

ALBERTA BICYCLE ASSOCIATION



RISK MANAGEMENT PLAN

2008

Introduction

The adoption of a Risk Management (“RM”) Plan will assist the Alberta Bicycle Association (“ABA” or “Association”) to reduce exposure to risk and any potential legal liability. The risk management plan is simply a system that is intended to reduce risk in the Association.

The overall RM Plan can be modified or adopted to suit the affiliated members to help reduce risks within the organization.

The RM Plan will consist of four phases:

1. Risk Identification
2. Risk Assessment
3. Risk Evaluation
4. Risk Implementation and Monitoring

The Risk Management Plan is directly linked to the Business Plan and, as a result, the Strategic Plan.

BENEFITS OF MANAGING RISKS

The RM Plan will assist in increasing safety and reducing injuries and accidents as well as ensuring compliance with legal and financial obligations. While the plan will not necessarily prevent legal action, it can be used as part of a defence to any litigation as evidence that the Association has undertaken all reasonable steps to eliminate or reduce risks. The following are the primary benefits of implementing a RM Plan.

- Assist in the management of the business, sporting events, development plans and activities.
- Allow costing and budgets to be more accurate.
- Create a greater awareness of the safety of athletes, administrators, volunteers, spectators and officials.
- Ensure compliance with government standards.
- Improve communication internally and externally.
- Assist in identifying weaknesses within the organization.
- Assist in the development of policies and procedures.
- Greater ability to create contingency plans to deal with any situation to the best of the Association’s ability.

RESPONSIBILITY OF MANAGING RISKS

The Board of Directors is required to ensure all risks are reduced within the ABA. Athletes, officials, supporters and volunteers are to use their discretion when risks are encountered whether to continue or not.

The Executive Director (“ED”) must communicate with the Board of Directors regarding risk management and implementation. Overall the ED is responsible to control the risks within the organization on an administrative basis, ensuring the risks are reduced to prevent any negative effects to the association.

The Board is responsible to determine disciplinary actions that may cause a risk within the association.

OVERVIEW OF RISK MANAGEMENT

WHAT IS RISK MANAGEMENT?

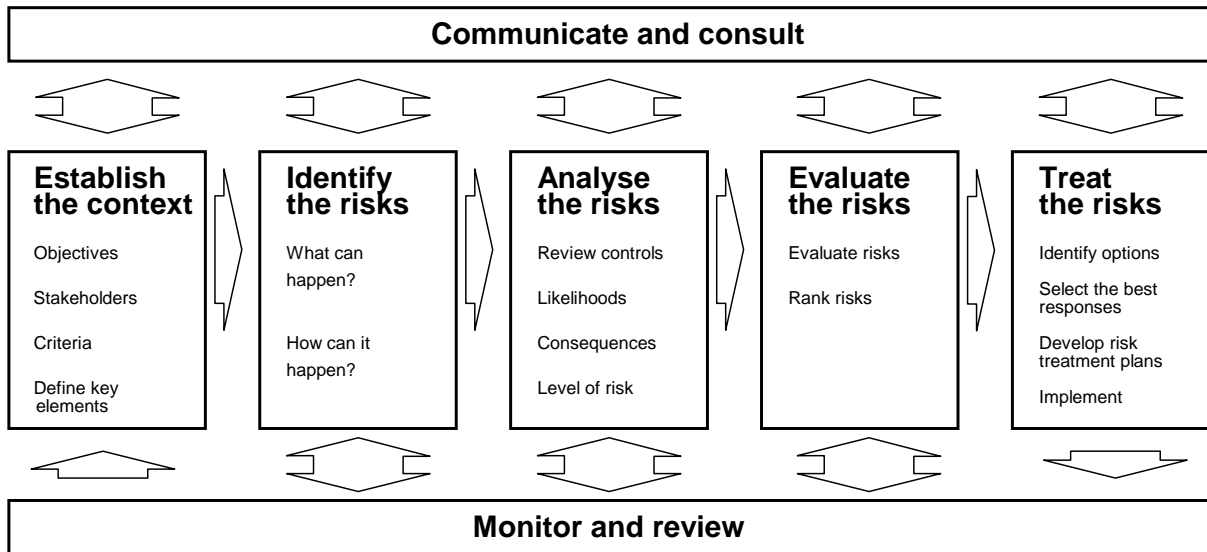
Risk management is the term applied to a logical and systematic method of:

1. Identifying
2. Analysing
3. Assessing
4. Treating
5. Monitoring, and
6. Communicating risks associated with any activity, function or process in a way that will enable the Association to minimise losses and maximise opportunities.

Risk Management is an integral part of good management practice and is a positive reason to take the initiative to implement, among other things, safe practices.

Risk Management is an ongoing process that needs to be reviewed on a regular basis to minimise the impact of risks and create awareness of new risks that may effect the organization.

The risk management process is detailed below:



LEGAL RESPONSIBILITIES

The ABA and its members should, to the extent possible, provide a safe environment, sound activity planning, adequate supervision, proper coaching and instruction, correct explanation of equipment, warning of any inherent dangers, a complete evaluation of athletes for injuries/ limitations, and relevant personal details as are required for the sport.

RISK IDENTIFICATION

The first phase of the RM Plan is risk identification. The ABA is the provincial association for cycling racing. As a result of this, some of the risks identified are relevant to the affiliated organizations.

The purpose of risk identification is to identify and depict the possible events or outcomes that may have an effect on the ABA whether it is positive or negative.

There are three areas that need to be considered when identifying risks and they are as follows:

- ❖ What are the possible sources of risks?
- ❖ What is at risk?
- ❖ What are the effects or consequences?

The following table shows the starting point on how to identify the risk within the ABA.

Diagram 2

What are the possible sources of risks?	What is at risk?	What will the effect or consequences are?
Relationships	People	Injury
Commercial	Athletes	Death
Legal	Management	Damage
Financial	Officials/ Referees	Loss
Political	Spectators	
Members	Sponsors	
	Public	
	Volunteers	
Human Factors		
Health	Assets	
Human error	Structure	
Negligence	Equipment	
Anti-social behaviour	Grounds	
Criminal activities	Finances	
	Vehicles	
Natural Events		
Fire	Intangibles	
Adverse climatic changes	Good will	
Earthquake	Reputation	
Vermin/ Insects		
Equipment/ Technology		
Design fault		
Misuse		

The purpose of risk assessment is to depict how the risk will affect the organization, the likelihood of the event occurring and how to reduce the probability that the risk will happen.

In order to do so, risks need to be documented in order of priority and rating level. This can be easily displayed in the ABA’s Action Plan (Annex A)

RISK ANALYSIS

The next phase of the RM Plan is risk analysis to evaluate the severity of each risk factor. There are three types of methods to analyse and evaluate risks. They are as follows: -

QUALITATIVE- this method involves using knowledge, experience and anecdotal evidence that will assist in producing intuitive decisions about the probable level of risks which may affect the organization.

QUANTATIVE- In this method, instead of applying a descriptive word, a numerical value is applied, this is dependent upon the evidence supplied to give the capability to analyse the frequency and exposure.

SEMI-QUANTATIVE- this method uses a combined approach of both qualitative and quantitative. Instead of using a descriptive word a numerical value is placed in the priority box, this allows the indication of risk priority to be easier to understand.

The ABA will be adopting the qualitative method because there is more description regarding the risk and it will allow the reader to understand the risks associated with the organization on a higher level.

To assess and evaluate the risk you need to decide on the consequences/impact it will have on the organization and if the risk is acceptable or unacceptable. By rating the consequences in terms of impact, you can get a general overview on how extensive the risk is to the organization. The table below shows the impact the consequences would have upon the ABA.

RATING	IMPACT
Catastrophic	The organization would default.
Major	Majority of the organization’s structures would be threatened or put at severe risk.
Moderate	Some of the organization’s structures would be threatened and the elements may be rectifiable with extensive work.
Minor	The organization would be threatened, but restorable with work.
Negligible	Nil or any threat to the organization, easily restorable with minor effort. Would not affect the structure of the organization.

The likelihood of the situation needs to be taken into consideration when assessing the risks that may effect the organization. Following the same format from the above table, this table shows how often the effect would occur.

RATING	LIKELIHOOD
Almost certain	The risk may or will occur on frequent basis numerous times in the year.
Likely	The risk may arise, likely to occur at least once per year.
Possible	There is a chance the risk may arise, not on frequent basis and unlikely it would occur once a year.
Rare	The chance of the risk is occurring is very unlikely but could occur in extreme circumstances.

Once both tables have been taken into consideration it can be formulated into a simple system to show qualitative analysis. .

	Catastrophic	Major	Moderate	Minor	Negligible
Likelihood					
Almost certain	Very high	Very high	High	Significant	Moderate
Likely	Very high	High	Significant	Moderate	Low
Possible	High	Significant	Moderate	Low	Low
Rare	Significant	Moderate	Low	Low	Low

RISK EVALUATION

By determining the priority of a risk you can depict the significance it will have on the organization. Risk tables will allow the ABA to determine whether the risk is acceptable or unacceptable. An example of an unacceptable risk is a preventable injury requiring hospitalization.

When deciding if a risk is acceptable or unacceptable you need to take the following factors into account:

1. The controls the organization already has implemented.
2. The financial effect the risk will have on the organization if it is left untreated or managed accordingly.
3. Opportunities and benefits the risk will present to the ABA.
4. How the risk will affect the stakeholders.

The risk evaluation determines the priority; it is more in depth than the risk analysis because this phase allows the ABA to place risks in order of priority and the requirements that are needed to control the risk. Risks are determined by a priority rating.

MANAGEMENT OF RISK

The risk treatment phase is a culmination of identifying and assessing risks that are acceptable or unacceptable to the ABA.

The purpose of this phase is to respond to the risks that have been identified and assessed. It is mandatory to manage the risks or they will still remain present in the ABA and the time taken to assess and identify will be considered as a waste of time.

When managing risks, they need to be attended to in order of priority as designated in the analysis and evaluation phase. By identifying the risks using the assessment tables it will allow the ABA to develop and implement a risk action plan. As a result of this, the ABA will be able to foresee the most cost efficient method to treat the risks identified within the organization.

The risk treatment is documented in a Risk Action Plan (see Annex B).

The main purpose of risk treatment is to outline the response for those risks that have been identified. You can evaluate the risks in various methods such as cost, benefits, feasibility and the effect it will have on the organization. When implementing the risk treatment you need to take into consideration the most effective and practicable system that includes the objective of reducing risks within the ABA to an acceptable level.

MONITOR AND REVIEW

The purpose of this phase is to monitor and review the risks associated with ABA. Supervising, checking, observing and recording the progress of risks identified in order to document change within the organization to achieve monitoring. Reviewing is achieved by making a conscientious effort to assess plans and policies in place to reduce the risk within the organization.

Risks need to be monitored and reviewed on a regular basis to manage existing risks and detect new risk. This is achieved by referring to the register of risks and cross-referencing to the Risk Action Plan.

In order to ensure the risks are managed regular risk audits need to be undertaken, as a result of this the Register of risks and Risk Action Plan will need to be updated. The Executive Director is responsible for conducting and maintaining the Risk Management within the ABA.

REPORTING RISKS

The Executive Director is required to submit reports to the Board of Directors on a regular basis and an annual risk report will be presented to the affiliates at the directors meeting.

ABA INSURANCE POLICIES

Business Insurance

Public and Property Liability Insurance

General Liability

Board and Director Insurance

Accident Coverage

Van Insurance

RISK MANAGEMENT POLICY

Risk Management Policy	
Policy	<p>The Alberta Bicycle Association aims to use strong risk management practices to support and enhance our activities in all areas of our organization. Alberta Bicycle Association will ensure risk management is an integral part of all our decision-making processes.</p> <p>Alberta Bicycle Association will use a structured risk management program to minimise reasonably foreseeable harm to people, disruption to operations and damage to the environment and property. We will identify and take advantage of opportunities as well as minimising adverse effects.</p> <p>Alberta Bicycle Association will train our staff and volunteers to implement risk management effectively. We will strive to continually improve our risk management practices.</p>
Responsibilities	<p>The Executive Director is accountable to the Board for the implementation of the risk management process and ultimately responsible for the management of risks in the business.</p> <p>All personnel are responsible for managing risks in their areas.</p>
Process	<p>A risk management systematic process has been established, based on the Canadian Standard CAN/CSA – Q850-97. Everyone involved with the application of risk management should use this process for guidance.</p>
Monitoring and Review	<p>The Board will monitor and review the implementation of the risk management program.</p> <p>The Executive Director will facilitate the development of a common risk management approach across areas of our business by:</p> <ul style="list-style-type: none"> – Implementing the risk management program; – Sharing information with broad applicability across all areas; – Reporting on the progress of implementing the risk management program.

STAKEHOLDERS

Stakeholders are people or organizations who may be effected by a risk or an activity where the ABA is held responsible.

The **stakeholders** of the ABA are as follows:

- Athletes
- Canadian Cycling Association
- Alberta, Sport, Recreation, Parks & Wildlife Foundation
- Clubs
- Coaches
- Community
- Commissaires
- Staff
- Sponsors
- Suppliers
- Volunteers and Supporters
- Support Staff

REGISTER OF RISKS

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
1	Provincial Team	Appeal made against coach or team manager	Provincial Coach	Major	Unlikely	Medium	Police Checks required for all Provincial Team Coaches. Same Sex Coaching Policy of Racing Committee	Encouragement of police checks throughout clubs.
2		Athlete, Coach or Team Management seriously injured while at event or training camp.	Provincial Coach	Major	Possible	High	Insurance Provided when overseas by ABA for Coaches and Management.	Athletes required to carry out of province insurance policies. Inform athletes about the limitations of current plans.
3		Athlete, Coach or Team Management breaching the ABA Code of Conduct while at Training Camp or Event	Provincial Coach	Major	Possible	High	Signed agreement with athletes for all sanctioned team events/camps.	Stronger contracts and sanctions in place for athletes.
4		Athlete, Coach or Team Management Assaulted while at Event or Training Camp	Provincial Coach	Major	Unlikely	High	Qualified Team Staff in place at all events.	
5		Accident with Van	Provincial Coach/Executive Director	Major	Possible	High	Van Insurance	

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
7		Athletes Account not settled	Executive Director	Low	Moderate	Medium	Athletes not able to licence or take part in future projects if account not settled	Development of Account Payment Policy.
8	Administration & Management	Computers crash, loss of data.	Executive Director	High	Moderate	Medium	Weekly backup of office computers.	Make backup storage devices available to all staff.
9		Loss of Human Resources due to insufficient funding.	Executive Director	High	Moderate	High	Provide Professional Development Opportunities for staff.	Continue to seek out new funding to retain Human resources
10		Loss of Human Resources due to unequal treatment or misunderstanding involving employees, volunteers, and athletes.	Executive Director	High	Unlikely	Medium	Equal Opportunity Employment Policy	
11		Government Funding Withdrawn	Executive Director	High	Low	High	Comply with all ASRPWF Funding requirements and lobby for continued funding.	N/A

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
12		Damage to leased facilities	Executive Director	Low	Low	Low	Have appropriate insurance coverage, including tenant's liability insurance. Percy Page Centre Security. Secured Office when unattended.	N/A
13		Run Budget Deficit	Executive Director, VP Administration	High	Low	Medium	Quarterly Financial Reports	N/A
14		Loss of currently leased offices	Executive Director	High	Low	Low	Current lease agreement.	Ensure that the ASRPWF is not looking to change lease agreement.
15		Staff embezzling funds	Board of Directors	Major	Rare	High	Quarterly Financial Statements, Two Signatories Policy, Annual Auditing of Financial Statements	N/A

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
16		Confidential Information being distributed to public	Executive Director	High	Low	High	No circulation of personal information	Development of Privacy Policy.
17		Unethical practices by employees, athletes, volunteers	All staff	Medium	Low	Medium	Values Statement Harassment Policy Coaches/Athlete Code of Conduct Coaching Code of Conduct Employment Contracts	Development of Anti-Doping Policy, Privacy Policy, Member Protection Policy
18	Education and Training	Too few qualified coaches and commissaires	Executive Director, Sport Coordinators	Major	Possible	High	Ongoing Provincial Commissaire and Coaching Courses. Participation in new NCCP programs.	
19	Behaviour	Athlete Testing Positive for Performance enhancing substance	Executive Director	Major	Medium	High	Support Anti-Doping Culture	Development of Anti-Doping Policy

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
20		Legal Action due to Negligence, Errors and Omissions against Directors and Officers of ABA	Executive Director	Major	Low	High	Directors and Officers Insurance	Board Development Training.
21	Facilities	Too few facilities to run races in all disciplines	Executive Director, Sport Coordinators	Major	Low	High		Continue to Lobby Government for new funding.
22		Injury or fatality occurs at ABA sanctioned events.	Executive Director	Major	Medium	High	ABA Commissaires Training Program. Technical Program Needed CCA Racing Rules Race Sanctioning (waivers)	
23		Inadequate number of race organizers	Executive Director	Major	Low	High	N/A	Greater incentive for organizers to host events.
24	Membership	Legal Action against clubs or event organizers	Executive Director	Major	Medium	High	Educate members about potential risks. Insurance for races. Insurance available for club officers and directors.	Develop minimum standards document for race organizers.
25		Major decline in membership	Executive	Major	Low	Medium	Provide strong value	

Risk No.	Risk Group	Description	Risk Manager	Consequence	Likelihood	Risk Priority	Control in Place	Action Required
		of ABA	Director				added services to members.	