



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

| | | Slight/ Negligible (1) | Minor (2) | Moderate (3) | Major (4) | Catastrophic (5) |
|----------------------------------|--|--|---|---|-----------------------------------|-------------------------------|
| Likelihood Descriptors | | 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 bypass | | Does 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 |