

## **Cross Country Canada Risk Management Policy**

### **Preamble**

As the national sport organization that governs cross-country skiing throughout Canada, Cross Country Canada (“CCC”) recognizes that there are risks inherent in all facets of our governance, program delivery and business operations.

CCC is committed to managing risks to the organization and to its divisions, 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 beneficial opportunities, we will do so thoughtfully and in an informed manner.

### **Purposes**

The aim of this policy is to provide a guiding statement on how risk management is to be performed within CCC. In general, we view risk management as a comprehensive approach to improving organizational performance. This policy has several more specific purposes:

- Reinforce an understanding of risk management as having a broad focus, beyond merely; preventing lawsuits and financial losses;
- Draw attention to the key areas of risk facing our organization;
- Assign responsibility for implementing and monitoring measures to address these key risk areas;
- Perform an educational function for staff, volunteers, divisions, clubs and members;
- Over the longer term, contribute to enhancing a ‘risk management culture’ within CCC.

Ultimately, successful risk management has the following benefits for CCC:

- Prevents or limits injury or losses to participants, volunteers and staff;
- Helps to protect CCC and its divisions, clubs and members against litigation;
- Ensures that CCC is compliant with current laws, regulations and standards;
- Improves the programs and services that CCC provides to its members, participants, partners and sponsors;
- Promotes improved business management and human resource management practices;
- Enhances CCC’s brand and image in the community;

- Overall, enhances CCC's ability to achieve its strategic objectives and preserve its reputation.

## **Definitions**

The following definitions are adapted from the Australia/New Zealand Risk Management Standard (1999):

- *Risk* – the chance of something happening that will have an impact on achieving desired outcomes;
- *Risk Management* – the process used to identify, assess and address risks so as to better achieve desired outcomes; and
- *Risk Management Program* – the formal commitments CCC makes to implement, monitor and evaluate risk management strategies.

## **Scope and Authority**

The Treasurer/Director of Finance is appointed as Risk Manager for the Organization, responsible for the implementation, maintenance and communication of this policy. This policy applies to all activities undertaken by CCC at the national level. Where CCC exercises authority over activities below the national level, risk management measures may also be prescribed by CCC for implementation by Divisions, National Development Centers and Clubs. Divisions of CCC are strongly encouraged to prepare a policy similar to this policy, to govern the management of risk within their jurisdictions, including where applicable, National Development Centers.

## **Policy**

- All activities and events undertaken by CCC will be analyzed from a risk management perspective with a view to protecting CCC and its members against possible risks;
- Systematic and explicit steps will be taken to identify, measure and control both predictable and unforeseen risks facing CCC;
- Risk control strategies will be reasonable and will reflect the given "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);
- CCC 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; and
- The Executive Director is responsible to the Risk Manager for developing and implementing a Risk Management Program Matrix, attached hereto as Annex "A" that identifies accountabilities and gives effect to this policy within CCC's operations.

## 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, and 3) developing and implementing measures to address those risks deemed significant by reducing possibility, consequences or both.

Risks arise from a number of categories of CCC's operations. In the sport domain, facilities, equipment, people and programs all give rise to potential risks. According to the Chartered Accountants of Canada, risks are defined as both threats and potential barriers to opportunities. CCC has determined that the following categories will be used when identifying risks:

- *Operational/program* risks – the risk of poor program delivery, inattention to the risks inherent in events and activities, and misuse or neglect of staff, volunteers and other resources;
- *Compliance* risks – risk of fines or other penalties for failure to adhere to laws, regulations, standards and reporting requirements;
- *Financial* risks – risk of fraud, financial mismanagement or poor financial decision-making;
- *External* risks – risk of losing the support of funding agencies or other partners, or failing to respond to economic, demographic or other trends;
- *Governance* risk – risk of ineffective leadership, decision-making or organizational oversight;
- *Communication* risks – risk of ineffective internal and external communications; risks that information technologies will not provide dependable service and accurate, secure information that is available when needed;
- *Reputation* risks – risk of losing goodwill, status in the community, confidence of sponsors, and ability to generate funds and recruit volunteers; and
- *Strategic* risks – risk of failing to keep the organization vibrant and relevant.

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

- *Retain* the risk – no action is taken because the possibility and consequence of the risk is low. It may also be that the risk is inherent in the sporting 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, organization, 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 may include (but are not limited to):

- Policy development;
- Communication and education;
- Ensuring a core set of organizational values have been identified, defined and communicated throughout the sport;
- Instruction or special training;
- Application of mandatory qualifications or certifications;
- Use of robust and legally sound contracts (athlete and coach agreements, employment agreements, contractor agreements, partnership agreements, staff and volunteer job descriptions);
- Supervision and monitoring;
- Establishing and communicating procedures to handle concerns, complaints and disputes;
- Purchasing appropriate insurance coverage and reviewing regularly;
- Preparing emergency systems and procedures and protocols for crisis management; and
- Use of warnings, signage, participation agreements and waiver of liability agreements.

## **Insurance**

Insurance is one of the principal risk management measures that CCC employs:

- *CCC Insurance Program* – CCC maintains an insurance policy on behalf of the directors, officers, staff, members, volunteers and sponsors of CCC, its member divisions and the member clubs of the divisions. The coverage in force is a Third Party Sport Liability Policy that includes Directors and Officers Errors and Omissions. Upon annual renewal of this policy, CCC consults with the insurance provider to determine if there are any emerging gaps, issues or concerns to be addressed through insurance renewal.
- *Management of Insurance* – merely identifying possible risks does not mean that an event or activity is automatically covered by CCC's insurance policy. Therefore a proactive and focused effort will be made to ensure that all events and activities are evaluated to determine their importance to the organization, their associated risks and whether these risks are insurable. Wherever possible, steps will be taken to ensure that there is insurance coverage for all essential activities that pose significant risks.
- *Staff Responsibility* – CCC's Director of Administration and Communication is responsible for all aspects of the administration of CCC's insurance program. This staff

person will be responsible for all insurance-related communications between CCC and its insurers, and between CCC and its divisions and clubs.

## **Reporting and Communication**

To ensure that risk management remains a high priority within CCC, and to promote an organizational culture that embraces a risk management perspective, the following reporting requirements are in effect:

- *Management Committee* – the CCC Risk Management Program and Insurance Program will be agenda items at all meetings of CCC’s Management Committee, so that the Executive Director can provide updates on risk management as required.
- *Board of Directors* – With support of the Executive Director, the Treasurer/Director of Finance will report annually to the Board on the status of this policy, the Risk Management Program and the CCC Insurance Program. Furthermore, the Directors agree to use the CCC risk management approach outlined in this policy when making decisions on behalf of CCC.

CCC recognizes that communication is an essential part of risk management. This Policy, and our corresponding commitment to risk management, will be communicated frequently to our staff, committees, divisions, National Development Centers and Clubs, and we will encourage members to communicate to CCC their risk management issues and concerns.