

RISK REGISTER / REGISTRE DES RISQUES

HEAT MAP - September 2016

LIKELIHOOD / PROBABILITÉ	Extremely Likely/ <i>Extrêmement probable</i> 5					
	Likely/ <i>Probablement</i> 4					
	Moderate/ <i>Modéré</i> 3	35				
	Unlikely/ <i>Improbable</i> 2	12 33	8 17 4 37	39	14	20
	Low/ <i>Faible</i> 1	10 11 25 3 34 22 18 7	24 2 19 26	9 16 6	27 15 5	13 21 1 32 36 23
		Insignificant/ <i>Insignifiant</i> 1	Minor/ <i>Mineure</i> 2	Moderate/ <i>Modérée</i> 3	Major/ <i>Majeure</i> 4	Catastrophic/ <i>Catastrophique</i> 5
IMPACT						

Engineers Canada Risks Requiring Close Monitoring
Risques nécessitant une surveillance proche de la part d'Ingénieurs Canada

Board involvement to mitigate the risk.
Seulement le Conseil peut atténuer le risque.

Within the control of management.
Au sein du contrôle de la gestion.

Risk Register

Risk #	Risk Factor	Description of Risk	Likelihood	Impact	Overall	Prime Risk Category	When is Action Required?	Is it within Mgmt. Control?	Authority to implement Mitigation Strategies	Mitigation Strategies (All policies listed have a defined monitoring schedule)
32	Loss of support for Accreditation	Loss of support by NCDEAS for accreditation.	2	5	10	Strategic	Immediate	No	Board	Success consultation regarding criteria change. Recommendations to 09/16 Board meeting. Accreditation Forum - Engagement of participants willing to improve the current consultative and collaborative process related to accreditation.
39	Board Linkages	Compliance with GP-11 Board Linkage with Ownership	2	3	6	Strategic	not required	no	CEO	
36	Assessment of foreign credentials not defensible	Examination Syllabi are used to confirm an applicant's academic knowledge needed to be licensed in Canada. They are a proxy to determine whether an applicant has knowledge equivalent to an AB grad. Must be current.	1	5	5	Reputational	> 2 years	No	Board	New process to update. QB Approved six updates at April meeting
37	Loss of volunteers on AB & QB	AB & QB report to the Board. The Board has not turned its mind to how it will effectively oversee AB & QB. The ongoing unsettled feeling may result in volunteers concerns.	2	2	4	Operational	not required	No	Board	Board develops protocols to manage AB & QB. Protocol for approval of work plans. Protocol for reporting on QB products. Operational Policy sets out support for Board, Board Committees and Officers Terms of Reference for Board reps on AB & QB to be developed.K10
33	Lack of objective expectations and assessment of results for QB.	Ineffective use of QB resources.	2	1	2	Operational	not required	No	Board	Staff engagement of Members re input into QB work plan
35	Regulator directing Engineers Canada directors on how to vote and the outcome is not in the best interest of Engineers Canada.	If a director acts in keeping with such a directive, he/she is in breach of their duty of loyalty requiring that a director act honestly and in good faith in the best interests of the organization or they are in a perceived conflict of interest. If a director ignores the directive, a regulator may seek to have them removed as a director. If the director sees it as a conflict of interest, he/she would not participate in the discussion and the regulator views would not be expressed.	3	1	3	Compliance	Immediate	No	Board	Clarify directors duties common law fiduciary obligations. Have a discussion at the Board workshop for the best way a director to carry a regulator concerns to the Board.
2	Board members lack commitment or desired skills.	Decisions lack informed understanding. Directors operate with self-interest.	1	2	2	Strategic	> 2 years	No	Board	GP-4 Investment in Governance. Training revamped to engage members of Governance Committee in the delivery.
3	Conflict of Interest	Directors guided by self-interest. Reputation and organizational morale suffer.	1	1	1	Compliance	> 2 years	No	Board	GP-3 Code of Conduct approved

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23	Adverse publicity	Loss of reputation. Eroded staff/volunteer confidence in organization.	1	5	5	Reputational	not required	Somewhat	PL, Communications	EL-8 Position Statements. GP-3.1 Director Terms of Reference. GP-3.2 Advisor Terms of Reference. Relationship established with PR experts.
1	Organization lacks vision, strategy	Owners' needs not met. Operate without focus. Diminished reputation.	1	4	4	Strategic	not required	Somewhat	Board	EL-5 Planning. Linkages process in place Big Picture Thinking.
5	Inadequate reporting to regulators.	Lack of trust by membership. Lack of demonstrated accountability.	1	4	4	Reporting	> 6 months	Somewhat	CEO	EL-2 Treatment of regulators. GP-11 Board Linkage with Ownership. Consultation with members on all projects. Members are provided with agenda material for all Board meetings and are invited to attend.
6	Contract risk	Onerous terms and conditions. Liabilities for non-performance.	1	3	3	Operational	not required	Yes	PL, Legal	EL-4 Asset Protection Contract guidelines and procedures. Project management office in place with regular report to the Executive Team. Contracts reviewed by manager of project, financial services and in-house legal.
14	Information governance	Engineers Canada is exposed to market risk with respect to its investments. The fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.	2	4	8	Operational	> 2 years	Yes	PL, Legal	Policies in place regarding National Membership Database, IID and Career Action Program Procedures in place for PIPEDA, CASL.
20	Income source dependence	Loss of a key income source disrupts financial plans. Engineers Nova Scotia concerned about fairness of affinity distribution	1	5	5	Operational	> 2 years	Yes	CEO	EL-3 Financial Condition. GP-14 Reserve Funds. Regular meetings with affinity partners.
13	Disaster recovery	Operations and people compromised.	1	5	5	Operational	> 6 months	Yes	PL, Information Services	EL-4 Asset Protection. Disaster recovery plan in place for IT – regular back-ups carried out and stored off site. Emergency plan for IT is in place.
15	Inadequate financial and operational controls	Inability to deter or detect misappropriation of assets, financial statement fraud, or corruption. Management override of internal controls. Inability to get a clean audit opinion.	1	4	4	Financial	not required	Yes	PL, Finance & Admin	EL-4 Asset Protection. Financial and operational controls documented. External auditor reviews financial controls annually.
27	Failure to make government remittances	HST not remitted. Employee and employer payroll taxes not remitted. Liable for penalties and interest. Government may audit organization.	1	4	4	Compliance	not required	Yes	PL, Finance & Admin	EL-3 Financial Condition. Control systems in place. Monitoring reports to Board 3 times per year. Confirmed annually by external auditors.
4	Loss of key leadership	Key leadership voluntary leaves. Key duties are neglected. Lost experience.	2	2	4	Operational	> 6 months	Yes	CEO	EL-5 Planning. Procedures documented for all positions.

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17	Management of reserve or investment funds	Engineers Canada is exposed to market risk with respect to its investments. The fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.	2	2	4	Safeguarding	> 2 years	Yes	CEO	EL-4 Asset Protection. Investment management firm in place. Disclosure annually provided in Note 5 of Financial Statements.
34	Credit and interest rate risk	Exposure to credit and interest rate risk with respect to its interest bearing investments. The Bond Mutual Funds held by Engineers Canada bear interest at fixed rates and is therefore, exposed to the risk resulting from interest rate fluctuations.	1	1	1	Operational	6 - 12 months	Yes	PL, Finance & Admin	Engineers Canada's other financial assets and financial liabilities do not bear significant amounts of interest at fixed rates and therefore do not comprise any significant interest rate risk exposure to Engineers Canada. Engineers Canada does not use derivative financial instruments to reduce its interest rate risk exposure.
8	High voluntary staff turnover	Productivity suffer Projects may be delayed	2	2	4	Operational	> 1 year	Yes	PL, Human Resources	EL-1 Treatment of Staff and Volunteers. Human resources function led by HR Professional.
16	Insufficient budget controls	Overspending. Budget items do not match priorities. Results being manipulated by management to smooth variances.	1	3	3	Operational	> 2 years	Yes	PL, Finance	EL-4 Asset Protection. Financial and operational controls documented. External auditor reviews financial controls annually.
9	Hiring practices less than adequate	Poor hires. Staff turnover.	1	3	3	Operational	> 2 years	Yes	PL, Human Resources	Rigorous hiring and testing processes in place. Protocol for renewal of position descriptions.
24	Changed governmental priorities	Impact on functional aspects of organization	1	2	2	Strategic	> 1 year	Yes	PL, Government Relations	EL-7 Communication and Support to the Board. Monitor government activities and proposed changes. Network with others who monitor government activities.
26	Corporate reporting requirements not met	Failure to file corporate annual return and update directors' information.	1	2	2	Compliance	> 1 year	Yes	PL, Legal	Control system in place with functions allocated. Confirmed annually by external auditors.
19	Inadequate insurance protection	Financial exposure.	1	2	2	Operational	> 2 years	Yes	VP, Operations & Projects	EL-4 Asset Protection. Insurance policies in place, reviewed regularly.
12	Liability claims	Negative impact on finances and reputation.	2	1	2	Operational	> 2 years	Yes	VP, Operations & Projects	D&O insurance in place. Property insurance in place.
21	Poor borrowing strategy	Excess interest payments. Destabilization of cash flow.	1	1	1	Operational	> 2 years	Yes	PL, Finance & Admin	EL-3 Financial Condition. Borrowing resolution approved by the Board is limited.
22	Foreign currency fluctuation risk	Exposure to foreign currency risk with respect to U.S. currency holdings and investments in U.S. and other foreign equity mutual funds.	1	1	1	Operational	> 2 years	Yes	PL, Finance & Admin	EL-3 Financial Condition. Managed as part of the investment portfolio.

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7	Inadequate asset security and tracking	Assets are stolen, damaged or otherwise compromised. Assets are capitalized when not in use per GAAP. Assets are capitalized that do not meet the capitalization criteria of having a unit cost >\$500.	1	1	1	Operational	> 2 years	Yes	PL, Finance & Admin	EL-4 Asset Protection. On-site assets are protected through secure building site. A list of assets, along with photographs is underway. IT assets are tracked by IT staff and are depreciated over four years.
28	Liquidity risk	Risk that Engineers Canada will be unable to fulfill its obligations in a timely or cost effective manner.	1	1	1	Operational	6 - 12 months	Yes	PL, Finance & Admin	Operating requirements are monitored. Budget and cash forecasts are prepared to ensure sufficient funds to fulfill obligations. EL-3 Financial Condition.
38	Lobby Register	Monthly filing of lobbying activities not made results in fine.	1	1	1	Operational	Monthly	Yes	PL, Government Relations	Monthly verification of meetings with government at the level that requires reporting.
11	Travel complications	Safety and budget compromised	1	1	1	Operational	not required	Yes	PL, Human Resources	GP-10 Board, Committee and Other Volunteer Expenses Insurance for volunteers in place. Travel by staff and volunteers to jurisdictions that are designated as "high risk" by the federal government are not approved.
10	Emergency, health and safety issues	Health and safety of staff and volunteers compromised.	1	1	1	Compliance	> 2 years	Yes	PL, Human Resources	EL-1 Treatment of Staff and Volunteers. Ontario legislation requires that a health and safety committee be in place and trained. Health and safety committee have regular meetings, carry out health and safety reviews of the office environment regularly. Emergency evacuation system in place. Emergency response for reception in place. The above are set out in the Employee Manual and explained during orientation for new employees. First aid training provided to staff.