

Risk Management Plan 2020

Summary

This is an overview of the Risk Management Plan of United Way Brandon & District. This plan is to outline, identify, assess and respond to risk within our organization in order to protect itself, staff, clients and volunteers. The practice of sound risk management is to reduce to the exposure to liability by being aware of potential problems, ensure reasonable precautions, obtaining adequate insurance, crisis management and timely resolutions.

Definition of risk

Risk is the possibility that the organization would face a potential situation or circumstance that would result in a cost or loss financially or physically to itself, staff, clients, volunteers, board members, property or reputation.

Financial loss or liability can occur while working during the course of fundraising activities, in the routine financial affairs of the organization and market/environmental changes.

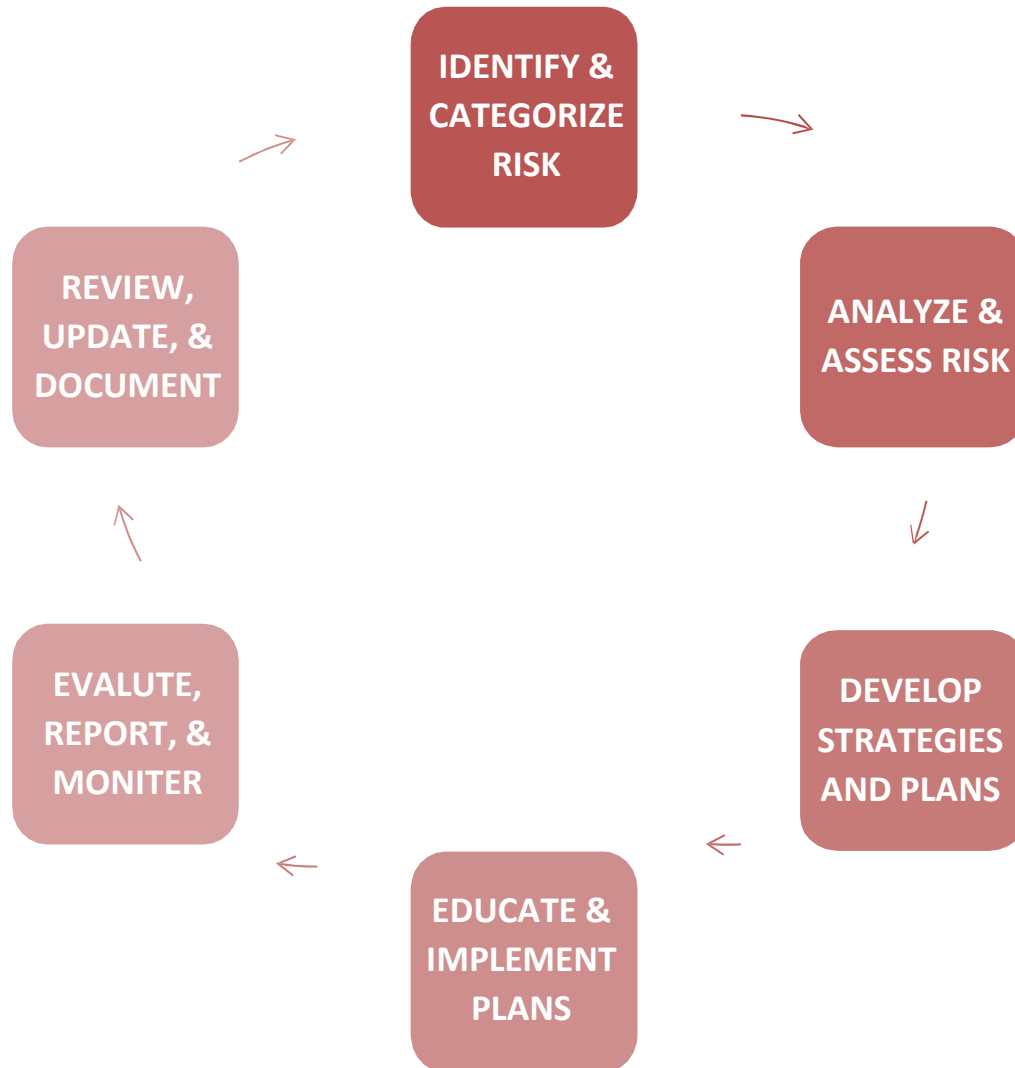
Physical harm can occur while interacting with vulnerable groups, working alone, off site and/or without supervision.

Some risks can be inherent to the event or circumstance itself, while others can be the result of external influences that are completely outside the control of the organization.

Strategic Management

This is the process used to manage risks related to circumstances that may occur and how to execute and resolve the liability outcome and to ensure the organization itself, its staff, volunteers and clients are safe and secure.

Management Cycle



The key components are:

Identify, analyze, assess, evaluate, manage and document all potential risks.

- Consider the environment, external and internal, scope of work and individuals involved indirectly or directly.
- Review and determine the potential impact of the types of risks, likelihood and level of consequences. (high, medium, low)
- Provide an outline for managing the risks and for written documentation and communication with the Board of Directors to review and update as needed.

Identification/Assessment/Management

The identification of risk normally starts before the event or project begins and the possibility of risks increases as the project develops. When a risk is identified, it's first assessed as to the type of risk; financial, physical or liability. The degree of impact is assessed by certain factors, interruption of schedules or events, costs, and quality of the end result. The risk would then be prioritized. Depending on the event, the impact may affect others involved in the project. Several factors are to be considered when assigning risk priority, the probability of occurrence; number of areas impacted and the degree (high, medium, low) to which they impact the project. All identifiable risks should be entered and documented in a Risk register.

Mitigation/Contingency Planning

Mitigation is when an action can be taken to lessen, avoid or reverse the probability/impact of a certain risk; in addition to creating a contingency plan to deal with the risk should it occur. Taking early steps to reduce the probability of an adverse risk occurring may be more effective and less costly than repairing the damage after a risk has occurred. However, some risk mitigation options may simply be too costly in time or money to consider. Mitigation activities should be documented in the Risk Register, and reviewed on a regular basis.(high risk monitored quarterly, medium risk semi-annually) Prepare a contingency plan in advance as to a course of action if a high to medium risk event takes place. Review and update contingency plans as necessary.

Communication/Reporting

All identified and assessed risk potential areas should be reported, documented and communicated to Board Members and staff by the Risk Officer. A regular follow up and adjustment to the risk register should be performed by the risk officer, and then communicated to the Board at each meeting for review, management and approval.

Responsibilities

The Board of Directors: Roles and Responsibilities

- The board is responsible for governance, leadership, compliance, financial systems and control, budget, planning, reputation, corporate human resources, advocacy, labour relations and accountability.
- Adopting and approving strategic plans, including a review of the identified and potential unknown risks, tolerance levels and monitoring the procedures for the identification of the key business risks.
- Implementing appropriate plans to mitigate the key risks.
- Reviewing updates and reports as they arise.
- The Board may recommend a specific issue be handled by an Executive Committee and or a pre-existing committee.

The CEO: Roles and Responsibilities

The CEO is responsible for managing operational risks such as:

- Internal environment, community environment, health and safety, community building, leadership, donor behavior, program delivery, public disclosure, human resources, operational planning, financial systems and controls, budget, relations with other United Ways, information management, technology systems.
- Administering the Risk Management plan and ensuring it's compliance with the policy.
- Recommend the policy to the Board for review and approval on an annual basis.

The United Way Brandon & District key risks:

Financial

- Loss of major source of funding
- Loss of income from investments (market changes)
- Fraud/misuse of funds

Operational/Program

- Lack of screening, training, development of staff and volunteers
- Lack of supervision, evaluation, and communication of updated policies and procedure guidelines
- Lack of resources for succession, in the event of unforeseen risks, loss of Senior Administration
- Insurance coverage, ensure appropriate coverage for identified risks and liabilities

Compliance/Governance

- Disregard of regulations, external or internal, legal and binding
- Ineffective oversight, communication, reporting and documentation of all risk; actual or potential

Information/Privacy/Technology

- Potential reliability issues with technological equipment and service providers
- The ability to keep confidential information secure, while using outside sources for maintenance and repair

External/Environmental

- Loss of funding sources, public support and economic stability
- Natural disasters, environmental changes that may affect the community's economic growth
- Political changes, legislation, regulations and public expectations.

Risk Management Operations

Actions - Monitor and Report

Financial: Medium risk

A financial reserve set aside for a specific or general purpose could provide funding for programs and initiatives which are unable to be funded by grants, donations or earned revenues. This could also provide a cushion in the event a fund raising project fails to meet its target.

Regular monitoring of financial trends and market changes before they cause problems. Political and social trends are harder to quantify and assess, however all regulatory changes still need to be monitored.

Internal monitoring for differences in financial and non-financial indicators between actual results and board approved plans and budgets. All variances should be brought to the Board's attention as well as a plan to redirect to the original objective.

Operational/Program: Medium risk

The organization has developed a procedures guide for screening, supervising and evaluating staff & volunteers. (Refer to Training & orientation guides for staff & volunteers)
The key factors are:

- To inform and educate all staff and volunteers on risk awareness and safety procedures, as well as how to report and communicate in the event of exposure to potential risk.
- The review and changes are to be distributed to all staff and volunteers so they are aware of any new changes in policy or new potential threats.
- Develop a strategic plan for emergency and/or planned departure of the Senior Staff with the focus on core competencies, cross training and the assignment of back up functions. The succession plan needs to include Board responsibilities as to appointing an Acting/Interim
- Senior Staff member, a communication plan to maintain staff and Board communications open and a sound Strategic Leadership Development Plan.
- To review and evaluate current insurance coverage. Ensure insurance coverage is appropriate for the risks involved and liability of others. (See insurance policies filed under operations)

Compliance/Governance: Low risk

The Board and CEO are responsible for the oversight of the organizations policies and procedures in all effecting areas. All staff is required to be informed and updated as changes in policies occur. The monitoring and reporting on a consistent basis keeps the risk low.

Information/Privacy/Technology: High

The ever changing technology and rapid growth within the technological market presents a challenge for the organization, as it does not have the resources to upgrade and maintain equipment and service providers as it becomes available. A requirement of offsite back up/storage or a secure server poses potential risk when the only guarantee of security is a confidentiality agreement.

External/Environmental: High risk

An unexpected event or circumstance may occur at any time due to natural disaster, loss of power/essential services. A pre-approved plan for business continuity is necessary while the organization is in a crisis response situation; to manage the crisis itself and having the resources and resilience to continue the operations. A Board approved crisis management plan, including the possibility of escalation and communication protocols is required.

Overview

An organization that reviews and analyzes their responses to crisis, challenges and successes can profit from their experience if they take the opportunities for improvement as they present themselves. A review after- the- fact can help diagnose underlying causes, identify potential warning signs and preventative measures to reduce the risk of similar crisis in the future.

Communication with all staff and review by the Board at regular intervals is the key to successfully creating awareness to risk and potential.

Revised and Reviewed
United Way of Brandon & District
Board of Directors
Date: June 15, 2020
To Be Reviewed - 2 years