

# Risk Management Policy



**May 21, 2018**

## 1. Preamble

Judo Canada is the national sport federation responsible for providing leadership in promotion and development as well as governing all aspects of Judo in Canada and to select and prepare Canadian teams for international competition. Judo Canada 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 Judo Canada. In general, we view risk management as a comprehensive approach to improving organizational performance. The Risk Management Policy links directly with Judo Canada'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 Judo Canada.

Ultimately, successful risk management has the following benefits for Judo Canada:

- Prevents or limits injury or losses to participants, volunteers and staff;
- Helps to protect Judo Canada and its members against unnecessary litigation;
- Ensures that Judo Canada is compliant with all applicable laws, regulations and standards;
- Improves the quality and relevance of the programs and services that Judo Canada provides to its members, partners and sponsors;
- Promotes improved business management and human resource management practices;
- Enhances Judo Canada's brand, reputation and image in the community;
- Improves the decision-making process through evidence-based risk assessment of threats and opportunities
- Overall, enhances Judo Canada's ability to achieve its strategic objectives.

### 3. Scope and Authority

The CEO is the designated Risk Manager for Judo Canada, responsible for the implementation, maintenance and communication of this policy. This policy applies to all decision and activities undertaken on behalf of Judo Canada.

### 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 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 10 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 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

**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, structured and timely
- ✓ Risk management is based on the best available information
- ✓ Risk management is tailored

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- ✓ Risk management takes 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 Judo Canada's operations. Judo Canada has determined that the following categories will be used when identifying risks:

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### ✓ **Operational/Program Risks**

Risks related to the development and implementation of Judo Canada 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 Judo Canada's intellectual property assets), social media opportunities and pitfalls, 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 sports partnerships; hosting decisions and requirements; changing political priorities and social norms.

### ✓ **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, staying current with trends affecting Judo Canada.

### ✓ **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, long-term financial sustainability.

## 5. Policy

Judo Canada makes the following commitments:

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- Activities and events undertaken by Judo Canada will incorporate the principles of risk management;
- Systematic and explicit steps will be taken to identify, assess, manage and communicate risks facing Judo Canada 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).

Judo Canada 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 the Judo Canada's Risk Registry.

### Risk Tolerance

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

#### Likelihood

- ✓ **Unlikely** - *less likely to happen than not, occurs every 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*

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

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## 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, and
3. Developing and implementing measures to address those risks deemed significant by reducing likelihood, consequences, or both.

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	Notable to meet planned outcomes due to competing priorities	Internal infringement of your values
SERIOUS	Classified injury (LT 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	Notable to meet planned outcomes that impact funding 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	Notable to meet mandatory outcomes to fulfill funding and partner requirements and expectations	Very High infringement on values - Intentional breach of policies

Judo Canada commits to the following:

1. Risks are identified by staff on an ongoing basis. All low to medium risks are managed by the CEO and captured within program documents. These risks are not normally identified within the Judo Canada risk registry.
2. Risks that arise and considered to be high to very high are treated as follows:
  - a. If a **High Risk** is identified by staff, the CEO will communicate to the President of Judo Canada within 48 hours of the risk being identified. The CEO and the President will take all reasonable measures to manage the risk including, but not limited to, seeking the advice from other Board members, consulting external experts, etc. Once the President and the CEO 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 CEO will make all reasonable efforts to immediately contact the President of Judo Canada. The President and the CEO will determine the most appropriate action and will attempt to 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 CEO and the President will make all reasonable efforts to manage the risk as it occurs, taking the necessary measures including, but not limited to, seeking the advice from internal partners and external experts.

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

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- ✓ **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 Judo Canada may include (but are not limited to):

- Development or updating of policies, procedures, standards and rules;
- Effective communication;
- Education, instruction, professional development and specialized training;
- Ensuring a core set of organizational values have been identified, defined and communicated throughout Judo Canada;
- Adherence to minimum, mandatory qualifications and/or certifications for key staff and leaders;
- Use of robust and legally sound contracts (i.e. code of conduct, employment agreements, contractor agreements, partnership agreements);
- Clarify roles and responsibilities through use of written position descriptions and committee terms of reference;
- Supervision and monitoring of staff, volunteers, participants and activities;
- Establishing and communicating procedures to handle concerns, complaints and disputes;
- Implement schedules for regular reviews, maintenance, repair and replacement of equipment;
- Preparing procedures and protocols for emergency response and crisis management;



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- Use of warnings, signage, participation agreements and waiver of liability agreements where warranted;
- Purchasing appropriate insurance coverage for all activities and reviewing regularly.

### **7. Reporting and Ongoing Monitoring**

To ensure that risk management remains a high priority within Judo Canada, 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 CEO and Board members can provide updates as required. Lessons can be learned even from risks that do not materialize, risks averted and “near misses”.

Judo Canada 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 Judo Canada their risk management issues and concerns. Specifically, the following steps will be taken to ensure a risk aware culture is being fostered:

- ✓ Staff reviews Judo Canada’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**

Judo Canada 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 Judo Canada. Upon the annual renewal of this policy, Judo Canada 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, Judo Canada will take all reasonable steps to ensure that insurance coverage is available for those activities essential to the mission of Judo Canada.

#### **Policy History**

Policy: Updated March 29, 2018  
Approved: May 21, 2018