



**Alberta Rugby Union**

11759 Groat Road  
Edmonton, AB T5M 3K6

Alberta Rugby Union  
**Risk Management Policy**

Effective Date: October 1, 2018  
Board Approved:





## 1. Policy Objective

The purpose of this policy is to outline a consistent approach to risk management of the governance, strategic and operational practices of the Alberta Rugby Union (Rugby Alberta) and to detail the transparent approach to the identification, communication, evaluation and management of risk.

## 2. Policy Statement

It is the policy of Rugby Alberta to:

- A. Embed risk management into the governance and operations of Rugby Alberta;
- B. Integrate risk management into strategic, operational, and financial planning;
- C. Manage risk and leverage opportunities in accordance with best practices and Rugby Alberta's risk tolerance;
- D. Regularly re-assess Rugby Alberta's risk profile and the effectiveness of risk practices;
- E. Anticipate and respond to changing social, environmental and legislative requirements.

## 3. Application

This policy applies to all plans, activities, organizational processes, policies, procedures, individuals and property that comprise Rugby Alberta, in accordance with the Rugby Alberta Bylaws.

## 4. Accountability

**Board of Directors:** responsible for the oversight of the Risk Management Policy to ensure that the policy is used to develop and achieve the strategic objectives of Rugby Alberta, and to forecast potential risk events or conditions beyond the duration of the strategic plan.

**Treasurer:** responsible to ensure that the Risk Management Policy is integrated into the financial management and forecasting of Rugby Alberta.

**Executive Director:** responsible to ensure that the Risk Management Policy is integrated into the development of strategic plans and operational decisions, and to report on Rugby Alberta's risk profile to the Board of Directors semi-annually.





**All employees:** responsible for effectively managing risk in their area of responsibility and identifying and advising their line manager of potential risks.

## **5. Supporting Policies**

- Rugby Alberta Bylaws
- Rugby Alberta Code of Conduct for Members
- Risk Register
- Risk Assessment

## **6. Policy Implementation**

- A. Identification of Risks:** Rugby Alberta will explore all potential risks to the organization and the sport of Rugby in Alberta across the following vital areas:
- i. Strategic
  - ii. Operational
  - iii. Infrastructure (Financial and physical)
  - iv. Legal, Safety and Security
  - v. Reputation and Trust
- B. Analysis of Risks:** Rugby Alberta will analyze all identified risks on the probability and the potential impact of that risk event or condition occurring, as detailed in appendix 1, and make a record of the analysis of each risk in the Risk Register.
- C. Tolerance of Risks:** Rugby Alberta will determine the tolerance of risk based on the Risk Level Score of each risk, as detailed in appendix 2, and make a record of the Risk Level Score of each risk in the Risk Register and corresponding Risk Assessment.
- D. Control Measures of Risks:** Rugby Alberta will consider and decide upon one, or a combination, of four control measures for each risk, as detailed in appendix 3, and make a record of this in the Risk Assessment document.
- E. Communication of Risks:** Rugby Alberta will maintain a Risk Register and Risk Assessment that is readily available and proactively shared with all Board of Directors and Rugby Alberta staff.
- F. Owner of risk:** Rugby Alberta will allocate a Risk Owner to all identified risks who will be responsible for the management of the control measure detailed for the risk, and a record of the risk owner will be recorded in the Risk Register and Risk Assessment.



**APPENDIX 1: Analysis of Risks – Measure of Variables**

A risk score is developed by assessing two variables:

1. The probability or likelihood of the risk event or condition occurring; and
2. The impact of consequences of that event or condition occurring.

Assisted by the following two tables, the risk owner estimates the probability on a scale from 'rare' to 'almost certain' and estimates the consequences from 'insignificant' to 'extreme', then determines the overall level of risk by multiplying the numerical scores of probably and impact for a total risk score.

**A. Measure of Probability**

| Score | Probability | Descriptor     | Detail  |
|-------|-------------|----------------|---|
| 1     | Very low    | Rare           | Has not occurred at any amateur sport organization in the last 10 years                 |
| 2     | Low         | Unlikely       | Has not occurred at a Canadian amateur sport organization within the last 10 years      |
| 3     | Medium      | Moderate       | Similar events have occurred at AB amateur sport organizations within the last 10 years |
| 4     | High        | Likely         | Similar events have occurred at AB amateur sport organizations within the last 5 years  |
| 5     | Very high   | Almost certain | Similar events have occurred within the last 2 years                                    |





**B. Measure of Impact**

| Score | Impact        | Cost            | RA Objectives                  | Detail   |
|-------|---------------|-----------------|--------------------------------|--|
| 1     | Insignificant | \$1 - \$10,000  | Exactly meets objectives       | Impact is primarily operational, local and mediated within the current fiscal quarter  |
| 2     | Minor         | \$10k - \$50k   | Significantly meets objectives | Negative/positive outcomes from risk event or occurrence unlikely to have permanent or significant effect on reputation or performance                         |
| 3     | Moderate      | \$50k - \$100k  | Meets 50% of objectives        | Negative/positive outcomes from risk event or occurrence that will have impact can be managed effectively in the medium term                                   |
| 4     | Major         | \$100k - \$500k | Partially meets objectives     | Negative/positive outcomes from risk event or occurrence require major effort to manage or resolve in medium term but do not threaten organization's existence |
| 5     | Extreme       | Over \$500k     | Does not meet objectives       | Negative/positive outcomes from risk event or occurrence if not resolved in medium term threatened existence of organization                                   |



**APPENDIX 2: Measure and Tolerance of Risk Level**

The numerical scores of probability and impact are multiplied to determine a total risk score. If the risk falls into several categories, it is always the category with the highest risk level.

| Probability<br>Impact | 1 | 2  | 3  | 4  | 5  |
|-----------------------|---|----|----|----|----|
| 1                     | 1 | 2  | 3  | 4  | 5  |
| 2                     | 2 | 4  | 6  | 8  | 10 |
| 3                     | 3 | 6  | 9  | 12 | 15 |
| 4                     | 4 | 8  | 12 | 16 | 20 |
| 5                     | 5 | 10 | 15 | 20 | 25 |

**Low (score 1 to 3)**

A low (green) risk generally requires no additional control measures. The risk should be analyzed to determine whether it is being over managed where control measures can be relaxed in order to redeploy resources.

**Medium (score 4 to 7)**

A medium (yellow) risk will be accepted as long as it is reduced to a lower level of risk in the long term using low resource options. The risk should be analyzed to determine whether it is being over managed where the control measures could be relaxed in order to redeploy resources.

**High (score 8 to 12)**

A high (orange) risk will be accepted as long as it is reduced to a lower level of risk in the midterm through reasonable and practicable control measures.

**Extreme (score 13 and over)**

An extreme (red) risk will not be accepted without additional control measures unless analyzed and approved by the Board of Directors. Control measures must be implemented immediately to reduce the risk to a high score or below before the event can proceed.





## APPENDIX 3: Control Measures

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To effectively control a risk, the underlying causes and factors contributing to the risk must be considered and individually approached. Rugby Alberta will consider each risk in respect to the risk being able to either negatively or positively affect Rugby Alberta's strategic goals and deploy one of the following actions to effectively and efficiently control the risk:

### **Acceptance**

Mainly for low impact and low probability risks, Rugby Alberta may be prepared to accept the risk due to the cost and/or effort required to further reduce or eliminate the risk exceeds the benefits of removing the risk.

### **Transfer**

For medium to extreme risks, Rugby Alberta may transfer the risk in whole or in part to relevant third-parties, through contracts and risk financing arrangements such as insurance.

### **Treatment**

For medium to extreme risks, Rugby Alberta will design effective treatments to eliminate or reduce the probability and/or impact of each risk requiring treatment. Treating a risk means that Rugby Alberta wishes to continue with the event or condition giving rise to the risk, and will task the risk owner to manage the risk in a cost-effective manner.

### **Avoidance**

In the event that a high to extreme risk cannot be transferred or treated, Rugby Alberta should explore how best to avoid the risk event or condition altogether.

