(NSO) Risk Management Program

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This program is supported by the Canadian Centre for Ethics in Sport (CCES) and facilitated by the Sport Law & Strategy Group.

Sport Law & Strategy Group

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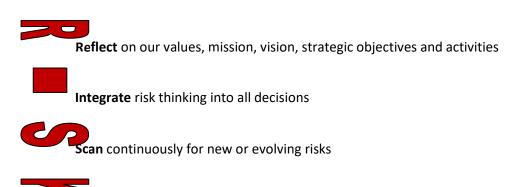
Updated August 2016

The process and information captured in this documented flows from a two-day risk management workshop and the subsequent changes implemented by the NSOs to implement risk management within their organization. This approach has been developed through the extensive learnings and experiences from sport leaders who have participated in the Risk Management Project.

(NSO) Risk Management Program Background

(NSO) has developed a comprehensive Risk Management Program to capture its approach to managing risk. This plan articulates the approach (NSO) takes to managing risks with a goal of reducing, transferring or avoiding risks where appropriate.

(NSO) believes that an important part of managing risks is to ensure that all decisions are consistent with our foundational statements; namely, that our decisions are reflective of our stated values, in line with our mission, and move us towards achieving our vision. A useful acronym to keep this top of mind is presented as follows:

Reflect on our values, mission, vision, strategic objectives and activities

Integrate risk thinking into all decisions

Scan continuously for new or evolving risks

Keep it simple and understandable

Definitions

- **Risk:** The chance of something happening that will have an impact on achieving our objectives.

- **Risk Management:** An explicit and organized process used to identify, assess, and treat risks so as to better achieve desired outcomes, in a way that is reflective of our values.

- **Risk Management Program:** What (NSO) will do to analyze risk and to implement, monitor and evaluate risk treatment strategies?

- **Risk Registry:** A document that outlines identified and assessed risks, current risk treatment measures, possible additional risk treatment measures, and communications efforts. The registry is updated regularly by (NSO).

- **Risk Management Policy:** A statement of (NSO)'s commitment to risk management.

Guiding Statement

(NSO) has adopted a comprehensive approach to managing risks as articulated below.

a) **Risk Management Approach**

Our approach to risk management stems from the process designed and developed by sport leaders for Canadian sport organizations. We believe that risk management is a broad activity that touches all aspects of our operations. We also believe that risk management should be embedded into all our planning initiatives. (NSO)'s approach to managing risks encompasses:

- A commitment to identify and assess risks using a consistent methodology – See **Appendix A** for a sample risk identification process

- A commitment to managing risk by reflecting on our (NSO) values. See **Appendix B** for a decision-making matrix that encourages a values-based approach to decision-making within our organization.

- A commitment to identify risks and our response to such risks through the risk registry – See **Appendix C** for our risk registry

- A commitment to monitor risks – See **Appendix D** for a sample risk monitoring chart and a tool that can be used to continuously scan for new, emerging and evolving risks.

- A commitment to learn from the risk management experience and to share these insights within our organization with a view to creating a learning culture. See **Appendix E** for some important principles that (NSO) has adopted to create a learning culture that will enhance risk management efforts.

- A commitment to uphold and demonstrate high ethical standards, and to govern ourselves effectively and in a manner that fulfills all legal requirements.

We have a comprehensive policy manual that provides direction on all aspects of our governance and operations. See **Appendix F** for a listing of our policies.

b) **Risk Management Policy (see Appendix G for a sample policy statement)**

Our Risk Management Policy specifies what (NSO) does to manage risks in a proactive manner. It includes:

- General risk areas that affect our organization

- Our commitments to address significant risks through existing policies, standards and practices; new policies, standards and practices; educational efforts; communication activities; and support to our member PSOs, clubs and leagues.

- Direction on who is responsible for risk management, as well as how we will monitor, evaluate, report and communicate our risk management efforts.

c) **Risk Identification and Assessment**

As an organization, we have agreed to use a consistent methodology to identify and assess risks. This methodology is to be used by the Board, the organization's committees, management and staff. In so doing, we have committed to ongoing learning in this area to ensure that our volunteers and staff have the knowledge they need to consistently apply the risk assessment process when making decisions on behalf of (NSO). **Appendix A** provides a step-by-step method that articulates our risk identification and assessment process.

d) **Enhancing (NSO) Decision-Making**

One of the important learnings that came out of (NSO) experience with preparing for and participating in the Risk Management Workshop (and the subsequent follow-up and reflection period to customize our approach to risk management) is the importance of not only having stated and defined organizational values, but also using them intentionally at all levels of the organization.

An important part of our risk management program is to use the values that we have defined, incorporate them into our planning and decision-making, and communicate them throughout our sport. **Appendix B** provides a sample matrix and some suggested strategies that we have adopted to help us live our values more intentionally.

> *"Risk management integrates a systematic and rigorous approach to what people do on a daily basis. It is neither complex, nor does it require specialist skills. It is about creating opportunities, understanding the risks and managing them to achieve desired outcomes"*
>
> **AS/NZS 4360:1999 Standard**

e) **Risk Registry**

As articulated in **Appendix C**, (NSO) has adopted a proactive, integrated, and coordinated approach to keeping track risks and risk management strategies, and communicating internally and externally to keep our members and stakeholders informed. In our view, this approach helps our members feel confident in the decisions that are being made, helps to increase their understanding of the policies and procedures that flow from our decisions, and builds support and engagement through information sharing. The risk registry is an important tool in our risk management "toolkit" and we are committed to updating it on a regular basis.

In addition, good communications helps us to understand what our risk tolerance is, thus potentially resulting in new behaviours and decisions. As such, every risk management measure requires a communications component and this too is captured in our risk registry. While communications alone does not address the risk, effective communications is an essential aspect of all risk management measures. Every risk management measure will be more successful when accompanied by clear communications.

f) Risk Monitoring and Evaluation

A critical component of any risk management program is the monitoring and evaluation process established within the organization**. Appendix D** outlines the approach we have taken as an organization to ensure that we have the right person in place to monitor the identified risk, that management, the Board and volunteers feel confident that the process is being implemented, and that once a risk begins to escalate, the process outlines a way to respond to such escalation effectively.

In order to ensure that our program is relevant and captures the full spectrum of our risk management initiatives, (NSO) Board commits to reviewing the program and its appendices on an annual basis. This annual review is in addition to the Board's commitment to undertake risk analysis at each of its meetings as described in **Appendix D.**

g) Creating a Learning Culture

We are programmed to think that failure is bad. The ingrained attitude that all failures are bad means that organizations don't learn from them. That belief prevents people and organizations from learning from these mistakes in order to avoid future missteps. Building a learning culture requires a commitment from leadership to create an environment that invites smart risk-taking, creativity, and trust. Put simply, leadership needs to put forward the idea that they want to understand what happened, not who is to blame, when things go wrong. **Appendix E** shares the principles we believe are critical for creating and maintaining the kind of culture required to embrace risk management more effectively.

Appendix A - Risk Identification Process

The following risk management process[1] can be used in any planning exercise. You may find it helpful to first educate participants by sharing relevant knowledge that was acquired during the True Sport Risk Management Workshop. Whether incorporating the risk management process as part of your strategic planning exercise or simply inviting participants to ask "what are the risks associated with this decision or what are the risks if we don't move forward with this decision?" you will be increasing your organization's ability to plan more effectively.

Categories of Risks:

The task of identifying risks can seem, at first, overwhelming. To make it manageable, it is useful to think of the various categories in which risks can occur. There is no one "right way" to categorize risks, but we use the following categories to organize our thinking about risks that our organization faces:

a) **Operational/Program Risks**

Risk related to key programs in the areas of coach, official and athlete development; management of human resources, including staff and volunteers; organizational capacity to meet member and stakeholder expectations; event and competition management; planning so as to remain vital and relevant to our members; the inherent physical risks of our sport.

b) **Compliance Risks**

Risk related to failure to comply with existing laws and regulations governing employment, privacy, workplace safety, new corporations' legislation, tenant legal responsibilities, RCAAA charitable status, Imagine Canada standards, anti-doping policies, Sport Canada/OTP/other agency standards for funding and accountability, fulfillment of contractual obligations.

c) **Communication Risks**

Risks related to internal and external communications, information management systems, crisis and issues management, media relations, image and reputation management, missed opportunities to promote and exploit successful outcomes, management of intellectual property, social media opportunities and pitfalls, confidentiality.

- **External Risks:** Risks that are not in direct control of the organization such as funding frameworks from government, OTP and other agencies; relations with governments, games organizations and international federations; involvement in other sport partnerships; hosting decisions and requirements; changing political priorities.

- **Governance Risks:** Risks related to clarity of roles and responsibilities, decision-making and oversight, organizational structure and performance; management of disputes and conflict

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[1] The Risk Management Process is adapted from the Australian/New Zealand Risk Management Standard and was first documented in the 2010 LegaciesNow Risk Management Guide for Community Sport Organizations, written by Dina Bell-Laroche and Rachel Corbett of the Sport Law & Strategy Group.

of interest, planning for diversity and succession of the Board and committees, retention of corporate knowledge, staying current with trends affecting (NSO).

- **Financial Risks:** Risks related to financial monitoring and reporting, flexibility to control and direct funds, sponsorship attraction and retention, investment and management of reserve funds, protection of revenue streams, long-term financial sustainability...

"Risk management isn't about policies, procedures and training – it is about creating a culture that supports risk awareness"

Melanie Lockwood-Herman,
Non-Profit Risk Management Centre

Risk Assessment Worksheet

STEP 1: Identify the Risk
(Risk = *The chance of something happening that can have an impact on achieving desired outcomes*)
STEP 2: Analyze the Risk
1. The *possibility* of this risk occurring is: • **unlikely** - less likely to happen than not • **possible** - just as likely to happen as not • **probable** - more likely to happen than not • **almost certain** - sure to happen
2. The *consequence* if this risk occurs is: • **minor** - will have an impact on the achievement of the objective that can be dealt with through internal adjustments • **moderate** - will have an impact on some aspect of the achievement of the objective that will require changes to strategy or program delivery • **serious** - will significantly impact the achievement of the objective • **catastrophic** - will have a debilitating impact on the achievement of the objective

	Minor	**Moderate**	**Serious**	**Catastrophic**
Almost Certain				
Likely				
Possible				
Unlikely				

STEP 3: Evaluate Risk Treatment Options
Describe what current controls/measures are presently in place for this risk?
Are these controls/measures adequate? Why?
Can this risk be accepted as is, with the current controls in place? ☐ yes ☐ no Rationale, if answer is 'yes', remaining questions do not need to be answered.
Can this risk be *avoided* altogether? ☐ yes ☐ no   If yes, how?
Can this risk be *transferred* to others? ☐ yes ☐ no   If yes, how and to whom?
What are other treatment measures can we use to reduce the possibility or reduce the consequences of this risk?

Appendix B - Decision-Making Matrix

The Living our Values Matrix[2] can be a useful tool when trying to bring your organization's corporate values to life. In so doing, we are more likely to reduce the risks associated with not adhering to our values and increase the likelihood of creating a strong and vibrant culture that embraces risk management.

Value	When we:	By:
Insert your value	Describe practices that you believe are reflective of this value	List the commitments and actions you are willing to take to bring this value to life
Insert your value	Describe practices that you believe are reflective of this value	List the commitments and actions you are willing to take to bring this value to life

Based on best practices and research conducted with nine NSOs[3], the following are sample actions that organizations are taking to reflect and live their values in a more intentional manner include:

- Have a set of identified and defined values that has been established through a collaborative engagement process,
- Use a values lens to review all your decisions,
- Measure your organization's performance according to your values,
- Incorporate values in performance evaluations of staff,
- Paint values on the wall; add them to your letterhead and business cards; place them on your internet home page, use them to frame your strategic plan and annual report, communicate them explicitly at every opportunity,
- Hire people that you believe fit with your organization's values,
- Recognize employees and volunteers who go the extra distance to 'live' the organization's values. Organize your policy manual around organizational values,
- Entrench the values within your culture, and
- Know your organization's values like you know your own phone number.

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[2] The Living our Values Matrix was developed by Dina Bell-Laroche and Joanne Lincoln as part of the True Sport Managing by Values Project with Skate Canada and its Manitoba and Newfoundland Sections.

[3] The idea of living your values is supported by leading management gurus including Collins, Crutchfield and McLeod Grant, Kanter, and Mintzberg. The research referenced here is based on Dina Bell-Laroche's Master's thesis: *Moving from values inaction to values-in-action: An exploration of how values can be managed intentionally by National Sport Organizations*.

Appendix C - Risk Registry

Insert your NSO's Risk Registry

Appendix D - Risk Monitoring Chart

(NSO) is committed to monitoring high levels risk using the following risk management reporting tool. We are also committed to review and update the risk registry as follows:

- Monthly: Senior staff will review the risk registry and update accordingly, should they identify any new, emerging or evolving risks.

- Quarterly: Directors will review the risk registry four times per year and will update it accordingly. This review can occur as part of a regular board meeting. The Board also acknowledges the importance of using (NSO) risk management process identified in **Appendix A** to enhance decision-making.

- AGM: (NSO) will report to members on any significant risks identified during the previous year and report back on how the risk is being managed.

Risk Reporting

The following Risk Monitoring and Reporting template can be adapted by your NSO in support of your monitoring and reporting efforts. Some NSOs may wish to monitor progress by using the risk registry, while others may prefer to track risks using the risk monitoring report as outlined below.

Risk Monitoring Report			
Identified Risk :		Monitoring Period:	Submission Date:
Summary of Risk:			
Risk Ranking	**Risk Description**	**Risk Treatment and Control Summary**	**Responsibility**

Comments on significant changes during the period (include new treatments and controls added, risks that were realized, and subsequent treatments and controls that were applied. Include information on subsequent changes in resource implications [$ and people]):

Comments on any lessons learned (include lessons learned or "a-ha's" arising from managing the risk, especially any incidents where a risk is realized):

Comments on communications (include efforts to communicate the risks or the treatments identified to target audiences):

Risk Manager:	Reviewer:
Date:	Date:

Appendix E - A Learning Culture

Much as we expect athletes to learn from mistakes and apply these lessons to improve their performance, so too can organizational leaders adopt a learning orientation. Mistakes will happen. The key is to manage the uncertainty that our current environment brings by adopting a values-based risk management approach to our work. It is important to emphasize that only leaders can create and reinforce a culture that counteracts the 'blame game' and makes people feel more comfortable living with, and learning from mistakes. This is how we improve as individuals and as an organization.

The following principles have been adopted by our Board to guide our approach to managing risk and to create the kind of culture required to thrive in a complex and ever-changing environment.

Key principles

a) **We decide what success and failure look like before we launch an initiative.**

Encouraging staff and volunteers to map out what they hope to accomplish and what they want to avoid before embarking on a new project is a critical aspect of creating a learning culture. This will help us avoid misunderstandings and create a shared understanding of what success looks like.

b) **We convert assumptions into knowledge.**

Too often we take assumptions for granted and base our decisions on these perspectives without acknowledging them or being open to having them challenged. When embarking on new tasks, we believe that many of our initial assumptions may be wrong. Often, the only way to arrive at better ones is to try things out, make our assumptions explicit, and share them with colleagues and friends. We are also prepared and encourage our people to revisit them as new information emerges. This approach helps us avoid the risk of gravitating towards information that confirms what we already believe ... a concept called 'confirmation bias'.

c) **We are quick about it – we apply what we have learned fast.**

We acknowledge that mistakes will happen and we embrace the learning opportunity that this presents. Quick, decisive mistakes have some upsides to them. They save us time, money, and energy when we control the environment and are not engrained into one way of doing something. We encourage staff and volunteers to test components of projects early on. Gone are the days of perfect planning or more conventional sequential processes of systems design. We are in an era of 'agile software development' where the ability to adapt to new information helps us reach our goals sooner.

d) **We limit the uncertainty in our environment**

We do this by implementing our risk management process at all levels of the organization. We examine what we can, make informed decisions, course correct when possible, and share our

experiences with others. This helps us learn, grow, and reduce the risk presented by the unknown.

e) **We educate and train our people**

We are committed to provide our people with knowledge they need to make the best possible decisions. In our case, we believe that the risk management process increases the effectiveness of our collective decision-making by embedding a consistent approach throughout our organization. We also believe in using our values to guide our decisions and influence our actions. The two combine into a powerful asset that we believe helps us create a strong, vibrant culture.

f) **We communicate what we learn**

One of our commitments is to share what we learn and to seek out the insights of others who can help us make better decisions. We use multiple communications channels to strategically inform our partners, members, athletes, coaches, officials, and supporters so they too can benefit from our knowledge.

g) **We walk the talk**

As leaders we know that avoiding mistakes in an uncertain world is not an option. We promote a philosophy of learning, creativity, intelligent failure, and sharing. Our leaders set the example by being open about their own mistakes, providing opportunities for others to learn. We make the ground rules for risk-taking explicit through our risk management approach.

> *"Some of the most effective risk management strategies require little or no financial investment, and minimal volunteer and staff time. In other words, risk management does not need to be expensive, but it does need to be well-planned and communicated."*
>
> **Rachel Corbett &**
> **Dina Bell-Laroche**

h) **We use our values to inform our decisions**

Ultimately we believe that our values provide us with a solid foundation upon which to substantiate our decisions. We incorporate them into decisions at all levels of the organization, ensure that staff and volunteers are aware of our values, and consider how future decisions reflect and are congruent with our values. In so doing, we believe that we will create a rich learning environment that will help us more effectively achieve our desired outcomes.

Appendix F - Governance & Operations Policies

Of all the strategies that can be used to manage risks, the strategy of risk reduction is the most potent. Risk reduction involves actions to lessen the likelihood, adverse consequences, or both, associated with an identified risk. Usually, these actions involve changing human behaviour. New or different behaviours are encouraged by setting policies, procedures, standards and rules to govern the behavior of our employees, volunteers and participants.

As a result, (NSO)'s policy manual is itself a part of (NSO)'s risk management toolkit. Risks arise from many areas: business operations, programs, communications, governance and finances to name a few. Risks also arise from sources beyond (NSO)'s control. Many of these risks are addressed through policy development.

There are a number of policies that are essential to managing risks within our (NSO) – without these policies, we could not function in an ethical, safe and procedurally fair manner. These are the policies that are essential to have:

- Policy on Member Conduct, with disciplinary provisions
- Harassment Policy (this may also be incorporated into the Policy on Member Conduct)
- Appeal Policy (with reference to dispute resolution mechanism offered by the SDRCC)
- Athlete Agreement
- Policy on Police Records Checks
- Human Resources Policy (applicable to staff and contractors)
- Selection Policy for AAP Carding
- Selection Policy for various national teams
- Confidentiality Policy
- Equity Policy
- Privacy Policy
- Conflict of Interest Policy
- Board Member Job Descriptions
- Committee Terms of Reference (for all committees)
- Safety Policy (dependent on sport)
- Anti-Doping Policy (consider adoption of the CADP [Canadian Anti-Doping Program])
- Emergency Response Plan

There are a number of other policies that include, to a greater or lesser degree, risk management elements. For example, policies relating to financial management, travel, health and medical management, technical standards for event hosting, or team logistics would typically include procedures to address foreseeable risks in each of these specific areas.

Set out below is the table of contents of (NSO)'s policy manual. This is provided to show the scope of your policies and what they might cover.

(Insert list of NSO's policies)

Appendix G - **Risk Management Policy**

Preamble

As the national sport organization that governs [sport] throughout Canada, (NSO) recognizes that there are risks inherent in all facets of our governance, program delivery and business operations.

(NSO) is committed to managing risks to the organization and to its PTSOs, clubs and individual members. We take the safety, well-being and satisfaction of our members and participants seriously. While we are not averse to taking organizational risks and pursuing opportunities, we will do so thoughtfully and in an informed manner.

Purpose

The aim of this policy is to provide a guiding statement on how risk management is to be performed within (NSO). In general, we view risk management as a comprehensive approach to improving organizational performance. This policy has other purposes as well, namely:

- Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;
- Performing an educational function for staff, volunteers, PTSOs, clubs and members;
- Over the longer term, contributing to enhancing a 'risk management culture' within (NSO).

Ultimately, successful risk management has the following benefits for (NSO):

- Prevents or limits injury or losses to participants, volunteers and staff;
- Helps to protects (NSO) and its PTSOs, clubs and individual members against litigation;
- Ensures that (NSO) is compliant with all applicable laws, regulations and standards;
- Improves the quality and relevance of the programs and services that (NSO) provides to its members, participants, partners and sponsors;
- Promotes improved business management and human resource management practices;
- Enhances (NSO)'s brand, reputation and image in the community;
- Overall, enhances (NSO)'s ability to achieve its strategic objectives.

Scope and Authority

The Executive Director (or other position) is appointed as Risk Manager for (NSO), responsible for the implementation, maintenance and communication of this policy. This policy applies to all activities undertaken by (NSO) at the national level. Where (NSO) exercises authority over activities below the national level, risk management measures may also be prescribed by (NSO) for implementation by PTSOs and Clubs. PTSOs are encouraged to prepare policies similar to this policy, to govern the management of risk within their jurisdictions.

Policy

(NSO)'s Risk Management Policy and Plan

1. Preamble

As the national sport organization that governs [sport] throughout Canada, (NSO) is committed to managing risks to the organization by ensuring its decisions and actions reflect established standards and the organization's values.

2. Purpose

The purpose of this policy is to provide a guiding statement on how risk management is to be performed within (NSO). In general, we view risk management as a comprehensive approach to improving organizational performance. The Risk Management Policy links directly with (NSO)'s Risk Registry. This policy has other purposes as well, namely:

- Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;
- Performing an educational function for staff and the Board;
- Over the longer term, contributing to enhancing a 'risk management culture' within (NSO).

Ultimately, successful risk management has the following benefits for (NSO):

- Prevents or limits injury or losses to participants, volunteers and staff;
- Helps to protects (NSO) and its members against unnecessary litigation;
- Ensures that (NSO) is compliant with all applicable laws, regulations and standards;
- Improves the quality and relevance of the programs and services that (NSO) provides to its members, partners and sponsors;
- Promotes improved business management and human resource management practices;
- Enhances (NSO)'s brand, reputation and image in the community;
- Overall, enhances (NSO)'s ability to achieve its strategic objectives.

3. Scope and Authority

The Executive Director, or other, is the designated Risk Manager for (NSO), who is responsible for the implementation, maintenance and communication of this policy. It is understood that the Executive Director works with the required staff and volunteers to ensure that risks are managed according to this policy, which applies to all decisions and activities undertaken on behalf of (NSO).

4. Definitions

Risk: The effect of uncertainty on achieving desired outcomes.

Risk management: An integrated, documented and system-wide process used to identify, assess and treat risks so as to better achieve desired outcomes and reflect the organization's values.

Significance of a risk: The combined ranking of the possibility of a risk occurring and the consequence should it occur.

Possibility (P)

   Unlikely – less likely to happen than not; occurs every 5 years.
   Possible – just as likely to happen as not; occurs once every year.
   Probably – more likely to happen than not; occurs once a month.
   Almost certain – sure to happen; occurs once a week.

Consequence (C)

   Minor – will have an impact on the achievement of the objective that can be dealt with through small internal adjustments.
   Moderate – will have an impact on some aspect of the achievement of the objective that will require changes to strategy or program delivery that may require a delay or increase in cost.
   Serious – will significantly impact the achievement of the objective and require additional time, resources, costs, and thought.
   Catastrophic – will have a debilitating impact on the achievement of the objective; staff and board need to devote full time resources to managing the situation.

Risk management principles: The International Standard Organization (ISO 31000:2009E) principles are:

- ✓ Risk management creates and protects value.
- ✓ Risk management is an integral part of all organizational processes.
- ✓ Risk management is part of decision making.
- ✓ Risk management explicitly addresses uncertainty.
- ✓ Risk management is systematic, structures and timely.
- ✓ Risk management is based on the best available information.
- ✓ Risk management is tailored.
- ✓ Risk management considers human and cultural factors into account.
- ✓ Risk management is transparent and inclusive.
- ✓ Risk management is dynamic, iterative and responsive to change.
- ✓ Risk management facilitates continual improvement of the organization.

Categories of risks: Risks arise from a number of categories of (NSO)'s operations. (NSO) has determined that the following categories will be used when identifying risks:

✓ **Operational/Program Risks**

Risks related to the development and implementation of (NSO) programs; management of human resources, including staff and volunteers; organizational capacity to meet member and stakeholder expectations.

✓ **Compliance Risks**

Risks related to failure to comply with existing laws and regulations governing employment, privacy, workplace safety, new corporations' legislation, tenant legal responsibilities, anti-doping policies, Sport Canada, other agency standards for funding and accountability, fulfillment of contractual obligations.

✓ **Communication Risks**

Risks related to internal and external communications, information management systems (purchase, leasing, use, and storage of all hardware and software, programs, data, records, information), crisis and issues management, media relations, image and reputation management, missed opportunities to promote and exploit successful outcomes, management of intellectual property (the protection of all (NSO)'s intellectual property assets), social media opportunities and pitfalls, and confidentiality.

✓ **External Risks**

Risks that are not in direct control of the organization such as funding frameworks from government and other agencies, relations with governments, games organizations and international federations, security threats/risks, involvement in other sport partnerships, hosting decisions and requirements, and changing political priorities.

✓ **Governance Risks**

Risks related to clarity of roles and responsibilities, decision making and oversight, organizational structure and performance; management of disputes and conflict of interest, planning for diversity and succession of the Board and committees, retention of corporate knowledge, and staying current with trends affecting (NSO).

✓ **Financial Risk**

Risks related to financial monitoring and reporting, flexibility to control and direct funds, sponsorship attraction and retention, currency exchange rates, investment and management of reserve funds, protection of revenue streams, and long-term financial sustainability.

5. Policy

(NSO) makes the following commitments:

- Activities and events undertaken by (NSO) will incorporate the principles of risk management;
- Systematic and explicit steps will be taken to identify, assess, manage and communicate risks facing (NSO) in a timely fashion;
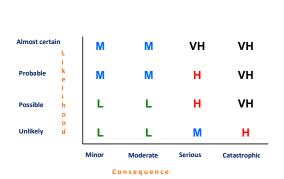
- Risk mitigation strategies will be reasonable and will reflect the reasonable standard of care in any circumstance (where standard of care is determined by written/published standards, industry practices, established case law precedent, and common sense).
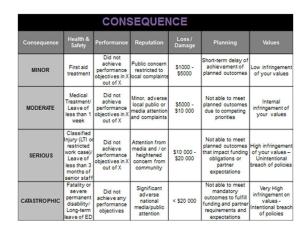
(NSO) acknowledges that risk management is a broad activity and a shared responsibility. All directors, officers, staff, and volunteers have an ongoing responsibility to take appropriate measures within their scope of authority and responsibility to identify, assess, manage and communicate risks to those that they report to including, but not limited to, the Risk Manager.

The Risk Management Policy is linked to (NSO)'s Risk Registry. The Risk Registry is formally reviewed by the Board once a year and items are added to it as necessary and removed as they are treated.

Risk Tolerance

The Board had determined the following tolerance levels for the organization based on a Board discussion that it wishes to review annually (see previous definitions).

Likelihood	Minor	Moderate	Serious	Catastrophic
Almost certain	M	M	VH	VH
Probable	M	M	H	VH
Possible	L	L	H	VH
Unlikely	L	L	M	H

Consequence

CONSEQUENCE						
Consequence	Health & Safety	Performance	Reputation	Loss / Damage	Planning	Values
MINOR	First aid treatment	Did not achieve performance objectives in X out of X	Public concern restricted to local complaints	$1000 - $5000	Short-term delay of achievement of planned outcomes	Low infringement of your values
MODERATE	Medical Treatment/ Leave of less than 1 week	Did not achieve performance objectives in X out of X	Minor, adverse local public or media attention and complaints	$5000 - $10 000	Not able to meet planned outcomes due to competing priorities	Internal infringement of your values
SERIOUS	Classified Injury (LTI or restricted work case)/ Leave of less than 3 months of senior staff	Did not achieve performance objectives in X out of X	Attention from media and / or heightened concern from community	$10 000 - $20 000	Not able to meet planned outcomes that impact funding or obligations or partner expectations	High infringement of your values – Unintentional breach of policies
CATASTROPHIC	Fatality or severe permanent disability/ Long-term leave of ED	Did not achieve any performance objectives	Significant adverse national media/public attention	< $20 000	Not able to meet mandatory outcomes to fulfill funding and partner requirements and expectations	Very High infringement on values - Intentional breach of policies

6. Procedures

Managing risks involves three steps:

1. Identifying potential risks using an informed, environmental scan approach. This occurs on an ongoing basis by staff, and at least once a year by the Board and senior staff;
2. Assessing the significance of a risk by considering its likelihood and consequences;
3. Developing and implementing measures to address those risks deemed significant by reducing likelihood, consequences or both.

(NSO) commits to the following:

1. Risks are identified by staff on an ongoing basis. All low to medium risks are managed by the Executive Director and captured within program documents. These risks are not normally identified within the (NSO) risk registry.

2. Risks that arise and are considered to be high to very high are treated as follows:
   a. If a **High risk** is identified by staff, the Executive Director will communicate to the Chair of (NSO) within 48 of the risk being identified. The Executive Director will take all reasonable measures to manage the risk including, but not limited to, seeking the advice of other Board members, consulting external experts. Once the Chair and the Executive Director feel that the risk has been managed or is in the process of being resolved, the Board will be advised using the most appropriate communications, which depending on the nature of the risk, may include an issue document, sharing at the next meeting, or calling a separate Board meeting to keep the Board informed.
   b. If a **Very High** risk has been identified, the Executive Director will make all reasonable efforts to immediately contact the Chair of (NSO). The Chair and the Executive Director will determine the most appropriate action and if appropriate, may organize a Board meeting within 48 hours of the risk arising. It is understood that factors may arise that prevent this from happening including time zone, availability of Directors, the nature of the risk, etc. The Executive Director will make all reasonable efforts to manage the risk as it occurs, taking the necessary measures including, but not to limited to, seeking the advice from internal partners, other Board members and external experts.

All risks faced by (NSO) can be addressed by one or more of the following four general strategies:

- ✓ **Retain** the risk – no further action is taken because the possibility and consequence of the risk is low. It may also be that the risk is inherent in the activity itself and thus can be accepted in its present form.
- ✓ **Reduce** the risk – steps are taken to reduce the possibility of the risk, and/or its potential consequences, through efforts such as improved planning, policies, delivery, supervision, monitoring or education.
- ✓ **Transfer** the risk – accept the level of risk but transfer some or all of it to others through the use of insurance, waiver of liability agreements or other business contracts.
- ✓ **Avoid** the risk – eliminate the risk by avoiding the activity giving rise to the risk – in other words, simply decide NOT to do something, or to eliminate some activity or initiative.

The above general strategies translate into a variety of risk control measures, which for (NSO) may include, but are not limited to:

- Develop or update of policies, procedures, standards and rules,
- Effective communication,
- Education, instruction, professional development and specialized training,
- Ensure a core set of organizational values are identified, defined and communicated throughout (NSO),
- Adhere to minimum, mandatory qualifications and/or certifications for key staff and leaders,
- Use robust and legally sound contracts (i.e. code of conduct, employment agreements, contractor agreements, partnership agreements),

- Improve role clarity through use of written position descriptions and committee terms of reference,
- Supervise and monitor staff, volunteers, participants and activities,
- Establish and communicate procedures to handle concerns, complaints and disputes,
- Implement schedules for regular review, maintenance, repair and replacement of equipment,
- Prepare procedures and protocols for emergency response and crisis management,
- Use warnings, signage, participation agreements and waiver of liability agreements where warranted, and
- Purchase appropriate insurance coverage for all activities and review regularly.

7. Reporting and Ongoing Monitoring

To ensure that risk management remains a high priority within (NSO), and to promote an organizational culture that embraces a risk management perspective, risk management will be a standing item on the agenda of every regular Board meeting so that the Executive Director and Board Members can provide updates as required.

(NSO) recognizes that communication is an essential part of risk management. This policy and our Risk Management Process will be communicated to staff, Board of Directors, committees and volunteers and we will encourage all members to communicate to (NSO) their risk management issues and concerns. Specifically, the following steps will be taken to ensure a risk-aware culture is being fostered:

- ✓ Staff reviews (NSO)'s risk registry on a quarterly basis or as a risk arises;
- ✓ Staff provide updates on matters of risk to the Board at every Board meeting (standing item on the Board agenda);
- ✓ If changes or additional updates to the Risk Management Policy are needed during the year, staff will bring forward to the Board for discussion and approval;
- ✓ The Board annually reviews and updates the Risk Registry and the Risk Management Policy to determine if any additional high to very high level risks need to be added and to confirm the organization's risk tolerance profile;

8. Insurance

(NSO) maintains a comprehensive insurance program that provides General Liability, Accident and Directors and Officers Errors and Omissions coverage to the Directors, officers, staff, members, volunteers and sponsors of (NSO). Upon annual renewal of this policy, (NSO) consults with the insurance provider to determine if there are any emerging gaps, issues or deficiencies to be addressed through insurance renewal. Not all risks are insurable. However, as part of its commitment to risk management, (NSO) will take all reasonable steps to ensure that insurance coverage is available for those activities essential to the mission of (NSO).

Policy History

Policy	Updated April XX, 2019
Approved:	To be approved ==X Date==
Next Review Date:	==X Date==
Revision Approval Date(s):	