

IALA COUNCIL 63rd session



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IALA Headquarters
France

8 – STRATEGY AND POLICY

8.3 – Legal Advisory Panel

8.3.2 – IALA Risk Register

Note by the Legal Advisory Panel (LAP)

1. EXECUTIVE SUMMARY

This document provides Council with a briefing on the current IALA Risk Register, which was reviewed at LAP 17. A copy of the Register is at input paper C63-8.3.2.1.

2. BACKGROUND

LAP first prepared a *List of IALA's Main Activities and Associated Risks* in May 2007. The risks were (and remain) for the most part of a legal / liability nature. The document listed the mitigation in place against each risk; the level of risk in terms of low, medium or high; and any action required. The document has since been reviewed by LAP meetings in line with its terms of reference, updated and enhanced as necessary in line with best practice and passed to Council for information. The format of the Register follows internationally recognised standards including those of the Federation of European Risk Management Associations (FERMA).

3. DETAIL

Risk management is a central part of any organisation's strategic management. It is the process whereby an organisation methodically identifies and addresses the risks attaching to its functions and the achievement of its objectives.

Good corporate governance requires that organisations adopt a methodical approach to risk management which:

- *protects the interests of their stakeholders;*
- *protects the professional reputation or public perception of the organisation;*
- *ensures that the Board of Directors (in IALA's case the Council) discharges its duties to direct strategy and monitor performance of the organisation*
- *provides assurance to the organisation's governing body (in IALA's case its General Assembly) that risk is being appropriately managed; and*
- *ensures that internal management controls are in place, are performing adequately to facilitate the achievement of the organisation's objectives and enhanced where necessary;*

The risks facing an organisation and its operations can result from factors both external and internal to the organisation. Risks are often categorised or grouped into types of risk such as strategic, financial, operational and hazard, as recommended by FERMA. The IALA Risk Register adopts this method of categorisation.

The IALA risk management process follows a recognised approach as shown in the Risk Register. The process:

- describes each risk which has been identified, and its various aspects;



- sets out the consequences for IALA of the risk being realised;
- analyses and estimates the probability and impact of the risk being realised (against set criteria shown at the end of the Register) prior to any internal controls being applied, often described as 'the raw risk';
- considers how the risk is currently mitigated;
- re-assesses the risk in terms of probability and impact in the light of those internal controls being applied (against the same criteria), the result of which is often described as the 'residual risk';
- considers whether any additional controls are required to mitigate the risk further; and
- assigns ownership or responsibility for each risk to an individual or body within the organisation. Accountability helps to ensure that 'ownership' of the risk is recognised and appropriate management resources are allocated accordingly.

The use of arrows against each risk on the Register (other than any new risks) shows whether the level of risk is rising, falling or static. Shaded arrows indicate a change since the last report.

The results of this process show that IALA has few residual risks, which are greater than 'low' or 'medium'.

The key changes identified to the register as a result of the latest review by LAP17 are:

- (i) A fall in the risk of infringing intellectual property rights in the light of specialist legal advice on patents and the development of a patents policy based on this advice;
- (ii) A fall in the risk of late payment of fees in the light of the successful work being done by IALA staff to recover such fees;
- (iii) The inclusion of an additional mitigator in terms of the Change of Status project risk with the participation of IALA in a pre-diplomatic meeting to be called by the French Government in Paris in early 2017.

The overall level of risk faced by the organisation is assessed as static / falling.

4. THE COUNCIL IS REQUESTED TO

- (i) note this report and the accompanying Risk Register;
- (ii) consider what, if any, additional actions should be instigated to reduce the residual risks shown in the Register; and
- (iii) provide any comments it considers appropriate to LAP.