RSK.01.01 **Risk Management Policy**

Intent
To establish a robust risk management approach, which allows the Bruce Trail Conservancy (BTC) to identify, assess and categorize its risks while advancing the organization's mission.

Definition
Risk is defined as the effect of an event taking place that will influence the achievement of the mission and strategic priorities and is measured in terms of severity of impact and probability of occurrence.

Policy Principles
Risk management applies to all aspects of the BTC's operations and is always top of mind.

The risk management approach adopted by the BTC reflects the size of the organization and its business activities.

The BTC will have in place a Risk Management Program comprised of a Risk Management Policy, Risk Assessment Table, and Risk Matrices that allows the organization to ensure material risks are identified, assessed, managed, monitored and reported using a common set of guidelines and escalated accordingly. Each BTC staff member is responsible for identifying and reporting on risks to the organization; however, the Leadership team has the ultimate responsibility for the Program. Risks are identified and managed based on the organization's key business risks, including those related to the Board and the executive team, finance, compliance, health and safety, land securement, revenue, operations and IT.

The BTC acknowledges that there is inherent risk in unsupervised outdoor recreational trail activities, and while the BTC accepts a higher risk tolerance for trail use, the organization mitigates the risk to trail users by maintaining the trail to proscribed standards as set out in the Guide for Trail Workers. The BTC has a more cautious approach to and accepts less risk in land securement, financial and reputational, operations, and those that can impact the sustainability of the organization and realization of its mission.

BTC recognizes that some risks cannot be avoided in advancing the organization's mission, and delivering on its Strategic Plan. The Risk Management Program should ensure that unavoidable risks do not expose the BTC to significant loss or harm the organization's brand or reputation.

The BTC Board and the Finance and Risk Committee are to be informed of all emerging High or Extreme risks following the process described below. Additional actions to mitigate risks are to be recommended to the Finance and Risk Committee and the Board, as appropriate, by the CEO.

Implementation Process
The following four step risk assessment process should be adopted to identify, evaluate, monitor, and mitigate its potential risks.

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Step 1: Identify Risks
The Leadership team, in collaboration with various team members, will conduct a thorough review of potential risks, by identifying and documenting such risks. Risks are grouped in the following categories.
- Board/ Executive
- Finance
- Compliance
- Health and Safety
- Land Securement
- Revenue
- Operations
- IT

The Leadership team will identify the following key risk factors during the risk assessment process. The list is extensive but not exhaustive, and other factors may be considered as circumstances require.

Key Risk Factors and Nature of Risk

Trail Use Risk	Land Securement Risk	Financial and Reputational Risk	Operational Risk
• BTC led events • Litigation/injury on trail • Significant injury of volunteers • Significant injury of Staff	• Landowner relations • Market developments • Donor relations, Business Continuity • Government relations • Buy Sever Sell • Market Developments, Land Management	• Business continuity • Cyber risk • Diversity, Equity and Inclusion • Communication • Financial Reporting • Misappropriation of BTC assets • Donor relations, • Management of trail resources	• Strategic Plan • Regulatory and Conservation • Regulatory and tax reporting • Insurance • Social Political Climate • Market Developments, Land Management • Staff Resourcing • Volunteer Resourcing • Business Continuity

Step 2: Risk Ranking
The BTC Leadership Team will assess each identified risk based on likelihood of occurrence and severity of consequence, with risks categorized by the Leadership Team into high, medium, and low using the risk assessment framework outlined below and recorded in the Risk Assessment Table.

Likelihood of Occurrence
The probability of occurrence is measured quantitatively and qualitatively and divided into the following categories:

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	Low	Medium	High
Probability Range	Less than 25%	25%-75%	Greater than 75%
Comment	May only occur in exceptional circumstances	As likely to happen as not	It is expected to occur at some time in the near future

Severity of Consequence

The impact of the risk is measured against the impact on the organization and is divided into the following categories:

	Low	Medium	High
Impact	Little or no impact to the BTC's resources or reputation	Either damage to the BTC's reputation or loss of resources	Both significant damage to the BTC's reputation and significant loss of resources

Step 3: Mitigation Strategies

To manage the identified risks, the Leadership Team will use various strategies to mitigate each risk as documented in the Risk Assessment Table. Risk mitigation strategies may include:

- Establishment of policies and internal controls
- Establishment of committees for oversight
- Appointment of external auditors
- Use of consultants and outside counsel
- Review of trail audits and trail maintenance reports
- Litigation reporting
- Landowner relations programs and donor engagements
- Internal analysis and reporting
- Use of specialized vendors and offsite data storage and security
- Training and education

Step 4: Risk Reporting and Monitoring

The Leadership Team will establish a risk reporting process to ensure risks are monitored and reported appropriately.

The Leadership Team will review the Risk Assessment Table on a bi-monthly basis and recommend changes as needed to the Finance and Risk Committee.

Risk tolerance statements will be used to asses the need to change the risk ranking and to inform the Finance and Risk Committee of changes to risks or where the tolerance statement has been exceeded.

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Risk Reporting Table

Risk Ranking	Action
Extreme	• Report to the Finance and Risk Committee who will advise the Board • Advise of mitigation strategies being taken and determine further action
High	• Report to the Finance and Risk Committee • Monitor risk and report to the Board if the trajectory of the risk is increasing in likelihood and consequence • Advise of mitigation strategies being taken and determine further action
Medium	• Continue monitoring for changes in likelihood and consequence
Low	• Monitor risk

The mitigated Risk Reporting Matrix will be presented at each Finance and Risk Committee meeting along with any changes to the Risk Assessment Table.

Risk Reporting Matrix

LIKELIHOOD		Low	Medium	High
	High	Medium - Monitor	High – report to F&R Committee	Extreme – Report to Board
	Medium	Low - Monitor	Medium - Monitor	High – report to F&R Committee
	Low	Low - Monitor	Low - Monitor	Medium - Monitor
		Low	Medium	High
			CONSEQUENCE	

Monitoring Frequency
All risks identified in the Risk Assessment Table will be monitored every two months by the Leadership Team. Urgent or emergent risks will be identified and mitigated as soon as possible and reported according to the Risk Assessment Framework.

Documentation Review
All risk management documentation will be reviewed and approved by the Finance and Risk Committee on an annual basis. The Risk Management Policy will be recommended to the Board for approval annually.

Training Requirements
BTC staff will be trained on an annual basis on how to identify risk, their responsibility for reporting such risks and the process to follow should a risk be uncovered.