



*Engineering and Geoscience Education
Foundation Inc.*

**Risk Management Plan
and
Committee report**

June 10, 2022
Updated May 5, 2024

Risk Management Committee process

Using a spreadsheet (attached), the Committee identified business categories and processes, potential risk(s) associated with each process, potential consequences, prevention/avoidance plans, and management plans to deal with each risk if preventive measures fail.

Action plan to mitigate risks

The Committee recommends the following preventive actions be taken to mitigate risks:

Type	Action	Responsibility
Policy	Create an Investment Policy	Policy Committee
	Conduct an annual review of the investment strategies/policy/actions	Volunteers from the membership, with the directors
	Conduct an annual audit to review compliance with policies	Policy Committee
	Also part of the administrative audit every 3 years by (preferably) a volunteer	Risk Management Committee
Finance	Create a Finance Committee	Done January 6, 2022
	Identify two auditors to perform an annual financial audit	Done
Donors, donations & solicitations	Every 3 years, perform an administrative audit, preferably with an external volunteer	Risk Management Committee
Strategic plan & action plan	Conduct a biennial review of the strategic plan	Volunteers from the membership, with the directors
	Conduct an annual review of the action plan(s), and report to the AGM	Same; President to make report to the AGM
Crisis	Create a roster of advisors to help with critical decisions	Board
Disaster	Create a disaster recovery plan	Policy Committee
Regulatory compliance; internal compliance	Create an annual administrative task checklist. For each task, <ul style="list-style-type: none"> • identify the prime • identify the backup 	Risk Management Committee
	Every 3 years, perform an administrative audit, preferably with an external volunteer, and report to the AGM	
Intellectual capital	Ensure each key position has a backup or deputy	Board

Category	Processes	Potential risks	Potential consequences	Prevention/avoidance plan	Management plan (how a risk will be handled if it occurs, and how it will be recorded)
Long-term strategic objectives and initiatives	Investments	High-risk investment (eg. bitcoin)	Lose momentum, credibility, donor confidence	Existing Wpg. Fdn. investment (good return, low-risk, expertly managed) Conduct a critical annual review of investment strategies/policy/actions Do ongoing monitoring of investments Create a finance committee to share responsibility for oversight, with Treasurer as chair—DONE Jan. 6, 2022	If annual reviews show any red flags, revise the investment strategies, policy and actions. Record any changes and decisions in policies, with explanations.
	Strategic plan and action plan	Strategic initiatives not followed through	Lose momentum, credibility, donor confidence	Volunteers from membership do a biennial review of strategic plan. Update and report annually on action plan(s) through President’s report at the AGM.	Disclosure at AGM and recording in the minutes. If volunteers’ review notes discrepancies, amend the strategic and/or action plans to take corrective action if necessary.
	Crisis contingency plans (<i>Crisis</i> : Business disruption owing to deliberate actions or unintended disruptions in the business environment)	Current business model becomes dysfunctional EGEF Executive or other director(s) sabotage the mission of EGEF, such as trying to dissolve EGEF Business environment we work in experiences serious disruption (university, bank or the Wpg. Fdn.)		Understand those crises that we cannot avert, and <ul style="list-style-type: none"> be prepared that such can occur have capability for rapid response—have a roster of advisors who can help us with critical decisions 	Seek professional advice where we don’t have the competency to make decisions.
	Disaster recovery plans (<i>Disaster</i> : Physical disruption owing to flood, fire, tornado, or building collapse)	Fire, flood, tornado or building collapse	Records and files are destroyed	Create a Disaster Recovery Plan Create redundancy in data systems to protect against disasters Resilience against climate change, pandemics, etc.—explore solutions	Implement the plan; determine if the plan needs revision.
	Fraud and corruption prevention plans	Impersonation of EGEF online and in-person	Loss of credibility, confidence; legal fees to stop illicit activity	Be mindful of signs and red flags that online and in-person fraud is happening—be vigilant	Consult legal and technical experts without delay.
	Foundation policies	Not following through on policies Not having expected, reasonable or common policies Not keeping policies current; not revising/reviewing policies on a regular basis	Lawsuits, legal issues Adverse publicity	Policy Committee must report to the AGM Annual audit to review compliance with policies	Revise policies if problematic

Category	Processes	Potential risks	Potential consequences	Prevention/avoidance plan	Management plan (how a risk will be handled if it occurs, and how it will be recorded)
Operational/day-to-day activities	Reporting to CRA Reporting to the Companies Office Maintaining the domain name(s)	Not filing documents on time, making erroneous or inadequate filings	Fines for untimely filing or failure to file Loss of corporate and/or charitable status	Create an administrative task checklist with a prime and a backup (someone designated as a backup to ensure the task is done) Every 3 years, perform an administrative audit, preferably using an external volunteer	Take appropriate steps to recover, if possible.
	Soliciting donations Receiving donations Acknowledging donors	Inadequate financial controls Not soliciting or acknowledging donors properly	Unauthorized use of resources Loss of money, reputation & image Lose donors/donations	Every 3 years, perform an administrative audit, preferably using an external volunteer Conduct an annual internal financial audit—appoint 2 internal auditors who are not on the Finance Committee	Take legal action, if required. Provide full disclosure to donors and members, if appropriate, without delay.
	Setting up the AGM	Legal requirement to have an AGM is not met	Loss of directors, members and opportunity to communicate with members & the community	Create a mechanism whereby an AGM is annually scheduled and held (make it the responsibility of each director on the Executive Committee)	Consult with legal counsel if required.
	Holding board meetings Holding committee meetings	Meetings are not held, or are not timely Committees either don't exist or are not active	Loss of opportunity to keep board members informed Loss of momentum Nothing gets accomplished	Have committees report to the AGM Every 3 years, perform an administrative audit, to examine minutes and products of the committees	The Executive Committee will set priorities for what needs to be done, and either prompts committees to take action or replace committee members or board members if required.
	Making grants	Grant to organization that later proves to be disreputable Grants made in a lop-sided or unfair manner (eg. balance between geoscience & engineering)	Loss of reputation Loss of money, reputation & image Resentment among stakeholders	Make all grants with the notion of balance in mind over time (proportionate to the number of students, in the case of geoscience & engineering) Organizations to which we make grants are registered charities Ensure that organizations we make grants to are completely aligned with our mission (ie. for benefit of students at universities that run geoscience & engineering programs) & articles of incorporation	Consult with legal counsel to determine if the money can be retrieved. Report to police if criminal action is suspected. Report to the AGM.

Category	Processes	Potential risks	Potential consequences	Prevention/avoidance plan	Management plan (how a risk will be handled if it occurs, and how it will be recorded)
	Making online and in-person bank transactions	Mistakes or misdemeanor	Loss of money, reputation & image	Have tight standard financial controls, normal for a charity No online transactions (except donations) Conduct an annual internal financial audit	Determine if the action or neglect is intentional, and if it is, promptly remove the board member. If unintentional, make efforts to determine if a change in procedure is needed.
Financial management and controls	Investments	High risk investments (eg. bitcoin) Professional negligence	Loss of money, reputation & image	Directors Liability Insurance Create an Investment Policy	Director who is found to have not followed the policy shall be reviewed
	Audits <i>Note:</i> Only ~25 transactions per year	Audits not done or not done competently	Legal liability	Directors Liability Insurance Ensure that the internal financial audit is conducted by a team of directors (past directors in good standing may serve), not just a single director	Re-do the audit if not done, or done badly. Report to the AGM if a legal time limit has been breached.
	Security of information	Database and other electronic records breached, corrupted or otherwise compromised Hard copy records lost, stolen or damaged Unauthorized use of resources	Loss of charitable status Loss of reputation & image Loss of donors	Have solid state external drive backup & store it off-site (preferably two locations, such as one other director's home and a bank security deposit box) Use Dropbox	Disclose, if necessary, to the CRA (or Industry Canada?) and/or the people whose information has been affected.
	Rates of return	Insufficient returns	No payouts (bursaries, grants, etc.)	Ensure that investments are in the most stable institutions possible (eg. The Wpg. Fdn.)	Review the investment policy.
Intellectual and information technology actions and knowledge	Hardware: eg. EGEF laptop for Treasurer Software Storage Security	Not backed up in terms of hardware and software	Loss of data Temporary cessation of Treasurer activities (i.e. can't make deposits or write cheques) Exposure of donor information, member information (street address, email address, phone #)	Include hardware in disaster recovery plan Ensure hardware and software are up-to-date Have backup measures in place, maintain them routinely, and test them	Reconstruct from other resources (CRA, directors' files, Companies Office) without delay.

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	<p>Key personnel Experienced directors Directors knowledgeable about the laws governing charitable organizations</p>	<p>Not backed up in terms of key personnel Loss of officers Loss of experienced/knowledgeable directors, with history, signing authority, organizational culture (institutional memory) Difficulty in recruiting replacements</p>	<p>EGEF cannot operate in the short term EGEF loses momentum, leading to loss of reputation & image</p>	<p>Undertake succession planning Actively recruit to maintain a full slate of directors at all times Appoint “Deputies or acting” for each critical position</p>	<p>Refill positions without delay, starting with officers. Obtain signing authorities—reactivate banking ability.</p>
<p>Compliance/regulatory issues and policy decisions</p>	<p>CRA requirements The Corporation Act Human Rights legislation Organizational bylaw</p>	<p>Income tax return not filed in a timely way, or contains errors Business with the Companies Office not conducted in a timely way, or contains errors Directors, employees or volunteers violate Human Rights legislation EGEF fails to follow its bylaw</p>	<p>Loss of charitable status Fines Loss of reputation & image Loss of directors, members and donors Legal liability/exposure</p>	<p>Ensure that Directors Liability Insurance is always paid up Every 3 years, perform an administrative audit Have good “bring forward” systems in place to serve as reminders of annual and other periodic requirements (administrative task checklist) Ensure that all EGEF directors, employees and volunteers understand and sign off on the Director and Volunteer Orientation & Expectations Policy Ensure that all new directors undertake a Criminal Records Check unless the Board passes a motion, case-by-case, that it is unnecessary Report to the AGM on activities under the Discrimination & Harassment Policy</p>	<p>Pay up all insurance and other obligations without delay, including penalties. Report any errors or omissions to the Companies Office, Human Rights Commission, CRA, or other appropriate body without delay. Investigate the cause and report to the board and AGM.</p>