



Policy Section 1: GOVERNANCE

Policy #: 1.6

Policy: Risk Management Policy

Revision: Rev 0

Approval: May 25, 2021

1. Purpose:

- 1.1 The Flower Cart aspires to operate in a way that protects the health, safety and security of Participants, Clients, Staff Members and Volunteers while lifting up the organization's mission and safeguarding assets needed for mission-critical programs and activities.

2. Definitions:

- 2.1 Risk – The expression of the likelihood and impact of an event with the potential to affect the achievement of The Flower Cart's goals and objectives.
- 2.2 Risk Management – The forecasting and evaluation of operational, financial, and human resource risks together with the identification of procedures to avoid or minimize their impact on The Flower Cart.
- 2.3 Risk Register – A document that contains the information about identified risks.
- 2.4 Risk Score – A Calculated number (score) that reflects the severity of a risk due to predetermined factors.

3. Detailed Policy Statement:

- 3.1 The Flower Cart is committed to ensuring that risk management practices are embedded into the processes and operations so that accountable action and decision making in management practice and Board governance oversight is undertaken.

- 3.2 The Flower Cart expects, encourages, and embraces participation and input into its Risk Management Plan from Directors, the Executive Director, Supervisors, Staff, Participants, and its stake holders.
- 3.3 The Flower Cart seeks to be consistent with generally accepted risk management standards.

4. Implementation:

4.1 Risk Management Principles:

- 4.1.1 Anticipates and responds to changing operational environment,
- 4.1.2 Manages risk with due diligence in decision making, e.g., accept, mitigate, transfer solutions etc.,
- 4.1.3 Uses legal/regulatory compliance as a minimum standard,
- 4.1.4 Balances cost of controls with the anticipated benefits, and
- 4.1.5 Provides understanding of the need for organization wide risk management.

4.2 The Flower Cart Risk Identification Process:

4.2.1 Identification of risks occurs on an ongoing basis (at least annually) and on an ad hoc basis as required for significant changes or new processes, programs, and initiatives. The process involves identification of key risks on a functional basis.

4.2.2 Risks are considered within the following categories:

- a. Key work areas
- b. Resources
- c. Compliance (regulatory and legal)
- d. Reputation

4.2.3 When identified The Flower Cart shall consider:

- a. Current and future expected risks
- b. Recent internal changes
- c. External change

d. Root cause of the risks

4.2.4 The Flower Cart Risk Assessment Process follows these steps:

- a. Identification of risk
- b. Assessment (likelihood of occurrence and impact of risk)
- c. The Risk Management Plan contains the detailed guidelines for assessing likelihood and impact to determine the resulting Risk Score.

4.2.5 Likelihood is assessed by estimating the frequency of the risk occurring. The range of likelihood is from 1 - Rare to 5 - Catastrophic.

4.2.6 Impact is assessed by estimating how the risk would be characterized if the risk occurred. The range of impact scores is 1 – Insignificant to 5 - Catastrophic.

4.2.7 The Risk Management Plan is used to determine the top risks and to assist in decision making related to the overall strategy to address any risks.

4.3 The Risk Management Plan Register:

4.3.1 The identified risk will be recorded in the Risk Register.

4.3.2 The Risk Register will designate:

- a. The most accountable leader for each risk,
- b. Who is responsible for the response to the risk and the mitigating actions, and
- c. Identify the overall risk mitigating processes and controls and measures in place to address overall risks.

5. Applicability:

5.1 Board of Directors:

5.1.1 Has ultimate responsibility for risk management,

5.1.2 Provides governance oversight of The Flower Cart risks and responses to them,

5.1.3 Creates, reviews, and approves policies and the Risk Management Plan,

- 5.1.4 Action plans to address risk mitigation and opportunities (annually),
- 5.1.5 Establishes The Flower Cart's risk appetite/risk tolerance,
- 5.1.6 Reviews Management's risk assessment results for top risks (annually),
- 5.1.7 Reviews regular reports from Executive Director (status updates and significant issues), and
- 5.2.8 A Director will sit on the Risk Management Committee at the operational level.

5.2 Executive Director:

- 5.2.1 Is accountable to the Board and is responsible for ensuring The Flower Cart Risk Management Policy approved by the Board is implemented and operationalized,
- 5.2.2 Champions risk management to ensure focus on risk,
- 5.2.3 Defines the expectations, roles, responsibilities and accountabilities for supervisors, staff, volunteers, participants, and stake holders,
- 5.2.4 Oversees integration of risk management into the development of strategic, business, and operational plans and decisions,
- 5.2.5 Provides input into risk identification assessment and mitigation activities, and
- 5.2.6 Provides status updates to the Board of Directors on risk management activities.

6. Policy Authority:

- 6.1 The Memorandum of Association and the By-Laws of The Flower Cart provide the Board with the authority to establish Board policies.
- 6.2 The Board of Directors of The Flower Cart is the approving body for all policies.

7. Related Policies, Procedures and Documents:

- 7.1 The Flower Cart By-Laws

7.2 The Flower Cart Risk Management Plan

8. Record of Amendments:

Revision #	Summary of Revision	Date Approved
Rev 0	Original Issue	May 25, 2021