



RISK MANAGEMENT PROCEDURES

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Introduction 3

What is Risk Management? 3

Why is Risk Management Important? 3

Risk Management Process..... 4

 STEP 1 - Risk Identification 4

 Procedure 5

 STEP 2 – Risk Assessment..... 5

 STEP 3 – Treating Risks and Risk Registry Maintenance 6

 Procedure – Risk Assessment..... 6

 Procedure – Risk Registry Maintenance 6

BC SOCCER RISK ASSESSEMENT FORM – INSTRUCTIONS..... 7

BC SOCCER RISK ASSESSEMENT FORM 8

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 & Legal** - risks including loss of funding, decline in membership, decline in other revenues, mismanagement of funds, weak cash flow, failure to diversify revenue sources, and legal matters.
4. **Operational Program & Events**- 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/Information** - 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.
8. **Compliance** – risks associated with compliance with legislation, rules, regulatory bodies and the like.

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** and returning it to the Director of Finance and Administration
- Risk Assessment Forms must be submitted to BC Soccer’s Risk Management Officer for review and categorization.
- Upon receiving the complete BC Soccer’s Risk Assessment Form, the Risk Management Officer will follow the Risk Assessment procedure before approving/accepting 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 (i.e. the event impact), and the severity 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 - event is rare; may occur every 10 years.
- Possible - An event may happen once in the next one to five years
- Likely - an event may happen once in the next one to five years
- Probable - an event may happen once in the next one to five years

The severity 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
- Major – it will significantly impact the achievement of the objective
- Extreme – 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 risk heat map chart below:

		RISK HEAT MAP			
		Unlikely	Possible	Likely	Probable
Severity Rating	Extreme	Major	Extreme	Extreme	Extreme
	Major	Moderate	Major	Major	Extreme
	Moderate	Minor	Moderate	Moderate	Major
	Minor	Minor	Minor	Minor	Moderate
		Unlikely	Possible	Likely	Probable
		Event Impact			

Procedure

The Risk Management Officer will assess the significance of a potential risk by considering its likelihood and consequences in collaboration with the individual submitting the Risk Assessment Form and the Executive Director (if required) and identify the potential treatment for the risk identified.

STEP 3 – Treating Risks and Risk Registry Maintenance

BC Soccer will utilize four ways to manage and/or mitigate identified risks:

1. **Avoid the risk** – simply deciding not to act.
2. **Transfer the risk** – determining there is the ability to share the risk with others. An insurance policy, waiver, business contracts, agreement etc.
3. **Reduce the risk** – usually relate to changing human actions or behaviours.
4. **Accept the risk** – inherent in the sport activity itself or representing the unavoidable cost of doing business.

Procedure – Risk Assessment

- All completed Risk Assessment Forms will be submitted for initial review by the Risk Management Committee in compliance with the procedure stated in Step 2.
- If the risk requires action the following applies:
 - Minor to Moderate Risks: All “Minor” to “Moderate” risks will be referred to and managed by BC Soccer staff and captured within program documents and identified within the Risk Registry. The Executive Director (or designate) will take all reasonable measures to manage the risk including, but not limited to, seeking the advice of other Board members, consulting external experts.
 - Major to Extreme Risks: All “Major” to “Extreme” risks are managed by BC Soccer’s Risk Management Officer by communicating with the Executive Director within 48 hours of the risk being identified, raised at the next meeting of the Finance, Audit and Risk Committee meeting, and documented in the Risk Registry per the outlined procedures.

Procedure – Risk Registry Maintenance

- The Risk Registry will be maintained by the Director of Finance & Administration (or designate).
- Board Directors has access to view the Risk Registry at any time.
- The Risk Registry is formally reviewed by the Finance, Audit & Risk Management Committee and Board of Directors a minimum of four times per year. The review will primarily focus on the residual risks that are classified as Extreme and/or Major, as well as any changes to any identified risks.
- Any Risks identified per the Risk Assessment procedure will be added to BC Soccer’s Risk Registry.
- The Risk Registry will document the following:
 - A description of the risk identified and the potential impact on the Association
 - An assessment of the inherent risk
 - A description of the control in place to manage and/or potentially mitigate the risk
 - An assessment of the residual risk after the control in place has been considered
 - The date the risk is reviewed and identify any specific actions required if the risk, assessment, or control has changed.
 - Document the impact of any changes in the assessment of the risk as a result the semi-annual review or submission of a Risk Assessment Form (i.e. increase in risk, decrease in risk, no change)

-End-

BC SOCCER 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** – event is rare; may occur every 10 years.
- Possible** – An event may happen once in the next one to five years.
- Likely** – an event may happen once in the next one to five years.
- Probable** – an event will likely happen once or more in the coming year.

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 that may require a delay or increase in cost.
- Major** - will significantly impact the achievement of the objective and require additional time, resources, costs, and thought.
- Extreme** - will have a debilitating impact on the achievement of the objective; staff and board need to devote full time resources to managing the situation.

RISK HEAT MAP				
Extreme	Major	Extreme	Extreme	Extreme
Major	Moderate	Major	Major	Extreme
Moderate	Minor	Moderate	Moderate	Major
Minor	Minor	Minor	Minor	Moderate
	Unlikely	Possible	Likely	Probable

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 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** – event is rare; may occur every 10 years.
- Possible** – An event may happen once in the next one to five years.
- Likely** – an event may happen once in the next one to five years.
- Probable** – an event will likely happen once or more in the coming year.

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 that may require a delay or increase in cost.
- Major** - will significantly impact the achievement of the objective and require additional time, resources, costs, and thought.
- Extreme** - will have a debilitating impact on the achievement of the objective; staff and board need to devote full time resources to managing the situation.

RISK HEAT MAP

Extreme	Major	Extreme	Extreme	Extreme
Major	Moderate	Major	High	Extreme
Moderate	Minor	Moderate	Moderate	Major
Minor	Minor	Minor	Low	Moderate
	Unlikely	Possible	Likely	Probable

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: