1 The main categories of risk to consider are:

- (a) **Strategic**, for example a competitor coming on to the market;
- (b) **Financial**, for example a decrease in membership therefore a decrease in income received from fees; and
- (c) **Operational**, for example the loss of a key member of staff.

3.2 These categories are not rigid and some parts of Lacrosse Scotland's business may fall into more than one category. The risks attached to data protection, for example, could be considered when reviewing Lacrosse Scotland's operations or business compliance.

3.3 Other risks include:

- (a) Political and economic risks including a decline in investment in sport; and
- (b) Reputation and image risks.

Strategic Risks

3.4 Strategic risks are those risks associated with operating in a particular industry. They include risks arising from:

- (a) Merger and service level agreements;
- (b) Changes among membership or in demand for services;
- (c) Leisure Industry changes;
- (d) Development activities.

3.5 Where there's a strong possibility of this happening, you should prepare some sort of response.

Financial Risks

3.6 Financial risks are associated with the financial structure of the association, the transactions the association makes and the financial systems already in place.

3.7 Identifying financial risk involves examining your daily financial operations, especially cashflow.

3.8 Financial risk should take into account external factors such as interest rates and foreign exchange rates.

Lacrosse Scotland is supported by

sportscotland



Operational Risks

3.9 Operational risks are associated with Lacrosse Scotland's operational and administrative procedures. These include:

- (a) Recruitment
- (b) Supply
- (c) Accounting controls
- (d) ICT systems
- (e) Regulations
- (f) Board and committee composition

3.10 Lacrosse Scotland will examine these operations in turn, prioritise the risks and make provisions for such a risk happening. For example, if there is a heavy reliance on one committee chairman for a key service consideration should be given to what could happen if that chairman became no longer available.

3.11 IT risk and data protection are increasingly important to associations. If hackers break into ICT systems, they could steal valuable data and even money from your bank account which at best would be embarrassing and at worst could put you out of business. A secure ICT system employing encryption will safeguard commercial and customer information.



SECTION 4: HOW TO EVALUATE RISKS

4.1 Risk evaluation allows Lacrosse Scotland to determine the significance of risks to the association and decide to accept the specific risk or take action to prevent or minimise it.

4.2 To evaluate risks, it is worthwhile ranking these risks once you have identified them. This can be done by considering the consequence and probability of each risk. Many associations find that assessing consequence and probability as high, medium or low is adequate for their needs. These can then be compared to the business plan - to determine which risks may affect the objectives - and evaluated in the light of legal requirements, costs and member's concerns. In some cases, the cost of mitigating a potential risk may be so high that doing nothing makes more business sense.

4.3 There are some tools you can use to help evaluate risks. You can plot on a risk map the significance and likelihood of the risk occurring. Each risk is rated on a scale of one to ten. If a risk is rated ten this means it is of major importance to the company. One is the least significant. The map allows you to visualise risks in relation to each other, gauge their extent and plan what type of controls should be implemented to mitigate the risks.

4.4 Prioritising risks, however you do this, allows you to direct time and money toward the most important risks. You can put systems and controls in place to deal with the consequences of an event. This could involve defining a decision process and procedures that Lacrosse Scotland would follow if an event occurred.



SECTION 5: USE PREVENTATIVE MEASURES FOR BUSINESS CONTINUITY

5.1 Risk management involves putting processes, methods and tools in place to deal with the consequences of events you have identified as significant threats to Lacrosse Scotland. This could be something as simple as setting aside financial reserves to ease cashflow problems if they arise or ensuring effective computer backup and ICT support procedures for dealing with a systems failure.

5.2 Programmes which deal with threats identified during risk assessments are often referred to as risk registers. These set out what you should do if a certain event happens, for example, if a fire destroys your office. You can't avoid all risk, but risk registers can minimise the disruption to your business.

5.3 Risk registers will change as the association grows or as a result of internal or external changes. This means that the processes you have put in place to manage risks should be regularly reviewed. Such reviews will identify improvements to the processes and equally they can indicate when a process is no longer necessary.



SECTION 6: THE RISK MANAGEMENT PROCESS

6.1 A risk assessment is simply a careful examination of what, in your work, could cause harm to the organisation, so that you can weigh up whether you have taken enough precautions or should do more to prevent harm.

6.2 To carry out a successful risk assessment, follow the five steps listed below:

Step 1: Identify the Risk

Step 2: Decide Who Might be Harmed and How

Step 3: Evaluate the Risks and Decide on Precautions

Step 4: Record your Findings and Implement Them

Step 5: Review your Risk Register and Update if Necessary

6.3 Don't overcomplicate the process. In many associations, the risks are well known and the necessary control measures are easy to apply.

6.4 In all cases staff should be involved in the process. They will have useful information about how the work is done that will make your assessment of the risk more thorough and effective. But remember, the Board are responsible for seeing that the assessment is carried out properly.

6.5 When thinking about any risk assessment, remember the risk is the chance, high or low, that the organisation could be harmed by these and other actions, together with an indication of how serious the harm could be.

Step 1: Identify the Risk

6.6 First the Board needs to work out how the organisation could be harmed. It is easy to overlook some risks, so here are some tips to help you identify the ones that matter:

(a) Ask staff what they think. They may have noticed things that are not immediately obvious to the Board.

(b) Remember to think about long-term risk as well as immediate risk.

Step 2: Decide Who Might be Harmed and How

6.7 For each risk you need to be clear about who might be harmed; it will help the Board identify the best way of managing the risk. That doesn't mean listing everyone by name, but rather identifying groups of people (e.g. 'operational staff', 'members', or 'the organisation's reputation').

6.8 In each case, identify how the organisation might be harmed.



Step 3: Evaluate the Risks and Decide on Precautions

6.9 Having identified the risks, the Board then have to decide what to do about them. You should do everything 'reasonably practicable' to protect the organisation from harm – the easiest way is to compare what you are doing with good practice.

6.10 So first, look at what you're already doing, think about what controls you have in place and how the work is organised. Then compare this with the good practice and see if there's more you should be doing to bring yourself up to standard. In asking yourself this, consider:

- (a) Can I get rid of the risk altogether?
- (b) If not, how can I control the risks so that harm is unlikely?

6.11 When controlling risks, apply the principles below, if possible in the following order:

- (a) Try a less risky option;
- (b) Organise work to reduce exposure to the risk; and
- (c) Deliver training to increase competencies and awareness of how to handle the risk

6.12 Failure to take simple precautions can cost you a lot more if an incident does occur.

6.13 Involve staff, so that you can be sure that what you propose to do will work in practice and won't introduce any new risks.

Step 4: Record Your Findings and Implement Them

6.14 Putting the results of any risk assessment into practice will make a difference when looking after staff, volunteers and the association.

6.15 Writing down the results of the risk assessment is recommended so that a record can be kept and continually reviewed if something changes.

6.16 When writing down the results, keep it simple.

6.17 A risk assessment is not expected to be perfect, but it must be suitable and sufficient. You need to be able to show that:

- (a) A proper check was made;
- (b) You asked who might be affected;
- (c) You dealt with all the significant risks, taking into account the number of people who could be involved;



(d) The precautions are reasonable, and the remaining risk is low; and

(e) Staff were involved in the process.

6.18 If, like many associations, you find that there are quite a lot of improvements that you could make, big and small, don't try to do everything at once. Make a plan of action to deal with the most important things first.

6.19 A good plan of action often includes a mixture of different things such as:

(a) A few cheap or easy improvements that can be done quickly, perhaps as a temporary solution until more reliable controls are in place;

(b) Long-term solutions to those risks that pose the greatest risk to the organisation

(c) Long-term solutions to those risks with the worst potential consequences;

(d) Arrangements for training employees on the main risks that remain and how they are to be controlled;

(e) Regular checks to make sure that the control measures stay in place; and

(f) Clear responsibilities – who will lead on what action, and by when.

Step 5: Review Your Risk Register and Update if Necessary

6.20 Review what you are doing on an ongoing basis. The register should be reviewed at every Board meeting or relevant meeting and undergo a full review every year..

6.21 Look at the risk register again. Have there been any changes? Are there improvements you still need to make? Has your staff spotted any problems? Has the Board learnt anything from any incidents or near misses? Make sure the risk register stays up to date.

6.22 When running an association it's all too easy to forget about reviewing the risk registers – until something has gone wrong and it's too late. Lacrosse Scotland needs to set a date for reviewing the risk register. Write it down and note it as an annual event.

6.23 During the year, if there is a significant change, don't wait. Check the risk register and, where necessary, amend it. If possible, it is best to think about the risk register when planning change – that way you leave more flexibility.

**APPENDIX A: RISK RATING CHART**

Rating for Likelihood and Seriousness for each risk			
L	Rated as Low	E	Rated as Extreme (Used for Seriousness only)
M	Rated as Medium	NA	Not Assessed
H	Rated as High		

Grade: Combined effect of Likelihood/Seriousness					
		Seriousness			
		low	medium	high	EXTREME
Likelihood	low	N	D	C	A
	medium	D	C	B	A
	high	C	B	A	A

Recommended actions for grades of risk	
Grade	Risk mitigation actions
A	Mitigation actions, to reduce the likelihood and seriousness, to be identified and implemented as a priority.
B	Mitigation actions, to reduce the likelihood and seriousness, to be identified and appropriate actions implemented
C	Mitigation actions, to reduce the likelihood and seriousness, to be identified and costed for possible action if funds permit.
D	To be noted - no action is needed unless grading increases over time.
N	To be noted - no action is needed unless grading increases over time.

Change to Grade since last assessment			
NEW	New risk	↓	Grading decreased
—	No change to Grade	↑	Grading increased



APPENDIX B: LACROSSE SCOTLAND RISK REGISTER

Strategic Risk

ID	Description of Risk (including any identified 'triggers')	Impact on Organisation (identify consequences)	Assessment of Likelihood	Assessment of Seriousness	Grade (combined likelihood and seriousness)	Change	Date of Review	Mitigation Actions (preventative or contingency)	Responsibility for mitigation action(s)	Timeline for mitigation action(s)
1	Inability to implement Strategic Plan	<ol style="list-style-type: none"> Targets not achieved Members needs not met sportscotland question role of Lacrosse Scotland 	M	H	B	—	31 July 2015	<ol style="list-style-type: none"> Lacrosse Scotland should monitor progress in strategic targets regularly Ensure that priority is given to strategic priorities 	<ol style="list-style-type: none"> POA & Board of Directors POA & Board of Directors 	
2	Corporate Governance	Lacrosse Scotland as an organisation has a duty to ensure that the organisation is run in a fit and proper manner	L	H	C	—	31 July 2015	<ol style="list-style-type: none"> Make sure all recommendations of 2015 KPMG Audit are implemented Insure all Lacrosse Scotland procedures are fit and proper in accordance with legislation and guidelines 	<ol style="list-style-type: none"> Board of Directors Board of Directors 	
3	Ability to produce strategic plan for Lacrosse Scotland that meets expectations of members and external partners	<ol style="list-style-type: none"> Decrease in membership if organisation does not remain relevant to members Decrease in support from sportscotland if no longer relevant to their aims 	M	M	C	—	31 July 2015	<ol style="list-style-type: none"> Lacrosse Scotland should engage with membership on regular basis Communicate all work done on behalf of members Highlight all added value Lacrosse Scotland brings to sport in Scotland Introduce an annual survey of members views and opinions on the work of Lacrosse Scotland 	<ol style="list-style-type: none"> POA & LDO's POA & MSWG POA & Board of Directors POA & Dev Director 	

Lacrosse Scotland is supported by

sportscotland



4	Managing diverse needs of members	Lacrosse Scotland has one member of staff and over 600 members. We must be aware of the volume of work this can create and the challenges in supporting all members. Declining relations with Lacrosse Scotland can potentially result in membership decline	M	M	C	—	31 July 2015	<ol style="list-style-type: none">1. Manage information flow from and to membership2. Highlight organisations with higher level support needs3. Disseminate best practice to members for self-support	<ol style="list-style-type: none">1. POA2. POA & Dev Director3. POA & LDOs	
---	-----------------------------------	--	---	---	---	---	--------------	---	--	--

Lacrosse Scotland is supported by





Financial Risk

ID	Description of Risk (including any identified 'triggers')	Impact on Organisation (identify consequences)	Assessment of Likelihood	Assessment of Seriousness	Grade (combined likelihood and seriousness)	Change	Date of Review	Mitigation Actions (preventative or contingency)	Responsibility for mitigation action(s)	Timeline for mitigation action(s)
5	sportscotland funding decreases or is reduced	Lacrosse Scotland on average receives 15% funding from sportscotland as part of the total annual income	M	M	C	—	31 Oct 2015	Seek external funding sources to reduce % of total income dependent on sportscotland 1. Develop a strategy to support the search for external funding sources 2. Ensure Lacrosse Scotland reserves have required amount for proper wind up of company	1. Finance Director & Board of Directors 2. Finance Director & Board of Directors	
6	Reduction in income from membership	Lacrosse Scotland on average receives 10% in membership fees. A reduction in fees represents a reduction in members	M	M	C	—	31 Oct 2015	1. Provide members with a clear indication on what they receive from membership 2. Introduce an annual survey of members views and opinions on the work of Lacrosse Scotland	1. POA 2. See ID3 (4)	
7	Reduction in reserves	Lacrosse Scotland fails to comply with reserves policy and thus has a lack of funds for proper dissolution of the company	L	M	D	—	31 Oct 2015	1. Ensure reserves maintain at levels detailed in Lacrosse Scotland's Reserve Fund Policy	1. Finance Director & Board of Directors	
8	Financial and/or legal action against Lacrosse Scotland	Lacrosse Scotland must be aware of potential risk against company finances in relation to legal action	L	M	D	—	31 Oct 2015	1. Retain funding for legal fees in annual budget 2. Ensure reserves are appropriately funded to support possible action 3. Operate in a fit and proper manner that reduces potential risk	1. Finance Director & Board of Directors 2. Finance Director & Board of Directors 3. Board of Directors	

Lacrosse Scotland is supported by





Operational Risk

ID	Description of Risk (including any identified 'triggers')	Impact on Organisation (identify consequences)	Assessment of Likelihood	Assessment of Seriousness	Grade (combined likelihood and seriousness)	Change	Date of Review	Mitigation Actions (preventative or contingency)	Responsibility for mitigation action(s)	Timeline for mitigation action(s)
9	Loss of key staff	Lacrosse Scotland currently has only 1 paid member of staff. If the POA was to no longer hold office (or take long term leave) Lacrosse Scotland would lose both 100% of its operational staff and a large percentage of its institutional memory	M	M	C	—	31 July 2015	Lacrosse Scotland should implement a succession plan to mitigate any risks identified. 1. Key areas of the Operational Plan should have a Director appointed to support the POA and share information/networks as relevant	1. POA & Board of Directors	
10	Insufficient number and quality of directors willing to serve Lacrosse Scotland at Board level	Lacrosse Scotland strategic direction & governance oversight at risk	M	M	C	—	31 July 2015	1. Ensure succession planning is in place for all director positions 2. Ensure succession planning is in place for committee members 3. Ensure Lacrosse Scotland promotes itself widely to attract quality Board members	1. Board of Directors 2. Board of Directors 3. Board of Directors	
11	Complaints against staff and directors	Lacrosse Scotland reputation suffers damage and working relationships are broken or damaged	L	H	C	—	31 July 2015	1. Staff and directors should remember they represent Lacrosse Scotland at all times 2. Lacrosse Scotland should develop code of conduct policies to inform directors and staff accordingly	1. POA & Board of Directors 2. POA & Board of Directors	

Lacrosse Scotland is supported by





12	Disciplinary and/or grievance action(s)	If any actions were to be undertaken then staffing levels would be affected and therefore the organisation's ability to carry out its strategic objectives jeopardised	L	H	C	—	31 July 2015	<ol style="list-style-type: none"> All Lacrosse Scotland staff and volunteers should be aware of procedures Procedures should be followed at all times and expert resource support used when required 	<ol style="list-style-type: none"> POA & Chair Board of Directors POA & Chair Board of Directors 	
13	Stress/workload management	Given staffing levels Lacrosse Scotland must be aware of and operate in a manner to reduce likelihood of staff suffering stress due to unrealistic workloads	M	H	B	—	31 July 2015	<ol style="list-style-type: none"> Develop effective mechanism for staff to report back to Board of Directors on workload Staff should regularly have appraisals in which they can discuss workload and other issues Directors should take on support function related to key strategic priorities and offer support/expertise to staff 	<ol style="list-style-type: none"> POA & Chair POA & Chair POA & Board of Directors 	
14	Loss or damage of data	Lacrosse Scotland does not have a physical server and as such data is portable. If financial data or operational data is lost this will affect the integrity of the company	L	H	C	—	31 July 2015	<p>Lacrosse Scotland should investigate possible solutions to data storage</p> <ol style="list-style-type: none"> Cloud computing is cheap, secure and does not depend on one individual storing data 	<ol style="list-style-type: none"> POA & Finance Director 	
15	Membership – reduction in numbers	Lacrosse Scotland is a membership organisation and as such any reduction on membership would reflect badly on the organisation and raise questions regarding core funding and other members	M	M	C	—	31 July 2015	<ol style="list-style-type: none"> Lacrosse Scotland should engage with membership on regular basis Communicate all work done on behalf of members Introduce an annual survey of members views and opinions on the work of Lacrosse Scotland 	<ol style="list-style-type: none"> See ID3 (1) See ID3 (2) See ID3 (4) 	

Lacrosse Scotland is supported by





Political/External Risk

ID	Description of Risk (including any identified 'triggers')	Impact on Organisation (identify consequences)	Assessment of Likelihood	Assessment of Seriousness	Grade (combined likelihood and seriousness)	Change	Date of Review	Mitigation Actions (preventative or contingency)	Responsibility for mitigation action(s)	Timeline for mitigation action(s)
16	Relationship with sportscotland and/or Scottish Government deteriorates	As a main funder it is important to maintain a healthy relationship with sportscotland at all times. Any breakdown in relationship could damage the image and funding of Lacrosse Scotland	L	M	D	—	31 July 2015	<ol style="list-style-type: none"> 1. Ensure staff and Chair work with and keep sportscotland up to date on developments at all times 2. Operate in an open and transparent manner 	<ol style="list-style-type: none"> 1. POA & Chair 2. POA & Board of Directors 	
17	Place of sport in local authority agendas	A declining place for sport at a local authority level will impact on Lacrosse Scotland and its members	M	M	C	—	31 July 2015	<ol style="list-style-type: none"> 1. Build network of Local Authority sports development officers and Active School Co-ordinators to support Lacrosse Scotland and member club issues 2. Produce topical and relevant information for local authorities in relation to the benefits of lacrosse 	<ol style="list-style-type: none"> 1. POA, LDOs & Dev Director 2. POA, LDOs & Dev Director 	

Lacrosse Scotland is supported by



Reputation/Image Risk

ID	Description of Risk (including any identified 'triggers')	Impact on Organisation (identify consequences)	Assessment of Likelihood	Assessment of Seriousness	Grade (combined likelihood and seriousness)	Change	Date of Review	Mitigation Actions (preventative or contingency)	Responsibility for mitigation action(s)	Timeline for mitigation action(s)
18	Communication	Poor communication leads to poor image	L	M	D	—	31 July 2015	<ol style="list-style-type: none"> 1. Make sure Lacrosse Scotland communications are clear and informative 2. Keep members up to date on all Lacrosse Scotland workings 3. Communication is 2 way – members should feel feedback is heard and responded to 	<ol style="list-style-type: none"> 1. POA & Comms Director 2. POA & Comms Director 3. POA & Comms Director 	
19	Misuse of social media	Social media is a powerful tool but be used safely and appropriately	M	M	C	—	31 July 2015	<ol style="list-style-type: none"> 1. Develop guidelines for using social media 2. All staff must be trained on social media before using it 	<ol style="list-style-type: none"> 1. Comms Director 2. Comms Director 	

Lacrosse Scotland is supported by

**APPENDIX C: OUTSTANDING RISK ACTIONS**

Requirement/Action	Responsibility	Action	Progress Report
Funding strategy	Finance Director & Chair	Develop & implement strategy for funding	
Review and promote membership benefits	POA	Create list of benefits to members	
Communicate work on behalf of members	Comms Director	Develop system for reporting work	
Annual membership survey	Development Director & POA	Develop questions for annual survey	
Share best practice	POA & LDOs	Create systems for finding out & sharing best practice	
Demonstrate physical activity benefits of Lacrosse	POA, LDO's & Dev Director	Develop new business plan to illustrate areas unique to Lacrosse Scotland	

Lacrosse Scotland is supported by

sportscotland