









# **RISK MANAGEMENT**

**101**

# Outline




-  What is Risk Management?
-  Why Engage in Risk Management ? What has Changed ?
-  What can Happen if we don't engage in Risk Management?
-  What Options do we have to Manage Risk?
-  What you are the Next Steps?
-  Questions



# What is Risk Management?







- 👑 Risk management is a continuous process for understanding and actively managing uncertainty.
- 👑 The RM process uses a systematic approach to identify, assess, understand, act on and communicate risk issues applicable to the ACL areas of responsibility.

# So what is Risk?



-  **Risk** - Something happening that may have an impact on the achievement of objectives.
-  The upside of Risk is Opportunity and the downside of Risk is Threat.
-  Often it is the Threats to the Program, the Cadets, volunteers, and resources that we need to **Manage** to acceptable levels.

# What has Changed?




## Why Engage In Risk Management?

-  To protect people, image, buildings, finances
-  To achieve outcomes we desire
-  To build on unique assets and capabilities
-  To maintain public trust
-  To protect the future of the Cadet program
-  To establish a process in alignment with the DND renewal process

# What is the Effect if we don't Engage in Risk Management ?

-  Without Risk Management, we are exposing our cadets, the cadet program, volunteers and our resources to undue harm, loss or damage.
-  As partners with DND and co - custodians of the program, it is our obligation to carry out due diligence to ensure a safe environment for all concerned and to set the conditions for the long-term viability of the program.

# What Options Do We Have to Manage Risk?

-  It is suggested that when it comes to managing risks use the acronym **“TEAM”**.
-  When it comes to Risk we can: **T**ransfer, **E**liminate, **A**ccept or **M**itigate the Risk.
-  If we choose to mitigate then we use the 5 or 14 question process to determine the mitigation strategy and controls required/desired.








# What are the Next Steps ?

- 👑 The Next Steps are for us to:
  - 👑 Complete the Risk Register documenting your risks, mitigation strategies, and timeframes.
  - 👑 That is done by:
    1. Assessing and prioritizing risks
    2. Responding to Risks
    3. Monitoring and evaluating.
- 👑 Review and amend as needed - at least annually

# ACLC Risk Management Questionnaire – Sample Risk Checklist

Risk categories	Potential specific risk scenarios	Can this risk occur and impact the squadron?		Comments (if any)
		Yes	No	
Public perception	Negative Reaction to a Cadet Activity			
	Lack of Community Support			
	Lack of Emergency Communication Plan			
Lack of funding	Lack of sponsor support			
	Too much fund raising			
	Inadequate finances			
Relations with DND	Tense relationship with DND local staff			
	Poor relation SSC volunteers and CIC staff			
Parent relations	Conflict with parents			
	Parent Apathy			
Volunteer management	Volunteers not following protocols			
	Abuse of any kind			
	Lack of Knowledge of Duties/ Responsibilities			
Financial risks	Incomplete insurance/ lack of awareness			
	Internal fraud			
	External fraud			
	Improper/ Inaccurate Record Keeping			
	Improper Controls on Credit/ Debit Cards			
Other human risks	Demographic shift			
	Too many/ too few recruits to sustain squadron			
Regulatory risks	Filing requirements not met			
if a Society /Char. Assoc.	Terms of agreement not met			
	Required ACL information late or not sent			
Technology risks	Cyber attack			
	Ransomware - Social engineering			
	Poor user and password control			
Environmental risk	Spills			
	Release of air born contaminants			
Employee management	Disputes			
	Harassment			
	Discrimination			
	Poor performance			

# 5 Questions

-  What has changed?
-  What can happen?
-  What is the effect?
-  What are the options?
-  What are the next steps?

# Risk Matrix

		Impact (Threat)				
		Not Significant	Minor	Moderate	Major	Severe
Likelihood (Probability)	Almost Certain	Medium	High	Very High	Very High	Very High
	Likely	Medium	High	High	Very High	Very High
	Possible	Low	Medium	High	High	Very High
	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Low	Low	Medium

Qualitative Measures of Likelihood	
Likelihood Level	Definition
5 - Almost Certain	Expected to occur in most circumstances
4 – Likely	Will probably occur in most circumstances
3 – Possible	Could occur at some time
2 – Unlikely	Not expected to occur
1 – Rare	Occurs only in exceptional circumstances

Qualitative Measures of Impact (Threat)	
Impact Level	Definition
5 – Severe	Would stop the achievement of functional goals or objectives.
4 – Major	Would threaten the achievement of functional goals or objectives.
3 – Moderate	Necessitates significant adjustment to overall functions.
2 – Minor	Would threaten an element of goals or objectives.
1 – Insignificant	Lower consequences

# Conclusion

- 👑 Risk management is everyone's business - a shared responsibility
- 👑 It is a tool to improve decision-making, priority setting and results management
- 👑 We have a lot to gain by practicing Risk Management:
  - 👑 Protects from harm
  - 👑 Protects the environment
  - 👑 Saves resources
  - 👑 Reduces legal liability and threat of litigation
  - 👑 Increases stability and sustainability