

LC Operations Manual

3.7 RISK MANAGEMENT

As the national sport organization that governs Lacrosse throughout Canada, LC recognizes that there are risks inherent in all facets of our governance, program delivery and business operations.

3.7.1.1

LC is committed to managing risks to the organization and to Member

3.7.1.2

Associations. 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.

3.7.2 *Purpose*

3.7.2.1

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

3.7.2.1.1

Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;

3.7.2.1.2

Performing an educational function for staff, volunteers, sectors and members;

3.7.2.1.3

Over the longer term, contributing to enhancing a 'risk management culture' within LC.

3.7.2.2 Ultimately, successful risk management has the following benefits for LC:

3.7.2.2.1

Prevents or limits injury or losses to participants, volunteers and staff;

3.7.2.2.2

Helps to protect LC and its sectors and members against litigation;

3.7.2.2.3

Ensures that LC is compliant with all applicable laws, regulations and standards;

3.7.2.2.4

Improves the quality and relevance of the programs and services that LC provides to its members, participants, partners and sponsors;

3.7.2.2.5

Promotes improved business management and human resource management practices;

3.7.2.2.6

Enhances LC's brand, reputation and image in the community;

3.7.2.2.7

Overall, enhances LC's ability to achieve its strategic objectives.

3.7.3 *Scope and Authority*

3.7.3.1

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

3.7.3.2

The Board of Directors is also responsible for ensuring that the implementation of LC's risk management framework is continuous

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and relevant, through the ongoing consideration of LC's high-level risks, and the oversight of the Risk Manager.

3.7.4 Policy

3.7.4.1 LC makes the following commitments to its members:

- 3.7.4.1.1 All activities and events undertaken by LC will be analyzed from a risk management perspective;
- 3.7.4.1.2 Systematic and explicit steps will be taken to identify, assess, manage and communicate risks facing LC;
- 3.7.4.1.3 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).

3.7.4.2 LC 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.

3.7.5 Definitions

3.7.5.1 *Risk*: The effect of uncertainty on achieving desired outcomes

3.7.5.2 *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

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

3.7.5.3.1 Likelihood (L)

Unlikely – less likely to happen than not; occurs every 5-10 years

Possible – just as likely to happen as not; occurs once every year

Probable – more likely to happen than not; occurs once a month

Almost certain – sure to happen; occurs once a week

3.7.5.3.2 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

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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

3.7.6 *Categories of Risk*

3.7.6.1 Risks arise from a number of categories of LC's operations. LC has determined that the following categories will be used when identifying risks:

3.7.6.2 *People and Programs Risks*

3.7.6.2.1 Risks related to key operational and programming areas across the organization; risks affecting the evolution of coaching, officiating and athlete development; management of human resources, including staff and volunteers; organizational capacity to meet member and stakeholder expectations and deliver on identified commitments; risk related to strategic planning; event and competition management; planning so as to remain vital and relevant to our members; the inherent physical risks of our sport; travel related risks, including medical and safety protocols; interpersonal related risks that escalate needlessly from interpersonal tension to unnecessary conflict.

3.7.6.3 *Compliance Risks*

3.7.6.3.1 Risks related to failure to comply with existing laws and regulations governing: employment standards; privacy; workplace safety; new corporations' legislation; tenant legal responsibilities; charitable status; anti-doping policies; Sport Canada/OTP/other agency standards for funding and accountability; fulfillment of contractual obligations; Universal Code of Conduct to Prevent and Address Maltreatment in Sport (UCCMS); safe sport requirements; pandemic related requirements; increased insurance requirements.

3.7.6.4 *Communication Risks*

3.7.6.4.1 Risks related to internal and external communications; information management systems; crisis and issues management; system hacking and data security, media relations; management of intellectual property; social media opportunities and pitfalls; maintaining confidentiality.

3.7.6.5 *Reputation Risks*

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3.7.6.5.1 Risks resulting from damages to an organization's reputation due to lost revenue; lowered trust levels which harm relationships with stakeholders; lowered participant satisfaction; negative perceptions which erode trust; increased operating, capital or regulatory costs; destruction of member value, consequent to an adverse or potentially criminal event even if the organization is not found guilty.

3.7.6.6 *External Risks*

3.7.6.6.1 Risks that are not in direct control of the organization including funding frameworks from Performance Partners (OTP, COC, CPC, Sport Canada and other agencies); relations with governments, games organizations and international federations; involvement in other sport partnerships; hosting decisions and requirements; changing political priorities; trends in the industry related to public safety, health and travel requirements.

3.7.6.7 *Governance Risks*

3.7.6.7.1 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; lack of monitoring and evaluation of progress; lack of training and education of Board members; lack of retention of corporate knowledge; staying current with trends; lack of strategic planning; Board interference.

3.7.6.8 *Financial Risks*

3.7.6.8.1 Risks related to financial monitoring and reporting; lack of flexibility to control and direct funds; sponsorship attraction and retention; overly dependent on performance partners; investment and management of reserve funds; protection of revenue streams; long-term financial sustainability.

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3.7.7 Risk Tolerance

3.7.7.1 The following tolerance levels for the organization are:

Risk Assessment		CONSEQUENCE			
		Minor	Moderate	Serious	Catastrophic
POSSIBILITY	Almost Certain	Medium	Medium	Very High	Very High
	Probable	Medium	Medium	High	Very High
	Possible	Low	Low	High	Very High
	Unlikely	Low	Low	Medium	High

3.7.8 The Risk Management Process

3.7.8.1 Managing risks involves three steps: 1) identify potential risks, 2) assessing the significance of a risk by considering its likelihood and consequences, and 3) developing and implementing measures to address those risks deemed significant by reducing the likelihood, consequences or both.

3.7.8.2 Risks arise from a number of categories of LC’s operations. In the sport domain, facilities, equipment, people and programs all give rise to potential risks. LC has determined that the following strategic directions as contained in LC’s Strategic Plan will be used when identifying risks:

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- 3.7.8.2.1 Direction #1 To continue to develop the sport by expanding participation in the game in all regions and all disciplines so as to position our sport for future participation in the Canada Games
- 3.7.8.2.2 Direction #2 To continue to implement our National Team Strategy, and ensure consistent delivery and quality of national championships
- 3.7.8.2.3 Direction #3 To raise the profile of our brand in Canada and abroad, and improve the image of our sport
- 3.7.8.2.4 Direction #4 To support all our strategic priorities by building a more effective governance structure for LC
- 3.7.8.3 All risks faced by LC can be addressed by one or more of the following four general strategies:
 - 3.7.8.3.1 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.
 - 3.7.8.3.2 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.
 - 3.7.8.3.3 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.
 - 3.7.8.3.4 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.
- 3.7.8.4 The above general strategies translate into a variety of risk control measures, which for LC may include (but are not limited to):
 - 3.7.8.4.1 Development of policies, procedures, standards and rules
 - 3.7.8.4.2 Effective communication
 - 3.7.8.4.3 Education, instruction, professional development and specialized training
 - 3.7.8.4.4 Ensuring a core set of organizational values have been identified, defined and communicated throughout LC
 - 3.7.8.4.5 Adherence to minimum, mandatory qualifications and/or certifications for key staff and leaders
 - 3.7.8.4.6 Use of robust and legally sound contracts (codes of conduct, athlete and coach agreements, employment agreements, contractor agreements, partnership agreements)

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- 3.7.8.4.7 Improving role clarity through use of written position descriptions and committee terms of reference
- 3.7.8.4.8 Supervision and monitoring of staff, volunteers, participants and activities
- 3.7.8.4.9 Establishing and communicating procedures to handle concerns, complaints and disputes
- 3.7.8.4.10 Implement schedules for regular review, maintenance, repair and replacement of equipment
- 3.7.8.4.11 Preparing procedures and protocols for emergency response and crisis management
- 3.7.8.4.12 Use of warnings, signage, participation agreements and waiver of liability agreements where warranted
- 3.7.8.4.13 Regularly review appropriate insurance coverage

3.7.9 *Reporting and Communication*

- 3.7.9.1 To ensure that risk management remains a high priority within LC, and to promote an organizational culture that embraces a risk management perspective, risk management will be a standing item on the agenda annually, and on an as needed basis, at board meetings, so that the Executive Director can provide updates as required.
- 3.7.9.2 LC recognizes that communication is an essential part of risk management. This Policy and our Risk Management Program will be communicated to our staff, committees, sectors and members, and we will encourage all members to communicate to LC their risk management issues and concerns.
- 3.7.9.3 Specifically, the following steps will be taken to ensure a risk aware culture is being fostered:
 - 3.7.9.3.1 Staff reviews LC's risk registry on a quarterly basis or as a risk arises;
 - 3.7.9.3.2 Staff provide updates on matters of risk to the Board at Board meetings (as required);
 - 3.7.9.3.3 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;
 - 3.7.9.3.4 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.

3.7.10 *Insurance*

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3.7.10.1 LC maintains a comprehensive insurance program that provides General Liability, Sports Accident and Directors and Officers Errors and Omissions coverage to the directors, officers, staff, members, volunteers and sponsors of LC. Upon annual renewal of this policy, LC consults with the insurance provider to determine if there are any emerging gaps, issues or deficiencies to be addressed through insurance renewal.

3.7.10.2 Not all risks are insurable. However, as part of its commitment to risk management, LC will take all reasonable steps to ensure that insurance coverage is available for those activities essential to the mission of LC and that pose significant risks.

3.7.11 *Approval*

3.7.11.1 This Policy was approved by the Board of Directors on May 28, 2022.