



AIR CADET LEAGUE OF CANADA
Risk Management Handbook

A Guide to Creating & Maintaining Your Risk Management Plan
2020



TABLE OF CONTENTS

Table of Contents	1
-------------------------	---

Introduction 3

Where Do I start? 3

Kicking off the RM Process at Your Organization..... 3

Identifying risks through The Risk Management Process 4

Develop Your Risk Register 5

List of Appendices 6

Appendix A: Risk Questionnaire..... 6

Appendix B: Simple Risk Example – 5 Questions 10

Appendix C: 5x5 Risk Matrix..... 11

Appendix D: Risk Register..... 13

INTRODUCTION

Risk Management (RM) is a continuous, proactive and systemic process to understand, manage and communicate risk from an organization-wide perspective that adds value through supporting the organization goals and objectives. The RM process uses a systematic approach to identify, assess, understand, act on and communicate risk issues applicable to ACL areas of responsibility. The intention is to embed the RM framework into all decision making for each level of the organization.

Volunteers are involved in all ACL programs and activities at all levels of the organization. In an organization as vast as ours, with over 8,000 volunteers, all balancing their volunteer time commitment with other parts of their lives, managing organizational risks in their ACL specific areas of responsibility is a challenge. The RM Program aims to provide a consistent, simple, effective, and long-term standard that will be effective for all levels of the organization.

This Handbook will be amended as feedback is received to add content or information required as members become more familiar with the process. Your feedback is welcome and should be directed to: risk@aircadetleague.com.

WHERE DO I START?

Kicking off the RM Process at Your Organization

Plan a meeting of approximately 90 minutes to kick off the RM plan development exercise with your SSC. Gather the tools needed to complete the RM exercise. Consult with your provincial or Wing RM resource provincially to ensure you have the information and materials you require.

Tools are available to help you to develop your RM program for your SSC. They include:

- RM Questionnaire, found in Appendix A, to help you identify potential risks in you squadron
- “Five Questions” to identify, assess, mitigate and monitor risk, found in Appendix B
- 5X5 Risk Matrix to assess your risk as to likelihood and threat, found in Appendix C
- A Risk Register, found in Appendix D, is provided to document your risks, mitigation processes, and responsibilities.

You can access the Risk Management Training PowerPoint in the Risk Dropbox, to help you with the process. These items, and others, can be found on the National Air Cadet League Risk DROPBOX website.

https://www.dropbox.com/sh/a9gmtgdo93wlb2l/AAAr1_6jUqOz_xtvFi01xQDIa?dl=0

Additional resources are available in the Risk Dropbox for more complex risks, including an expanded “Five Questions” format, an extensive list of risk related definitions, and a list of common risks to ACL organizations. If you need additional assistance, contact your Provincial Committee Risk Coordinator.

Prior to your risk kickoff meeting, distribute this Handbook, along with the RM Questionnaire and a blank Risk Register to get people thinking about the risks in their areas of responsibility. Some examples of common risks that have been identified are included in the Risk Questionnaire in Appendix A. Items such as serious conflict between parents, fraud within the SSC, inadequate volunteer support and loss of parade space are all examples of risks SSCs may face.

When considering risks, only identify risks within the area of responsibility of your organization. For example, an injury to a Cadet would be within DND’s area of responsibility and is not a risk requiring mitigation by an SSC.

The following is a brief “step by step” to follow in your meeting process:

- Hold the meeting and complete the questionnaire (Appendix A). This will give you a “first impression” of potential squadron risks. Think about other risks not on the questionnaire that may pertain specifically to your organization.
- Enter your initial risk findings on the Risk Register (Appendix C).
- Develop other risks not shown on the questionnaire.
- Sort your risks by level of importance.
- Discuss a mitigation strategy to look at most important risks first and assign an individual to be responsible for the mitigation controls in a timely basis.
- Schedule a review period for your Risk Register – when something has changed or at a minimum once per year.

IDENTIFYING RISKS THROUGH THE RISK MANAGEMENT PROCESS

Use the “Five Questions” approach to identify the risks for your organization not shown on the questionnaire. These questions were distributed on the reference pocket card through your provincial risk coordinator. The Five Questions are essentially what we do through the risk register. An example is provided in Appendix B.

What has changed? (Task/Activity)

- **Step 1: Identify the Risk.** You and your team uncover, recognize and describe risks that might affect you and organization outcomes. Begin your Risk Register with this step. As a reference, several common risk categories are included in the Risk Questionnaire. These may be applicable to your organization, but this is not an exhaustive list. You may also identify risks that are not included in this questionnaire.

What can happen?

- **Step 2: Assess the Risk.** Once risks are identified, determine the likelihood and consequence of each risk. Develop an understanding of the nature of the risk and its potential to affect the organization. Add this information to your Risk Register.

What is the effect?

- **Step 3: Evaluate or Rank the Risk.** Evaluate or rank the risk by determining the risk magnitude, the combination of likelihood and consequence. make decisions on whether the risk is acceptable or whether it is serious enough to warrant treatment. Add these risk rankings for the highest ranking or most serious risks to your Risk Register.

What are the options?

- **Step 4: Treat the Risk.** Also referred to as Risk Response Planning or risk mitigation, during this step assess your highest ranked risks and develop a plan to treat or modify these risks to achieve acceptable risk levels. How can you minimize the probability of the negative risks and enhance opportunities? Create risk mitigation strategies, preventive plans and contingency plans and add them to your Risk Register. Mitigation strategies should be measurable and realistic.

What are the next steps?

- **Step 5: Monitor and Review the risk.** This is the step where use the Risk Register to monitor, track and review risks on a regular basis, and assign the person or people who have authority, responsibility and accountability to manage the risk.

DEVELOP YOUR RISK REGISTER

The goal of the Risk Management Process is to create a Risk Management Plan, complete a Risk Register for your organization and where necessary, develop plans to mitigate any risks that are identified and warrant mitigation. The Risk Register will be the one document we use to prioritize and manage risks. It will also be used provincially and nationally to determine common risks and share knowledge and best practices on how others mitigated their risks. Your Risk Register will be submitted to your provincial committee, who will compile risks from the SSC level and submit a consolidated provincial Risk Register to National.

The Risk Register is comprised of four key areas:

- **Identify the Risk and Create the Risk Statement.**

Risk statements provide an accurate picture of a risk, which is critical for the rest of the risk management process. It is the expression of the likelihood and impact of an event with the potential to affect the achievement of an organization's objectives. A suggested method for developing a risk statement for a threat involves at least two elements: the *event* itself and the potential negative *impact* of such an event if left unmanaged, for example:

Risk statement: If (*event*) occurs, the consequences could result in (*negative impact*).

- **Assess the Risk**

For this exercise, use the 5x5 Risk Matrix to determine the probability and impact of the event. That will allow you to rank risks in level of importance.

- What is the likelihood the risk or opportunity will occur?
- What impact will the risk have on your organization if it does occur?
- How will you rank the risk based on the risk matrix in Appendix C?

- **Mitigate the risk** ○ What can you do to prevent/avoid the risk from happening? (may be one or more things) ○ You may choose to manage risk through mitigation of the factors, eliminate the risk, transfer the risk to another organization, or accept the risk as it is.

- If you do these things to reduce/eliminate the risk, is there any residual risk that remains?

- **Monitor the risk** ○ Who has Authority, Responsibility and/or Accountability for the risk? ○ When will you follow up to see if your mitigation is (still) working?

LIST OF APPENDICES

Appendix A: Risk Questionnaire

Appendix B: Simple Risk Example – 5 Questions

Questionnaire

Risk Management Questionnaire Checklist-

Air Cadet League of
Canada

Squadron #:

Province:

General questions:

1. In your opinion and for your area of responsibility what would be the worst incident(s)/accident(s) that could likely occur? What would be the consequences for the organization?

What would be the consequences for the organization?

Answer:

2. In your opinion and for your area of responsibility what would be, the incident(s)/accident(s) most likely to occur that would significantly impact the organization's activities?

Answer:

3. What forthcoming changes do you think could represent an increase in the Risks that the Organization faces?

Answer:

Risk categories	Potential specific risk scenarios	Can this risk occur and impact the squadron^	Comments (if any)
		Y/N	
Public perception	Negative Reaction to a Cadet Activity		
	Lack of Community Support		
	Lack of Emergency Communication Plan		
	Negative Reaction to a Sponsor		
	Decrease participation of new cadets and staff		
	Negative Press Release		
Lack of funding	Lack of sponsor support		
	Too much fund raising		
	Inadequate finances		
	Program delivery deficiencies		
Relations with DND	Tense relationship with DND local staff		
	Poor relation SSC volunteers and CIC staff		
	Funding conflicts		
Parent relations	Conflict with parents and CIC staff		
	Parent Apathy		
	Conflict of parents and SSC		
Volunteer management	Volunteers not following protocols		
	Abuse of any kind		
	Lack of Knowledge of Duties/ Responsibilities		
	Reduced number of volunteers		
	Internal politics issues		
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		
	Too few staff or volunteers to sustain squadron		
Capital Assets & Facilities	Proper Insurance		
	Cost/Benefit Analysis		
	Loss of facility, infrastructure or assets		
	Loss of or damage to facility, infrastructure, assets or documents		
	Loss of use of facility, infrastructure/ accommodation (example: Parade square damaged due to weather)		
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		
	Loss of records, files, or information,		
Environmental risk	Spills		
	Release of air born contaminants		
Employee management	Disputes		
	Harassment		
	Discrimination		
	Poor performance		

SSC Chair Name

SSC Chair Signature

Date Completed

Appendix B: Simple Risk Example – 5 Questions

1. What Has Changed?

Identify the context:

Screening of a new SSC volunteer has uncovered a criminal record

2. What Can Happen?

Identify the threat(s):

- *volunteer has a criminal record, or*
- *volunteer is a registered pedophile, or*
- *volunteer checks uncover a drug/alcohol addiction, or*
- *volunteer is focused only on the promotion of their Cadet over others*

3. What is the effect?

Identify the vulnerability(ies):

- *Cadets may be at risk*
- *Organization finances may be at risk*
- *May deter others from volunteering/working with this person*
- *Creates animosity between volunteers/CIC Staff*
- *Creates negative image in the community*

4. What are the options?

Mitigate the risk: Select strategy and select controls:

- *Volunteers complete National background check process*
- *Request references*

- Define roles and responsibilities for volunteer positions

5. What are the next steps?

Implement and monitor controls:

- All volunteer candidates must complete National background check process
- Ensure volunteer references are diligently verified
- Review roles and responsibilities with all volunteers

Use the risk matrix in Appendix C to determine the risk associated with this:

The likelihood of this pattern of behavior with the resulting consequences is deemed 3 out of 5
Its impact to the Squadron and the Cadet program is deemed 3 or Moderate

Appendix C: 5x5 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

Each risk is analyzed to determine the **likelihood** of it occurring and **impact** if it does. The prioritization of the risks is based on the likelihood and impact ratings TOGETHER and effectively allows the assessor to list the risks in order of most to least important. This prioritization assists leaders to address risks based on highest level of risk first, instead of a ‘first come, first served’ basis.

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
3 – Moderate	Necessitates significant adjustment to overall functions.
2 – Minor	Would threaten an element of goals or objectives.
1 – Insignificant	Lower consequences

