

RISK MANAGEMENT POLICY

1. Purpose

“Risk” is well understood as the impact of uncertainty on the ability of the organization to achieve its objectives. The Board of Directors of Ringette Canada accepts as a fundamental responsibility, the duty to ensure that effective policies and processes are in place to identify, understand, and manage the risks that might impair Ringette Canada’s ability to meet its objectives and succeed in its mission.

2. The Risk Environment

2.1 Risk must be understood in the context of Ringette Canada’s objectives, the current and future state of the organization, and the state of the external environment in which the organization operates. All of these factors change with time, requiring that the risk environment must be monitored and regularly re-evaluated.

2.2 At least once each fiscal year, the Executive Director will collaborate with the Audit and Risk Committee to prepare, and the Board of Directors will review and adopt, a summary of the internal and external trends or issues that are potential sources of material risk to Ringette Canada. The summary will consider:

- 2.2.1 Ringette Canada’s Strategic Plan and the goals and objectives stated in it.
- 2.2.2 The organization’s financial and human resources and organizational capabilities.
- 2.2.3 Political, economic, social, technological, legal, and environmental trends and issues in Ringette Canada’s operating environment.

3. Risk Criteria

3.1 Within this policy, “Risk Appetite” means the desire or willingness of Ringette Canada to accept a certain type of risk. “Risk Tolerance” is a qualitative, or preferably quantitative, statement of the limit on the risk Ringette Canada will accept.

3.2 Schedule A sets out Ringette Canada’s Risk Appetite and Risk Tolerance with respect to the key types of risk that the organization may face.

3.3 The risk criteria set out in Schedule A will be reviewed at least annually in conjunction with the review of the Risk Environment (Section 2.2), and as needed to address new or evolving risks.

4. Risk Awareness, Communication, and Consultation

- 4.1 Effective risk management depends on a culture of risk awareness throughout the organization.
- 4.2 Within Ringette Canada, operational activities such as budgeting, the development of programs, and the planning of events will expressly include consideration of potential sources of risk and a risk management plan. The risk management plan will identify the “risk owner”, the person with primary responsibility for managing the risks associated with the program or event.
- 4.3 Risk management includes:
 - 4.3.1 Risk identification – determining potential sources of risk
 - 4.3.2 Risk analysis – determining the potential magnitude of the risk (the likelihood and the consequences)
 - 4.3.3 Risk evaluation – assessment of the magnitude of the risk relative to the organization’s risk tolerance
 - 4.3.4 Risk treatment – identifying measures to reduce the residual risk to within the risk tolerance (eg, mitigate, transfer, avoid).
 - 4.3.5 Risk monitoring – performance against expected (risk, impact, triggers, response effectiveness, etc.) for better forecasting and future management.
- 4.4 After the fact, or regularly for ongoing programs, the risk owner will report on the effectiveness of the risk management plan. Effectiveness of the risk management plan is assessed by comparing actual outcomes to expected outcomes and identifying the root causes of material variances. Lessons learned that can inform future activities will be documented.
- 4.5 Items brought for Board approval will include a discussion of the principal risks associated with the proposal relative to Ringette Canada’s risk appetite and risk tolerance and will identify what measures will be implemented to mitigate the risks.
- 4.6 To promote risk awareness, Ringette Canada’s communications to the broader ringette community will place appropriate emphasis on key potential sources of risk, and the policies and best practices that are in place to mitigate those risks.
- 4.7 Meaningful consultation with stakeholders both in the planning and after the execution of a program or event will include consultation on potential or observed risks and the effectiveness of the risk mitigation measures that were in place.

5. Risk Monitoring and Reporting

5.1 **Operational Risks** are those risks associated with conducting the daily operation of the organization to deliver programs and stage events. The Executive Director is accountable to the Board of Directors for the monitoring and reporting on Operational Risks.

5.1.1 The Executive Director will develop a Risk Matrix for approval by the Board that identifies the material operational risks, the probability and consequence of loss, and summarizes the current risk mitigation measures in place.

5.1.2 The Board, in consultation with the Executive Director, will specify the contents of a Risk Monitoring Report that will enable the Board to monitor the effectiveness of risk management.

5.1.3 The Executive Director will present the Risk Matrix and the Risk Monitoring Report at each regular meeting of the Board, and more often if necessary. The Executive Directors report will identify any material emerging operational risks not already enumerated on the Risk Matrix.

5.2 The Executive Director will notify the Board in a timely way in the event of:

5.2.1 The receipt by Ringette Canada of any Statement of Claim, including details necessary for the Board to evaluate the significance of the claim; or,

5.2.2 Becoming aware of any complaint alleging athlete maltreatment (respecting at all times any restrictions or confidentiality provisions contained in Ringette Canada's policies governing same).

5.3 **Strategic Risks** are those risks associated with achieving Ringette Canada's broader strategic goals. The Audit and Risk Committee and the Executive Director will collaborate on the monitoring and reporting on Strategic Risks.

5.4 **Governance Risks** are those risks associated with effective governance and the functioning of the Board of Directors. The Board of Directors is accountable for Governance Risks.

5.5 The Board will establish risk monitoring and reporting processes by which the board will monitor and assess Ringette Canada's risk position and the effectiveness of its risk management practices.

Operational	Strategic	Governance
Risks arising within daily operations	Risks that affect RC's ability to achieve its strategic goals	Risks to effective governance and the functioning of the Board of Directors
Eg., injuries, accidents, Safe Sport, mistakes, fraud, business interruption, staff turnover.	Eg., access to funding, risk of new program success, external factors (pandemic, recession, changing demographics, climate change)	Eg., compliance with Sport Canada & Sport Governance code, leadership succession (President and ED).
Mitigated by norms and values, standard operating policies and procedures, audits, metrics.	Mitigated by scenario/contingency planning, risk-based resource allocation.	Mitigated by governance education, effective board recruitment, benchmarking against good governance practices.

6. Review

6.1 The Board of Directors will review, at least annually, the following elements of Ringette Canada's risk management program:

- 6.1.1 The Risk Environment.
- 6.1.2 The statement of Risk Appetite and Risk Tolerance.
- 6.1.3 The organization's operational risk management performance as reflected in the Risk Management Report.
- 6.1.4 The organization's position relative to Strategic and Governance risks.

This Policy is subject to review at least once every year

Date of last review: November 2023

The publication of Ringette Canada policies will be in the English and French languages. In the case of conflicting interpretations, the English version will prevail.

SCHEDULE A : RISK CRITERIA

1. FINANCIAL RISK

Ringette Canada is a not-for-profit corporation, reliant on funding from Sport Canada and annual registration and participation fees from ringette participants as its principal sources of revenue.

Appetite for Financial Risk: LOW. Ringette Canada has a conservative stance to financial risk, but acknowledges it has the capacity to absorb some risk in pursuit of its objectives.

Financial Risk tolerance: Year-end surplus or deficit (budget variance) within \$X provided that Ringette Canada will target that the year-end surplus or deficit falls within \$Y of the Board-approved budget amount, after allocating to/providing for the Reserve fund.

- 1.1 Program Financial Risk is the financial risk associated with the delivery of core programs to Members and ringette Participants. Program operating costs should be identified within the operating budget approved by the Board of Directors. It is understood that actual costs may vary to a degree from budget costs, but it is expected that the likelihood of material cost overruns and effective mitigation strategies will be identified as part of program planning and timely action will be taken to mitigate these risks before excess costs are incurred.
- 1.2 Financial Risk associated with Program Innovation reflects the greater financial uncertainty associated with new or innovative programming. Ringette Canada accepts that growth comes from trying new things, and that trying new things brings a greater degree of risk. Ringette Canada accepts a moderate degree of financial risk associated with program innovation, and thoughtful and responsible program innovation is supported.
- 1.3 Commercial financial risk is the risk associated with purely commercial activities, for example the purchase of goods for resale or the offering of services to customers, in pursuit of profit to subsidize other operations. The risk associated with the pursuit of profit-making activities is inconsistent with Ringette Canada's mission and status as a not-for-profit organization and Ringette Canada has no appetite for this risk.

Commercial activities associated with fundraising to support programs or other initiatives may be considered, provided there is minimal financial risk.

2. RISK TO PARTICIPANT HEALTH, SAFETY, AND WELL-BEING

Ringette Canada considers it a priority to provide a safe and inclusive environment in which participation in an active and challenging sport contributes to the health and well-being of all participants.

Appetite for Risk to Participant Health, Safety and Wellbeing: AVERSE. Ringette Canada seeks to reduce this risk wherever it is reasonably possible to do so.

Health, Safety and Wellbeing Risk tolerance: With respect to injury risk, Ringette Canada seeks to reduce the incidence rate to a rate equal or better than comparable sporting activities.

With respect to risk of athlete maltreatment, Ringette Canada will continually seek to prevent, detect, and eliminate this risk.

2.1 Injury Risk is the risk associated with physical injury such as bumps and bruises, muscle strains, concussion, etc. Ringette Canada accepts that participation in a fast and challenging physical activity brings some unavoidable risk of physical injury. However, attention to the rules and structure of competition, the training and development of participants, and promotion of best practices and responsible play all contribute to reducing injury risk, and Ringette Canada will pursue all reasonable measures to do so.

2.2 Risk of Athlete Maltreatment is the risk that a participant is subject to bullying, abuse, harassment or discrimination. Ringette Canada believes that no one should be expected to accept the risk of experiencing maltreatment as a consequence of their participation in ringette and we will strive to eliminate and prevent this risk within Ringette Canada's areas of control or influence.

3. REPUTATIONAL RISK

Reputational risk is the risk that an action, an occurrence, a decision, a business relationship, or association could reduce the trust that the public or a stakeholder has in the organization. The successful pursuit of Ringette Canada's Mission depends on maintaining a reputation for competence and integrity, to maintain the confidence and support of participants in the sport, of Sport Canada as a major funder, sponsors, and the general public.

Appetite for Reputational Risk: LOW. Ringette Canada understands that to many, it will be the face of ringette in Canada. Ringette as a sport operates in many communities, interacts with thousands of people (participants and non-participants), and many ringette roles are filled by volunteers. Errors and mistakes in judgement may occur. Ringette Canada will rely on policies and procedures based in its values in an effort to conduct its affairs with integrity, professionalism, and accountability.

An important element of reputational risk is recognition that operational activities at the provincial and local levels of ringette are not under Ringette Canada's direct oversight or control, and yet ringette participants, funders, and the general public may assume or assign responsibility to Ringette Canada for occurrences at that level. Ringette Canada must seek to extend effective risk management practices throughout the ringette community.

Reputational Risk tolerance:

- 3.1 Governance risk is the risk that a failure of governance oversight will allow or contribute to an action or inaction that damages Ringette Canada's reputation. Ringette Canada believes that effective board recruitment, board education and development, and adherence to best practices in governance (such as adoption of the principles in the Sport Governance Code) can effectively mitigate governance risk.
- 3.2 Systemic risk is the risk that an action, event, decision etc somewhere in the ringette community beyond Ringette Canada could also impact Ringette Canada's reputation, by damaging the image of the sport of ringette in general, or because of broad perception of Ringette Canada's responsibility. Ringette Canada must work through its members and other organizations in the ringette community to mitigate this risk by raising awareness of the risk, and by promoting the adoption of policies and processes that reduce this risk.