Risk is inherent in all of the organization's operations. Not all risk can, or should, be eliminated; however, it is imperative that both governance and operations are understood and appreciated through a risk lens. High performing organizations must develop a culture that is risk-aware without being risk-averse, pursuing opportunities that further the strategic and operational priorities while effectively managing risks that have the potential to adversely impact the organization.

The Board recognizes that virtually all activities carry a degree of uncertainty and require an appropriate balance between managing risks and pursuing strategic opportunities. The Board determines the appropriate level of acceptable risk based on a balanced view of risk, considering both the threat of adverse impacts and the opportunities that arise from properly managed risk.

The organization's risk appetite varies according to its assessment of a particular risk. Although risk management often involves responding to the negative impacts of risk, it is important to recognize that all opportunities bring some risk which must be effectively managed, and not necessarily avoided.

DEFINITIONS

Risk **–** Any event or action that may adversely affect the organization's ability to achieve its strategic and operational priorities.

Risk Management **–** The application of rigorous methods to identify, analyze and treat risks in order to increase the likelihood of objectives being achieved and decrease the likelihood, or reduce the impact, of negative events.

Risk Appetite – Risk appetite outlines the amount and type of risk the Board normally accepts in order to achieve its mission. It is expressed in Board policies that describe the organization's overall approach to risk, acknowledging a willingness and capacity to take on risk as required.

Risk Tolerance – Risk tolerance refers to the amount of risk and uncertainty, beyond the Board's "expressed risk appetite", the Board is willing to tolerate in order to pursue new opportunities and its strategic objectives.

Risk Management Program – Risk Management Program consists of the structures, processes and culture that are directed towards the effective management of opportunities and potential adverse effects. This methodology provides the framework for strategic and operational decision-making and facilitates the coordinated ongoing application of risk management across all parts of the agency, from governance and strategic planning to the operational level.

CATEGORIES OF RISK

Risk is not a singular issue and may overlap different categories; however, due consideration should be given to these eight categories of risk.

Governance and Compliance Risk which impact the organization's strategy for managing the broad issues of corporate governance, risk management, and compliance with Ministry policies, external laws and regulations.

Strategic Risk which adversely affects the organization's ability to achieve its strategic priorities.

Financial Risk which may result in a loss of financial resources or physical assets.

Reputational Risk which may affect the organization's reputation and public image.

Operational Risk which may impact ongoing service delivery and management processes.

Information Risk which impacts the organization's sustainability, business continuity and legislative obligations, and includes both client and corporate information.

Information Technology Risk which may impact the organization's ability to manage, move, store, access and protect digital information.

Human Resources Risk which may impact the uncertainty arising from changes in the labour market and people-management issues that affect the organization's ability to achieve its service responsibilities and strategic plans.

RISK PRINCIPLES

Our approach to risk is guided by the following principles:

Transparency	Strategic decision-making is best informed through open and transparent assessment of risk and mitigation controls.
Congruence	Congruence with best practices, accreditation standards, and Ministry expectations enables effective risk management.
Engagement	Inclusive and meaningful engagement with youth, parents, staff, community, and service system partners are core to an effective risk management program and critical to the achievement of the Centre's strategic goals in these areas.
Leveraging Strengths	Robust internal controls and risk management practices are foundational; and as such, we must endeavour to continually strengthen and improve these practices.

In this spirit, the Board shall:

1. Be responsible for confirming the risk appetite and risk tolerance for the organization, ensuring a balance between opportunity and risk.
2. Be responsible for managing all risks associated with governance. This may include but is not limited to:
   - 2.1 Board composition and representation
   - 2.2 Board evaluation, education and development
   - 2.3 Role of Chair and other Officers
   - 2.4 Quality of meetings, decision-making and conflict of interest
   - 2.5 Recruitment, retention and oversight of CEO
   - 2.6 Protection of corporate assets, finances, human resources and reputation
   - 2.7 Quality assurance
   - 2.8 Strategic planning
3. The Board uses a risk matrix approach which concurrently addresses and integrates the likelihood of an adverse occurrence with the impact of that adverse occurrence. From this, the Board then supports mitigation strategies that either reduce the likelihood or reduce the impact.
4. The Board, as a whole, is ultimately responsible for ensuring the organization has effective risk management and control processes in place to protect operations; however, it may, from time to time,

delegate some of that responsibility to a committee such as the Audit and Finance Committee, Quality Committee, and Governance Committee.

5. The Board delegates authority to the CEO who is then responsible for the development and oversight of the risk management program and policy at the organizational level. The CEO has the authority to implement the risk management program as outlined in Executive Limitations policies.