

RISK MANAGEMENT POLICY

The Ralph Thornton Community Centre recognizes that the organization is exposed to certain risks due to the nature of its activities and the environment in which it operates. As an organization we are committed to the effective management of those risks (to the organization, to its services to the community and to its members) in order to ensure that our organizational objectives are achieved. We recognize that risks may arise due to organizational undertakings or external factors beyond the organization's control.

Policy Objective

Risk in this policy describes the uncertainty surrounding events and their outcomes that may have a significant impact, either enhancing or inhibiting, on any aspect of the Centre's operations, including financial performance, reputation, health and safety, community, and overall organizational performance.

The objective of this policy is to set out the process for managing organizational risk. The policy objective is to provide a framework to:

- Define Scope and Authority
- Establish organizational risk tolerance
- Identify principal risks
- Assess priority risks
- Develop mitigating strategies and actions
- Monitor and review risk activities
- Communicate and report risks

Scope and Authority

Board of Directors -The Board is responsible for overseeing the Risk Management policy and the organization's exposure to risk and working with the Executive Director and Business Manager to review the organizational risk management processes and activities in order to assess its effectiveness every three years. The Board will review the Risk Register on an annual basis.

Executive Director -The Executive Director is responsible for working with the Business Manager to ensure that there is broad organizational support, understanding of, and adherence to organizational risk management policies and procedures. The Executive Director will ensure that regular assessment of the effectiveness of organizational risk management policies and procedures takes place. The Executive Director will participate in regular review of the organizational Risk Register.

Business Manager - The Business Manager is appointed as Risk Manager for the Centre, responsible for the oversight of the implementation, maintenance and communication of this policy. The Business Manager is responsible for maintaining the organizational Risk Register.

Other Managers and Staff - All other managers and staff are responsible for complying with risk management policy and processes and fostering an environment where risks can be identified and escalated.

Policy

All programs, projects, activities and events undertaken by RTCC will be analyzed from a risk management perspective.

Systematic and explicit steps will be taken to identify, measure and control both predictable and unforeseen risk facing RTCC

RTCC acknowledges that risk management is a broad activity and a shared responsibility. All board members, 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

The Risk Management Process

Managing risks involves three steps: 1) identify potential risks using an informed, environmental scan approach, 2) assessing the significance of a risk by considering its possibility and consequences, both positive and negative, and 3) developing and implementing measures to address those risks deemed significant.

Risks arrive in a variety of forms and can be categorized roughly within the following 8 categories:

- Financial
- Operational
- Legal and Regulatory
- Political
- Environmental
- Strategic
- People
- Reputational

Each identified risk should be categorized in the risk matrix according to likelihood and consequences:

Likelihood

- Certain (>90% chance)
- Likely (50% - 90% chance)
- Moderate (10% - 50% chance)
- Unlikely (<10% chance)

Consequences

- Insignificant (Risk easily mitigated through procedures)
- Minor (Delays of <10% schedule/
Additional cost <10% budget)
- Moderate (Delays up to 30% schedule/
Additional cost up to 30% budget)
- Major (Delays up to 50% schedule/
Additional cost up to 50% budget)
- Catastrophic (Delays >50% schedule/
Additional cost >50% budget)

The risk matrix will also record a summary of the risk as well as the potential financial impact. A risk rating will be generated according to the following register:

	Insignificant (Risk easily mitigated through procedures)	Minor (Delays of <10% schedule/ Additional cost <10% budget)	Moderate (Delays up to 30% schedule/ Additional cost up to 30% budget)	Major (Delays up to 50% schedule/ Additional cost up to 50% budget)	Catastrophic (Delays >50% schedule/ Additional cost >50% budget)
--	---	---	---	--	---

Certain (>90% chance)	Moderate	High	Extreme	Extreme	Extreme
Likely (50% - 90% chance)	Moderate	Moderate	High	Extreme	Extreme
Moderate (10% - 50% chance)	Low	Low	Moderate	High	Extreme
Unlikely (<10% chance)	Low	Low	Moderate	Moderate	High

Finally, the risk matrix will record a mitigation plan as well as recommendations for each individual risk identified.

Policy to be reviewed: Every 3 years