

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.

Annex “A” to Cross Country Canada (CCC) – Risk Management Policy Program Matrix

The following risk management matrix has been developed to assist CCC as it strives to ensure it manages all risks related to programs/ operations, external, governance, strategic, finances, image, communications, and compliance. When scanning for risks, CCC staff and volunteers may determine that the best risk treatment strategy is to develop a risk registry that captures the organization’s commitment to managing each risk in a documented, methodical, logical, and proactive manner. These individual risk registries will serve as a corporate memory of the organization’s actions and commitments to managing known risks according to CCC’s risk management policy.

Risk Category	Significance	Risk Control Measures	Responsibility	Reporting/Communication
----------------------	---------------------	------------------------------	-----------------------	--------------------------------

<p><i>Operational/Program Risks</i> Risk related to key programs in the areas of coaching and athlete development (CAD); human resources management risk; capacity requirements to meet member and program expectations; heavy reliance on performance results of National Ski Team; activities of divisions and clubs at CCC sanctioned events; risk associated with vehicle use; succession planning for staff and volunteers in this area.</p>	<p>High</p>	<p>Staff pay and benefits policy</p> <p>Update job descriptions and employment agreements</p> <p>Administer CCC insurance program</p> <p>Technical packages and hosting policies for Divisions/Clubs</p> <p>Race Sanctioning policy (including waivers)</p> <p>Vehicle use policy</p> <p>Coaches and officials training and certification programs</p> <p>Athlete agreements</p> <p>Athlete and coach codes of conduct</p> <p>Dispute resolution policy</p> <p>Harassment policy</p>	<p>ED</p> <p>ED</p> <p>Director of Admin and Communication (DAC),</p> <p>Director of Events</p> <p>Director of Events</p> <p>ED</p> <p>Director of CAD</p> <p>High Performance Director (HPD)</p> <p>HPD and ED</p> <p>ED, HPD</p> <p>DAC and ED</p>	<p>CCC is committed to proactive communicating its expectations related to operational and programs risks. Ensuring that its members are receiving the information they require to adhere to CCC standards is a critical aspect of managing this risk area.</p> <p>All policies, procedures and processes should be available on the CCC website. Changes should be communicated in a timely manner.</p>
---	-------------	--	--	--

<p><i>Compliance Risks</i> Risk related to existing laws and regulations for employment, workplace safety, new Not-for-Profit Corporations Act, tenant legal responsibilities, RCAA charitable status, Imagine Canada standards, anti-doping standards, contractual standards, Sport Canada/OTP standards for funding and accountability.</p>	<p>Low</p>	<p>Adherence to applicable laws, regulations and standards</p> <p>Tenants' legal liability insurance</p> <p>Anti-doping Policy</p> <p>Monitor NPCA and RCAA changes</p> <p>SFAF reporting and compliance</p>	<p>ED (including all staff)</p> <p>DAC</p> <p>HPD</p> <p>ED</p> <p>ED</p>	<p>The CCC will be proactive in communicating new changes to meet compliance requirements in a planned and phased-in manner. The objective is to ensuring that its staff, volunteers, divisions and clubs have adequate time to adhere to any new regulations. This means that CCC must plan its communications activities proactively.</p>
---	------------	--	---	---

<p><i>Communication Risks</i> Risks related to internal and external communications; information management systems; crisis and issues management; media relations; risks related to managing reputation; image management; missed opportunities to promote and meet success outcomes; intellectual property; social media management; confidentiality.</p>	<p>High</p>	<p>Ensure adequate HR dedicated to communication risks</p> <p>Create communications plan and matrix identifying responsibilities (including social media components)</p> <p>Policies to protect privacy, confidentiality and security of data and information (including back-up of data by off-site staff)</p> <p>Program Directors to regularly assess and advise ED of communication risks associated with their program area.</p> <p>Crisis management plan</p>	<p>ED and Board</p> <p>Director of Marketing and Communication</p> <p>DAC</p> <p>Program Directors</p> <p>ED/DAC</p>	<p>Having up-to-date policies in place can help to reduce these risks – ensuring that policies are not outdated is a critical aspect of managing IT related risks.</p> <p>Anticipating communication risks will allow CCC to prepare for contingencies and plan to address issues.</p> <p>Planning ahead of time what CCC will do in the event of a crisis and ensuring that its key staff and volunteers are aware of what to do when a crisis happens is a critical aspect of managing communications-related risks.</p>
<p><i>External Risks</i> Risks that are not in direct CCC control – government funding frameworks, OTP funding, FIS relations, involvement in Canadian Snowsports Association, WinSport partnership.</p>	<p>Moderate</p>	<p>Continually monitor external environment for risks and adapt as required</p>	<p>ED, DHP and Board (where applicable)</p>	<p>By analyzing these risks in a thoughtful and proactive manner, CCC may be able to communicate more effectively with external partners to help avoid, reduce or eliminate risks in this category.</p>

<p><i>Governance Risks</i> Risks related to decision-making and oversight; organizational structure and performance; management of conflict among members, staff and volunteers; succession planning for Board and committees; by-laws and charitable status.</p>	<p>Moderate</p>	<p>Board Governance Policy Board Member Job Descriptions Committee Terms of Reference Grievance, dispute resolution and appeal policies Nominating practices</p>	<p>Board Board ED ED Board</p>	<p>Many of these risks can be avoided by ensuring that people have access to the information they need to make better decisions. Using CCC's values in a more proactive manner can help ensure that decisions reflect CCC's culture.</p>
<p><i>Financial Risks</i> Risks related to management of good financial practices; minimizing unethical practices; greater flexibility to direct funds; sponsorship retention; management of an endowment funds; long-term financial sustainability.</p>	<p>Moderate</p>	<p>Independent financial audit Credit card policy Variance reporting Conflict of interest policy Volunteer screening Sponsorship policy and servicing</p>	<p>Board/Audit Committee ED DAC/Treasurer Board ED Director of Business Development</p>	<p>Communicating expectations and standards is a critical aspect of managing this risk.</p>
<p><i>Strategic Risks</i> Internal risks within CCC control taking into account strengths, weaknesses, opportunities, aspirations and results; remaining vital and relevant; accommodating current trends; planning for the future; retention and transfer of knowledge; staff and volunteer succession.</p>	<p>Low</p>	<p>Strong commitment to strategic planning process Place priority on identification, recruitment and retention of key volunteers and staff</p>	<p>Board ED</p>	<p>CCC will continue to assess the environment when making decisions. Using environmental scan analysis enriches the decision-making process and further assists CCC in managing risks in an informed manner.</p>