

**CPHC- CFHT Finance, Audit, Human Resources, & RM Committee & Board of Directors Risk Assessment – March 2012**

	<b>Risks</b>	<b>Definitions</b>	<b>Policy, Procedure and Controls to Manage Risks</b>	<b>Priority</b>	<b>Task</b>
	<b>Compliance</b>				
<b>1</b>	<b>Accounting and Financial Reporting</b>	Risks arising from non-compliance with Generally Accepted Accounting Principles, in its accounting and financial reporting	<ul style="list-style-type: none"> <li>• Annual financial audits</li> <li>• Audit committee oversight</li> </ul>		Finance
<b>2</b>	<b>CRA Regulations/ Income Tax Act</b>	Risk arising from non-compliance with Canada Revenue Agency (CRA) and Income Tax Act requirements that puts the charitable status and reputation at risk	<ul style="list-style-type: none"> <li>• Reporting/receipting practices</li> <li>• T3010 filing</li> <li>• Annual review by auditors</li> <li>• Monthly reconciliation/remittance of payroll tax and GST</li> </ul>		Finance
<b>3</b>	<b>Employment Laws</b>	Risk arising from non-compliance with employment law, pay equity, and source deduction requirements that expose the organization to penalties and civil liability	<ul style="list-style-type: none"> <li>• Established procedures and processes in keeping with legal requirements</li> <li>• Monitoring by HR of changes in law</li> </ul>		ED/Human Resources Management –report to Finance
<b>4</b>	<b>Environmental</b>	Risks arising from non-compliance with environmental laws (ie waste management, clean water) and not meeting evolving public expectations, that the organization to penalties and reputation loss	<ul style="list-style-type: none"> <li>• Commitment to protect environment</li> <li>• Environmental spill procedures</li> <li>• Recycling “blue-box” program</li> <li>• Contract out waste removal/disposal</li> <li>• Monitoring/testing water, air quality</li> </ul>		JHSC Report to Finance & Board through QA Manager
<b>5</b>	<b>Health and Safety</b>	Risk arising from non-compliance with the Occupational Health & Safety Act, that exposes the organization to penalties, civil action and criminal liability under Bill C-45	<ul style="list-style-type: none"> <li>• Health &amp; Safety policy/procedures</li> <li>• Joint Health &amp; Safety Committees (JHSC), workplace inspections/audits</li> <li>• H &amp; S program, safe work practices</li> <li>• Monitoring by HR of JHSC activity</li> </ul>		JHSC Report to Finance & Board through QA Manager
<b>6</b>	<b>Human Rights Code</b>	Risk arising from non-compliance with Human Rights Code and duty to accommodate requirements, that puts the organizational reputation at risk, and exposes the organization to civil liability, legal and lost opportunity costs	<ul style="list-style-type: none"> <li>• Anti-harassment/discrimination policy and complaints procedure</li> <li>• Staff training</li> <li>• Policy sign-off and review as part of performance management system</li> </ul>		Ex/Human Resources Mg –report to Finance
<b>7</b>	<b>Litigation</b>	Risks arising from challenges regarding decision-making, negligence or disputes involving contractual arrangements that expose the organization to civil litigation, liens, legal and lost opportunity costs, increased insurance premiums, and reputation loss	<ul style="list-style-type: none"> <li>• Dispute resolution, privacy and confidentiality procedures; program agreements clarify terms; contract review, bidding/procurement process</li> <li>• Comprehensive insurance including general/excess liability</li> </ul>		ED Labour Relations & Finance

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	<i>Operational</i>				
<b>8</b>	<b>Business Processes</b>	Risks arising from the inability of business processes performed by employees and automated systems (including those outsources) to meet performance standards, contractual obligations, regulations, and achieve objectives	<ul style="list-style-type: none"> <li>Established business processes associated with operations, finance, human resources, information technology, financial and facility development, asset management, training and evaluation</li> </ul>		Finance & ED/HR Report to Board Finance & Board
<b>9</b>	<b>Capital Assets</b>	Risks arising from asset deterioration (equipment, building) due to inadequate reinvestment, which impacts operating performance and increases health and safety risk	<ul style="list-style-type: none"> <li>Increased investment in capital assets</li> <li>Full replacement value insurance including business interruption</li> <li>Facility/peer audits, satisfaction surveys</li> <li>Real estate assessment</li> <li>Invest annually in capital assets based on life cycle report and staff needs assessment</li> <li>Arrange for facility/peer audits:</li> <li>Conduct member satisfaction surveys:</li> <li>Conduct environmental assessment</li> <li>Develop equipment inventory and repair log</li> <li>Improve balance sheet to allow for financing options</li> <li>Create foundation to provide long term funding</li> </ul>	High	Finance
<b>10</b>	<b>Competitive Environment</b>	Risks related to specific actions of competitors, resulting in declining service differentiation and marketplace position or CPHC- CFHT programs/cost structure that impact its ability to operate successfully in its markets	<ul style="list-style-type: none"> <li>Monitoring of activity</li> <li>Pricing strategy</li> <li>Implement core programs for all ages</li> <li>Conduct annual client surveys, internal and external audits for programs and service</li> <li>Focus marketing and communications on the CPHC- CFHT unique value proposition</li> <li>Ensure annual staff development, new programming and capital investment plan</li> <li>Create a culture of continuous improvement</li> </ul>	High	Finance

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11	<b>Economic</b>	Risks arising from shifts in the economic environment (ie recession, depression, inflation) in which the CPHC – CFHT operates and (while beyond management’s control) impact purchase decisions, philanthropic capacity, cash flow	<ul style="list-style-type: none"> <li>• Monitoring of key indicators including interest rates, energy costs, cost of living, factor into strategic, operational plans</li> <li>• “Locked in” interest rates</li> <li>• Participation in local and regional initiatives with the explicit objective of influencing decisions aligned with community health and association mission</li> <li>• Monitoring of regional developments including political and key partner appointments, economic indicators and employment rates</li> <li>• Maintain communication with AOHC and other associations to ascertain information and best practices regarding emerging trends, provincial and national policies and compliance issues</li> </ul>	High	Finance
12	<b>Fiscal Performance</b>	Risks arising from inability to meet financial targets, achieve objectives and strategic plan, and ensure long-term viability	<ul style="list-style-type: none"> <li>• Annual budget and operational plan</li> <li>• Quarterly management reports on operations, cash flow and debt</li> <li>• Annual audit process</li> <li>• monthly review of financial data by senior managers</li> <li>• Quality control, participant satisfaction surveys, external/peer audits</li> <li>• Ongoing dialogue with funding partners for full cost recovery</li> </ul>		Finance
13	<b>Government Relations</b>	Risk arising from missed opportunities through inability to adequately monitor priorities of local, provincial, federal government and effectively communicate CPHC- CFHT’s capacity as a service provider	<ul style="list-style-type: none"> <li>• Consultation process</li> <li>• Government relations staff monitor government priorities</li> </ul>		Executive Director Report to Finance & Board
14	<b>Information Technology</b>	Risks related to the inability of computing infrastructure (technology, systems, people) to provide the required security, functionality, performance and continuity required	<ul style="list-style-type: none"> <li>• System specifications meeting CPHC -CFHT requirements supported by in-house IT expertise, contracted service providers</li> <li>• Disaster recovery plan</li> </ul>		Executive Director Report to Finance & Board

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15	<b>Interactions with Vulnerable Persons</b>	Risk arising from allegations puts the CPHC-CFHT reputation at risk and exposes the CPHC – CFHT to criminal and civil liability	<ul style="list-style-type: none"> <li>• Elder abuse reporting policies &amp; procedures</li> <li>• Education of staff &amp; Clients re Elder Abuse</li> <li>• Partner with Safe Community Coalition</li> <li>• Police Records Check procedure</li> <li>• Staff training, policy sign-off/review as part of performance management</li> </ul>		Executive Director &/or Q.A. Manager Report to Finance & Board
16	<b>Knowledge / Research and Benchmarking</b>	Risk of deteriorating performance arising from lack of or inability to use quality information (i.e. financial analysis, research, trends, performance data) to make informed decisions, and develop strategies to achieve objectives	<ul style="list-style-type: none"> <li>• Monthly/quarterly performance reports</li> <li>• Program development criteria, efficiency models determine values fit and capacity to deliver new programs</li> <li>• Quality control, satisfaction surveys</li> <li>• Quarterly risk report on incident trends</li> </ul>		Finance
17	<b>People</b>	Risks arising from inability of the CPHC -CFHT to: a) attract qualified, experienced candidates with “right fit” to deliver its programs; b) manage key performance drivers (i.e. rewards/recognition, employee involvement, job satisfaction, alignment with CPHC -CFHT culture, values, business strategy); c) provide role clarity, accountability and authority to execute work consistent with business objectives; d) manage other HR issues such as succession planning, diversity, aging population	<ul style="list-style-type: none"> <li>• Human Resources Policy and procedures</li> <li>• Compensation and benefits system</li> <li>• Performance management system</li> <li>• Volunteer development plan</li> <li>• Staff orientation</li> <li>• Employee survey</li> </ul>		Executive Director/ HR Report to Finance & Board
18	<b>Resource Capacity / Allocation</b>	Risk of taking on too much, or that the CPHC -CFHT does not have the resource capacity, or has not effectively channeled resources to support the opportunities/activities that balance risk and reward while achieving mission and strategic outcomes	<ul style="list-style-type: none"> <li>• Clearly articulated Strategic Plan aligned with annual operating plans</li> <li>• Senior Management ensure strategic alignment and focus</li> <li>• Significant risks assessed and management plan completed annually</li> </ul>		Finance

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	<b>Strategic</b>				
19	<b>Governance</b>	Risks arising from inadequate systems, policies, practices and processes that ensure assets are protected, funds are managed appropriately, and long-term viability of the CPHC -CFHT	<ul style="list-style-type: none"> <li>• Board recruitment, renewal, assessment process</li> <li>• Governance audit, by-law review, legal audit</li> <li>• Policy framework that includes:                             <ul style="list-style-type: none"> <li>i) Board Policies: letters patent; CPHC -CFHT By-law; terms of reference to clarify roles, define Board committees; strategic planning process; investment and conflict of interest policies; and</li> <li>ii) Operating Policies: programs and services; human resources; ethical conduct; emergency readiness; asset protection</li> </ul> </li> <li>• Established procedures for control and oversight supported by in-house expertise - finance, HR, IT, risk management, facility and financial development, procurement, communication and processes such as quality control, performance management, policy development, contract review, disaster recovery</li> <li>• Openness and transparency through clear communication of mission, vision, values; performance/outcomes reporting to stakeholders (i.e. Annual Report, Strategic Plan); privacy and access to information, complaint/dispute resolution procedures</li> </ul>		<p>Board Recruitment Committee; Board Executive Committee, Finance Committee</p> <p>Executive Director, &amp; Management Committee (Report to Finance &amp; Board)</p> <p>Board of Directors, Staff &amp; Stakeholders</p>
20	<b>Inclusiveness</b>	Risks to the CPHC – CFHT reputation arising from inability to ensure: a) an open and accessible environment that ensures barriers to participating are minimized; b) appropriate codes of conduct consistent with a shared CPHC- CFHT environment; c) staff and volunteers capable of providing appropriate focus, supervision to execute work consistent with a broad range of member/participant needs	<ul style="list-style-type: none"> <li>• Inclusiveness as a mission-driven priority reflected in Mission, Vision, Values</li> <li>• Financial assistance policy</li> <li>• Member Etiquette Statement, code of conduct</li> <li>• Staff training on diversity and inclusiveness</li> <li>• Wide stakeholder engagement through strategic planning process</li> </ul>		<p>Board of Directors, Staff &amp; Stakeholders</p>