	COUNCIL POLICY **Risk Management**

Initial Approval: December 14, 2022	Effective Date: December 14, 2022

Scope and Authority

The Chief Operating Officer or designate is appointed as Risk Manager and is responsible for the implementation, maintenance, and communication of this policy. This policy applies to all activities undertaken by CPSM.

Policy

CPSM will make the following commitments to its staff, registrants and stakeholders:
- All significant activities undertaken by CPSM will be analyzed from a risk management perspective;
- Steps will be taken to identify, assess, manage, and communicate risk facing CPSM;
- Risk mitigation 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).

CPSM acknowledges risk management is a broad activity and a shared responsibility. All Directors, Managers and staff have an ongoing responsibility to take appropriate measures within their scope of authority and responsibility to identify, assess, manage, and communicate risks.

Procedures

Managing risk involves four steps:
1. Identify potential risks using an informed, environmental scan approach;
2. Assess the significance of a risk by considering its likelihood and impact (severity);
3. Develop and/or implement measures to mitigate those risks deemed significant by reducing possibility, consequences, or both.
4. Collect & report on the identified risks and mitigation measures through a risk registry tool.

Risks can arise from a number of categories of CPSM's operations. Facility, equipment, people (HR), programs (operations), IT (cyber security risk), financial, reputational, compliance (regulatory), and external are the common areas that give rise to potential risks. CPSM will determine the categories (or buckets) that will be used when identifying risk.

All risks faced by CPSM 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 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 an activity or initiative.

The above general strategies translate into a variety of risk control measures, which may include but are not limited to:
- Development of policies, procedure, 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;
- Adherence to minimum, mandatory qualifications and/or certifications for key staff and leaders;
- Use of robust and legally sound contracts (code of conduct, employee agreements, contractor agreements, partnership agreements);
- Improving role clarity 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 review, maintenance, repair, and replacement of equipment;
- Preparing procedures and protocols for emergency response and crisis management;
- Use of warnings, signage, participation agreements, and waiver of liability agreements where warranted;
- Purchasing appropriate insurance coverage for all activities and reviewing regularly.

Reporting and Communication

To ensure risk management remains a high priority within the organization, and to promote an organizational culture that embraces a risk management perspective, CPSM recognizes communication is an essential part of risk management. This policy will be communicated frequently to staff, Council, and Committees.

The state of CPSM risk management will be reported on to Council at least annually in June of each year. Management will report on the status of risk to the Finance, Audit & Risk Management Committee in February of each year and more often as circumstances deem necessary.

Appendix A – Decision Risk Tools

Decision Risk Matrix Assessment (Pascarella, et al., 2021)

Impact/Consequence Levels

Likelihood Descriptors		Slight/ Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
		Harm is minor with no treatment required	Harm is minor, minor treatment required	Harm occurs and requires treatment and possible admission	Serious Harm, acute care required	Death or permanent disability
Rare/Remote (1)	May happen only in exceptional circumstances	1 Very Low	2 Very low	3 Low	4 Moderate	5 Moderate
Unlikely (2)	Could happen some time	2 Very Low	4 Low	6 Moderate	8 Moderate	10 Moderate
Possible/ Occasionally (3)	Might occur occasionally	3 Low	6 Moderate	9 Moderate	12 Moderate	15 High
Likely (4)	Will probably occur in most circumstance	4 Low	8 Moderate	12 Moderate	16 High	20 Very High
Almost Certain (5)	Expected to occur in most circumstances	5 Moderate	10 Moderate	15 High	20 Very High	25 Very High

Risk example	Likelihood	Impact	Risk Level	Risk Grading
Patient Injury	Likely (4)	Major (4)	16	High

Likelihood Scoring Table

Likelihood Descriptors	Score	Likelihood Description	Probability	Frequency
Rare/Remote	1	This will probably never happen/recur. Will only happen in exceptional circumstance	<5%	Once in more than 10 years or not at all
Unlikely	2	Do not expect it to happen but I may do so	>5% - 30%	Once in 5-10 years
Possible/ Occasionally	3	Might Happen or recur occasionally	>30 - 70%	Once in 1-5 years
Likely	4	Will probably happen/recur, but it is not a persisting issue	>70-95%	Monthly or several times year
Almost Certain	5	Will undoubtedly happen/recur on a frequent basis	>95%	Weekly

Control Assessment Questions and Adequacy

Description		Control Assessment Questions								Control Assessment Adequacy		
Risk	Measure in place	Documented		Awareness		Compliance		Effectiveness		Score		Risk Level	Controls Descriptor
		Is the control's documentation up to date		Is the control well communicated		Is the Control impossible to by-pass		Doe the Control trap its targets consistently		Yes	No		
1	A	YES	NO	YES	NO	YES	NO	YES	NO	4	0	E	Excellent
2	B	YES	NO	YES	NO	YES	NO	YES	NO	3	1	A	Adequate
3	C	YES	NO	YES	NO	YES	NO	YES	NO	2	2	Q	?
4	D	YES	NO	YES	NO	YES	NO	YES	NO	1	3	I	Inadequate
5	E	YES	NO	YES	NO	YES	NO	YES	NO	0	4	U	Unknown