



# **RISK MANAGEMENT PROCEDURES**

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## Introduction

As the governing body for soccer in British Columbia, BC Soccer is committed to managing risks to the organization by ensuring its decisions and actions reflect established standards and the organization's values. BC Soccer's Risk Management Policy outlines the purpose and standards contained within this document.

These Procedures are designed for leaders, administrators and volunteers, explains current risk management processes and how they can be applied. By incorporating risk management principles into everyday practice, leaders will minimize risk, enhance decision-making, and create more productive and resilient organizations.

These Procedures incorporate the lessons learned from a national Risk Management Project (RMP) which involved conducting in-depth risk assessments with eight national sport organizations, one multi-sport organization, and one medium-sized, Ottawa-based sport club. This Guide takes as reference the "Risk Management Guide for Community Sport Organizations" produced by "2010 Legacies Now" available here: [Risk Management Guide.pdf \(viasport.ca\)](#)

## What is Risk Management?

Adapted from the Australia/New Zealand risk management standard, the definitions below were supported by the sport organizations participating in the National Risk Management Project:

- Risk is the chance of something negative occurring that will impact the organization. It is measured in terms of likelihood and severity.
- Risk management includes the culture, processes, and structures that are directed towards the effective management of potential opportunities and adverse effects.
- Risk management planning includes the systematic application of management policies, procedures, and practices to the tasks of establishing the context, identifying, evaluating, managing, monitoring and communicating risk.

## Why is Risk Management Important?

Risk management planning involves asking the following straightforward questions:

- What could happen that would prevent us from meeting our objectives or for soccer to be impacted?
- What is the likelihood of this occurring?
- What would the consequences (see above – severity) be?
- Is there anything we can do to reduce the likelihood of the risk, or to avoid it altogether?
- How should we respond if the risk occurs?

In order to build support for spending time thinking about these questions, the following should be taken into consideration:

- Many risks can be avoided or minimized if there is a proactive plan in place.
- Once a risk occurs, there are a variety of options for the organization to consider. If the risk escalates to a crisis and there is no plan for dealing with this crisis, the organization ends up dealing with the issue in a reactive mode and is much more likely to make mistakes with lasting negative impact.
- Canadian law requires organizations to practice common sense and to fulfill a reasonable standard of care. What is reasonable depends on the particular circumstances, but in all cases the standard is determined by a combination of written standards (existing policies and procedures), unwritten standards (industry practices), case law (guidance from legal courts) and common sense. Proactive risk management is the best way to help you meet the reasonable standard of care: failure to meet this standard can mean a finding of negligence and flowing from there, liability and lawsuit.

- With a robust risk management plan in place, you will spend more time carrying on the business of your sport organization rather than reacting to the many risks that come your way.
- You are more likely to attract and retain highly skilled Board members, staff and volunteers if you manage your risks proactively. There is no better way to offer assurance and confidence to the people involved in your organization.
- It is simply a good business practice to have a risk management plan. There is a strong correlation between risk management and good governance, effective conflict resolution, sound policies and the business bottom line. We might go further by suggesting that organizations that practice risk management are also practicing a strong ethical orientation.

## Risk Management Process

BC Soccer has developed a comprehensive risk management process for identifying, assessing, reporting and monitoring potential risks that our organization faces; with the goal of reducing and avoiding risks where appropriate.

BC Soccer's approach to managing risk encompasses:

- A commitment to identify and assess risks using a consistent methodology.
- A commitment to identify risks and our response to such risks through the BC Soccer's risk registry.
- A commitment to continually report and monitor new, emerging and evolving risks.
- A commitment to uphold and demonstrate high ethical standards, and to govern ourselves effectively and in a manner that fulfills all legal requirements.

### STEP 1 - Risk Identification

BC Soccer categorizes risks within these categories:

1. **Governance** - risks related to board leadership, such as decision-making or oversight, policies and procedures, image and reputation, compliance to law and regulations and overall organizational capacity.
2. **Infrastructure** - risks related to equipment, property and facilities.
3. **Financial** - risks including loss of funding, decline in membership, decline in other revenues, mismanagement of funds, weak cash flow, failure to diversify revenue sources.
4. **Operational** - risks related to the delivery of programs and services including event management, IT, data, program management, human resources management (employees and volunteers), management of crises, including business interruption.
5. **External** - 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.
6. **Communication** - 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 BC Soccer's intellectual property assets), social media opportunities and pitfalls, and confidentiality.
7. **Health and Safety** - risks related to health and safety, physical hazards, injuries, extreme weather or other environmental factors, emergency and accident.

### Procedure

- BC Soccer board, staff, and committees take appropriate measures within their scope of authority and responsibility to identify and communicate risks to BC Soccer's Risk Management Officer **by completing the BC Soccer's Risk Assessment Form.**
- Risk Assessment Forms must be submitted to BC Soccer's Risk Management Officer for review and categorization within 48 hours of being completed.
- Upon receiving the complete BC Soccer's Risk Assessment Form, the Risk Management Officer will convene a meeting with the appropriate staff before completing approving the Risk Assessment Form.

**STEP 2 – Risk Assessment**

The assessment of a risk involves a determination of two aspects of the risk: its likelihood of coming to pass, also referred to as its possibility, and the consequences if it does come to pass.

Using this four-point scale for each risk identified as part of Step 1, the person completing the assessment will rank them in terms of possibility and consequence.

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

The consequence if this risk occurs is:

- minor – it will have an impact on the achievement of the objective that can be dealt with through internal adjustments
- moderate – it will have an impact on some aspect of the achievement of the objective that will require changes to strategy or program delivery
- serious – it will significantly impact the achievement of the objective
- catastrophic – it will have a debilitating impact on the achievement of the objective

Depending on the rating for each risk, risk is classified based on the chart below:

	Minor	Moderate	Serious	Catastrophic
Almost Certain	Medium	High	High	Very High
Probable	Medium	Medium	High	Very High
Possible	Low	Low	Medium	High
Unlikely	Low	Low	Low	Medium

This chart can be set up to capture the magnitude of the risk in descriptive terms: low, medium, high, very high.

**Procedure**

- The Risk Management Officer duties related to identifying and assessing potential risks include, but are not limited to:
  - Identify potential and significant hazards and risks to BC Soccer and make recommendations to eliminate, mitigate or minimize such risks or hazards.
  - Assesses the significance of a potential risk by considering its likelihood and consequences.
  - Develops and implements measures to address those risks deemed significant by reducing likelihood, consequences, or both.
- The Risk Management Officer will proceed as follows:
  - a. **Low to Medium Risks:** All “Low” to “Medium” risks are managed by BC Soccer staff and captured within program documents and identified within the Risk Registry.
  - b. **High to Very High Risks:** All “High” to “Very High” risks are managed by BC Soccer’s Risk Management Officer by communicating with the Executive Director within 48 of the risk being identified.
  - c. 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.
  - d. Once BC Soccer’s Risk Management Officer 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.

- e. Risks will be added to the BC Soccer's risk registry.

### STEP 3 – Treating Risks

BC Soccer will utilize four ways to manage risks:

- **Avoid the risk** – this means simply deciding not to do something.
- **Transfer the risk** – this provides BC Soccer the ability to share the risk with others. An insurance policy, waiver, business contracts, agreement etc.
- **Reduce the risk** – measures to reduce risks usually relate to changing human actions or behaviours.
- **Accept the risk** – risks inherent in the sport activity itself or representing the unavoidable cost of doing business.

#### Procedure

- The Risk Management Officer will collaborate with the individual submitting the Risk Assessment Form and identify the potential treatment for the risk identified.
- All completed Risk Assessment Forms will be submitted for review by the Risk Management Committee.
- Where applicable, **Risk Registry will be updated.**
  - A risk registry is a chart that is produced following a risk management review. It incorporates all the work done by the Risk Management Committee, including the commitments that BC Soccer is prepared to make. It outlines the risk identified, ranks the severity of the risks, lists the current solutions in place to minimize the impact and likelihood of the risks, identifies possible additional solutions that were developed and highlights BC Soccer's commitments over a specified timeframe. Finally, it provides a mechanism to monitor and evaluate the risk over time.
- The Risk Registry will be maintained by the Risk Management Officer (or designate) and reviewed by the Risk Management Committee and Board of Directors every 4 months.

## BC SOCCER'S RISK ASSESSEMENT FORM - INSTRUCTIONS

**STEP 1: Identify the Risk** – identify and briefly describe key risks; using the categories of risk determined by BC Soccer that could potentially impact the organization. These should be the greatest risks in terms of likelihood and potential impact on achievements, results or desired outcomes.

**STEP 2: Analyze the Risk** - consider the “possibility” of this risk occurring and the “consequence” if this risk occurs.

The **possibility** of this risk occurring is:

**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.

The **consequence** if this risk occurs is:

**Minor (Low)** - will have an impact on the achievement of the objective that can be dealt with through internal adjustments.

**Moderate (Medium)** - 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 (High)** - will significantly impact the achievement of the objective and require additional time, resources, costs, and thought.

**Catastrophic (Very High)** - will have a debilitating impact on the achievement of the objective; staff and board need to devote full time resources to managing the situation.

	Minor	Moderate	Serious	Catastrophic
Almost Certain	Medium	High	High	Very High
Probable	Medium	Medium	High	Very High
Possible	Low	Low	Medium	High
Unlikely	Low	Low	Low	Medium

**STEP 3: Evaluate Risk Treatment Options** - provide a brief summary to evaluate risk treatment options and/or measures to be used to manage or prevent the risk. Ensure that responses and measures are financially and technically feasible, and well-designed to reduce the impact and/or likelihood of the identified risks. The responses should also be realistic in terms of timely implementation in reaction to needs; and should be action-oriented and comprehensive.

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

- **Avoid the risk** – this means simply deciding not to do something.
- **Transfer the risk** – this provides BC Soccer the ability to share the risk with others. An insurance policy, waiver, business contracts, agreement etc.
- **Reduce the risk** – measures to reduce risks usually relate to changing human actions or behaviors.
- **Accept the risk** – risks inherent in the sport activity itself, or representing the unavoidable cost of doing business.

## BC SOCCER'S RISK ASSESSEMENT FORM

### STEP 1: Risk Identification

(Risk = The chance of something happening that can have an impact on achieving desired outcomes)

### STEP 2: Risk Assessment

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

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	Medium	High	High	Very High
Probable	Medium	Medium	High	Very High
Possible	Low	Low	Medium	High
Unlikely	Low	Low	Low	Medium

### STEP 3: Risk Treatment

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 mitigated? 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?

Submitted by:	Reviewed by:
Date:	Date: