

Laidlaw Foundation

*Risk Management Plan 2019-2024*

The purpose of the Risk Management Plan (“The Plan” or “Plan”) is to minimize service disruption, possibility of a loss, or other adverse event that has the potential to interfere with Laidlaw’s ability to fulfill its mandate. The Plan ensures that the organization identifies and understands the risks to which it is exposed. Laidlaw’s main goal is to create and implement an effective Plan to prevent losses or reduce the impact if a loss occurs.

The efforts are focused on the development of a risk management framework appropriate for Laidlaw’s size and scope of operations, which strategically integrates various documents as a basis of informing Laidlaw’s risk management practices. These documents include the Board Policy Manual, Foundation House Community Policies and Investment Policy which outline in details areas of risk, and possible mitigation approaches.

**1. Risk Management Strategy**

Laidlaw will have a formal and regularly updated Risk Management Plan. However, many risk management practices are currently embedded in organizational policies. These include:

- 1) Insurance policies that reduce organizational risk- including Directors' Liability and Commercial Insurance.
- 2) Detailed budget review prior to the start of each fiscal year. Detailed budget notes are done on a line-by-line expense basis. Quarterly meetings with Finance and Audit Committee with reviews of quarterly financial statements.
- 3) Annual external audit of the financial statements
- 4) Proper segregation of duties related to financial operations (cheque issuing, signing, etc.).
- 5) Financial signing limits
- 6) Expense, travel and external consulting policies

**Purpose of Risk Management**

The purpose of the risk management framework is to proactively address risks and apply a strategic approach to resources required for risk management.

Ultimately, risk needs to be managed so that Laidlaw Foundation can achieve its strategic objectives, operational targets and programming goals. Minimizing risk to the health, safety and security of Board members, advisors, employees, volunteers, assets and the Foundation’s reputation is central to this approach. The framework recommends certain steps and tools to promptly, and proactively, identify assets, and appropriately address the threats and opportunities the organization faces.

**Organization Context**

It is not possible to avoid risk entirely and risk management is not a stand-alone activity. It is a systematic, timely, structured and integral part of existing business and operating processes.

Risk management results help decision makers (Board of Directors, Senior Management Team and Management Team) make more informed choices, prioritize actions and distinguish among

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alternative courses of action. Results provide insight into whether an activity should be delivered and, if so, the extent of resources required to manage the risks associated with its delivery.

Examples of various types of decision-making and planning that are influenced by risk management include, but are not limited to, budgeting, insurance protection, property and physical infrastructure, emergencies and disasters, performance evaluation, investment portfolio, grantees' reputation, business planning, contract management, reputation, credentialing, liability and meeting stakeholder expectations.

### Reference and Related Documents and Policies:

1. Finance Procedures and Investment Policy Statements
2. Laidlaw Foundation Governance Manual
3. Foundation House Community Policy
4. Insurance Policies:
  - Directors and Officers Liability Insurance
  - General Liability Insurance
  - Foundation House Content and General Liabilities Insurance

Key Risk	Risk Description	Risk Management / Risk Mitigation
People	Loss of key Board members, senior and essential staff members, volunteers and expert advisors	Intentional knowledge transfer and continuous improvement of written policies and procedures enable better transfer of information and expertise between staff, Board and advisors and increase consistency in operation and standards.
Investment Portfolio Performance	Performance of the endowment, market trends, fraud prevention, cost over-runs. Fraud and internal mismanagement, improper allocation of resources and assets of the organization	Ensure that the Foundation recruits expert advisers to the Investment Committee. The Investment Committee of the Board meets regular with fund managers, reviews asset mix and endowment performance regularly.
Grant-making Practices	Inconsistent practices and qualities and community perception of allocation decisions.	Documenting the process of collecting data for all performance measures will simplify on-going data collection and enhance the consistency and reliability of results. Have a clear decision-making process and make assessment criteria publicly available
Infrastructure	Information technology infrastructure, including trust in the integrity and accuracy of the data- and information- management systems, may fail to meet demands of client data documentation and performance standards.	Implemented a more stable hardware and software platform in 2018 to retain client and Foundation data. At all times we will ensure that adequate and effective measures are in place to ensure the privacy and security of the grantees' records collected and used in our programs. In addition, access to confidential data granted only to specific staff. Foundation House Partners hired a joint IT staff who regularly updates security settings and ensures that our systems are protected from malware attacks and cyber breaches

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		and that overall cyber risks are minimized and planned for.
Brand and Reputation	<p>Community perception of the organization as a reliable source of information, miscommunication or misunderstanding of our work. Misconduct of a grantee or someone associated with a grant-recipient. Questions about our relevance and role</p> <p>Misconduct of staff and / or Board members.</p>	<p>All funding applications are approved and ratified by the Board to ensure that they are consistent with the mission and vision of the organization. In addition, all new proposals must meet the criteria established by the Board in the 2019-2024 Strategic Directions.</p> <p>This includes a demonstration of the need for the services proposed and partnering only with reliable, well-established and competent organizations. We usually have established relationships with funded initiatives and the organizations we grant to.</p> <p>We make sure that we know our grantees and never grant to organizations that do not meet our standards of ethics, excellence and integrity.</p> <p>We also ensure that all funded initiatives adhere to the same standards and values as the Foundation. We conduct a thorough review of our grantees as part of the qualification due diligence.</p> <p>We ensure that we remain connected to issues relevant to communities connected to us.</p> <p>Board policy and human resources manuals include procedures to address misconduct by staff, Board and volunteers.</p> <p>The Foundation will strive to remain relevant by meaningfully addressing critical issues facing communities with whom we work.</p>
Business Interruption	<p>Loss of business, work hours, facilities resulting from endemic diseases, floods, other natural disasters, theft or vandalism.</p>	<p>Laidlaw operates almost fully on the cloud. All staff members have laptops that they take home. Our accounting system, grant-management portal, and grantee records are all stored in the cloud. In case of emergency in the office space we can set up operation anywhere fairly quickly.</p> <p>Develop a Business Relocation Plan that ensures business continuity seamlessly and quickly. Ensure that preventative health and safety measures are in place. Update insurance policy to include protection against floods and other natural disasters.</p>