



RISK MANAGEMENT POLICY

The mission of the Royal Canadian Golf Association, operating as Golf Canada (“**Golf Canada**”), as the governing body of Golf in Canada, is to increase Canadian participation and excellence in golf.

As the national sport federation governing golf throughout Canada, Golf Canada recognizes that there are risks inherent in all facets of our governance, program delivery and business operations. Golf Canada is committed to managing risks effectively to control its assets and liabilities; protect its staff, members, volunteers, stakeholders, and participants, against potential losses; minimize uncertainty in achieving its strategic objectives; and maximize its opportunity to achieve its mission.

Purpose

1. The aim of this policy is to provide a guiding framework on how risk management is to be addressed and monitored within Golf Canada. In general, Golf Canada views risk management as a comprehensive approach to improving organizational performance. This policy has other purposes as well, namely:
 - Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits, reputational damage, and financial losses;
 - Performing an educational function for staff, participants, volunteers and members; and
 - Over the longer term, contributing to enhancing a ‘risk management culture’ within Golf Canada.
2. Successful risk management ensures the following benefits for our organization:
 - Prevents or limits injury or losses to members, volunteers, participants and staff;
 - Helps to protect Golf Canada and its members against litigation;
 - Ensures that Golf Canada is compliant with all applicable laws, regulations, and standards;
 - Improves the programs and services that Golf Canada provides to its members, volunteers, participants, staff, partners and sponsors;
 - Promotes improved business management and human resource management practices;
 - Enhances Golf Canada’s brand, reputation, and image in the community; and
 - Protects Golf Canada’s financial resources ensuring the long term financial stability to support Golf Canada’s mission, goals and values.

Scope and Authority

3. The Board of Directors are ultimately responsible for identifying, evaluating, and managing risks for Golf Canada. The Audit & Risk Management Committee, a standing committee of the Board, is responsible for assisting the Board in fulfilling its oversight responsibilities relating to risk management. The Board has designated the Chief Operating Officer as the Risk Manager for Golf Canada who, together with the Audit & Risk Management Committee, shall be responsible for the implementation, maintenance, and communication of this policy. This policy applies to all activities undertaken by Golf Canada. Where Golf Canada exercises authority over activities below the national level, risk management measures may also be prescribed by the various provincial golf associations for implementation. The various provincial golf associations and member clubs are encouraged to prepare similar policies to govern the management of risk within their jurisdictions.

Policy

4. Golf Canada makes the following commitments to its members, volunteers, participants and staff:
 - All activities and events undertaken by Golf Canada will be analyzed from a risk management perspective;
 - Systematic and explicit steps will be taken to identify, assess, manage, and communicate risks facing Golf Canada;
 - The risk appetite will decrease as the significance of a negative risk increases and will increase as the significance of a positive risk increases;
 - The organization's risk tolerance will measure potential risks based on their (i) likelihood; and (ii) impact, and then identify all risks as having a 'high' or 'medium-high' or 'acceptable' significance; and
 - Risk control strategies will be reasonable and will reflect the given standard of care in any circumstance (where standard of care is determined by written/published standards, industry practices, established case law precedent, and common sense).
5. Golf Canada acknowledges that risk management is a broad activity and a shared responsibility. All directors, officers, staff, contractors, and volunteers have an ongoing responsibility to take appropriate measures within their scope of authority and responsibility to identify, assess, manage, and communicate risks.

The Risk Management Process

6. Managing risks involves three steps: 1) identify potential risks using an informed, environmental scan approach, 2) assessing the significance of a risk by considering its possibility (likelihood) and consequences (impact), and 3) developing and implementing measures to address those risks deemed significant by reducing possibility, consequences or both. One of the principal roles of Golf Canada's Audit & Risk Management Committee is to identify and manage potential risks. As provided for in the Committee's Work Plan, a Risk Registry is prepared and maintained by staff and is reviewed, at least annually, by the Audit & Risk Management Committee. A summary report of the primary risks is presented by the Committee to the Board of Directors for review and discussion on an annual basis. The detailed Risk Registry is also available to Board members for review upon request.

Risks arise from a number of categories of Golf Canada's operations. In the sport domain, facilities, equipment, people and programs all give rise to potential risks. Golf Canada has determined that the following categories will be used when identifying risks:

- **Operational/Program Risks:** Risk related to key programs in the areas of coach, official and athlete development; management of human resources, including staff and volunteers; organizational capacity to meet participant and stakeholder expectations; event and competition management; remaining vital and relevant to our members; the inherent physical risks of our sport.
- **Compliance Risks:** Risk related to failure to comply with existing laws and regulations governing employment, privacy, anti-spam, workplace safety, new corporations' legislation, tenant legal responsibilities, RCAA charitable status, trademarks and intellectual property, anti-doping standards, Sport Canada standards for funding and accountability, and fulfillment of contractual obligations.
- **Communication Risks:** Risks related to internal and external communications, information management systems, crisis and issues management, media relations, image and reputation management, missed opportunities to promote and exploit successful outcomes, management of intellectual property, social media management, and confidentiality.
- **External Risks:** Risks that are not in direct control of the organization such as funding frameworks from governments, and other agencies; relations with governments, games organizations and international federations; involvement in other sport partnerships; hosting decisions and requirements.

- **Governance Risks:** Risks related to clarity of roles and responsibilities, decision-making and oversight, organizational structure and performance; management of disputes and conflict of interest, planning for diversity and succession within the Board, staff, volunteers, and committees, knowledge retention and transfer.
 - **Financial Risks:** Risks related to financial monitoring and reporting, budget preparation, flexibility to direct funds, sponsorship attraction and retention, investment and management of reserve funds, long-term financial sustainability.
7. All risks faced by Golf Canada can be addressed by one or more of the following four general strategies:
- **Retain the risk** – no action is taken because the possibility and consequence of the risk is low. It may also be that the risk is inherent in the sporting activity itself and thus can be accepted in its present form.
 - **Reduce the risk** – steps are taken to reduce the possibility of the risk, and/or its potential consequences, through efforts such as improved planning, policies, organization, delivery, supervision, monitoring or education.
 - **Transfer the risk** – accept the level of risk but transfer some or all of it to others through the use of insurance, waiver of liability agreements or other business contracts.
 - **Avoid the risk** – eliminate the risk by avoiding the activity giving rise to the risk – in other words, simply decide not to do something, or to eliminate some activity or initiative.
8. The above general strategies translate into a variety of risk control measures, which for Golf Canada may include (but are not limited to):
- Policy development;
 - An internal control framework;
 - Business continuity planning, including critical incident response plans;
 - Compliance Monitoring
 - Effective communication and consultation with professional service firms and stakeholders;
 - Education, instruction, professional development and specialized training;
 - Ensuring a core set of organizational values have been identified, defined and communicated throughout the organization and the sport;
 - Adherence to minimum, mandatory qualifications or certifications for key staff and leaders;
 - Use of robust and legally sound contracts (codes of conduct, athlete and coach agreements, employment agreements, contractor agreements, partnership agreements);
 - Improving role clarity through use of written position descriptions and committee terms of reference;
 - Supervision and monitoring of staff, volunteers, participants and activities;
 - Establishing and communicating procedures to handle concerns, complaints and disputes;
 - Implement schedules for regular review, maintenance, repair and replacement of equipment;
 - Preparing procedures and protocols for emergency response and critical incidents;
 - Use of warnings, signage, participation agreements and waiver of liability agreements where warranted; and
 - Purchasing appropriate insurance coverage for all activities and reviewing regularly.

Reporting and Communication

9. As noted above, while the Board of Directors is ultimately responsible for risk management, one of the principal roles of Golf Canada's Audit & Risk Management Committee is to identify and manage potential risks. Audit & Risk Management Committee meets at least quarterly and reports identified risks to the

Board of Directors. A Risk Registry is prepared and maintained by staff, reviewed by the Audit & Risk Management Committee and a summary report is presented by the Committee to the Board of Directors at least annually. Several tools are used by staff to report risk management tactics to the Audit & Risk Management Committee (and Board of Directors when warranted), including, but not limited to:

- a) A detailed risk registry
- b) A regulatory compliance checklist
- c) A contract registry
- d) An internal control framework

10. Golf Canada recognizes that communication and consultation are essential parts of risk management. This Policy will be communicated to all staff, committees, volunteers, participants, members, stakeholders and the provincial golf associations, and these parties will be encouraged to communicate to Golf Canada their risk management issues and concerns.

Insurance

11. Golf Canada maintains a comprehensive insurance program that provides, among other things, General Liability coverage. Upon annual renewal of this Policy, Golf Canada consults with the insurance provider to determine if there are any emerging gaps, issues or concerns, to be addressed through insurance renewal.
12. Not all risks are insurable. However, as part of its commitment to risk management, Golf Canada will take all reasonable steps to ensure that insurance coverage is available for those activities essential to the mission of Golf Canada that pose risks and that may be insured.