

Risk Assessment and Management for Volunteering Organisation

Lisa Shi | 3 Dec 2011

EC HARRIS
BUILT ASSET
CONSULTANCY

HKARMS 香港風險管理與安全協會
Hong Kong Association of
Risk Management and Safety

 **義務工作發展局**
AGENCY FOR VOLUNTEER SERVICE



What is a Risk?

- The ISO 31000 definition (drawing upon ISO Guide 73 *Risk Vocabulary*) of risk is: ‘the effect of uncertainty upon objectives where an effect is a deviation from the expected - positive or negative’
- The above is used as the worldwide standard for risk description and is also adopted by The Institute of Risk Management
- The key point to note above is at the end of the sentence: ‘positive or negative’. All members of an organisation should remember that very often a risk will also have a positive side, known as an opportunity

Risk Management – An Introduction

- What is a risk?



source: <http://www.freshdv.com>

What Makes a Risk?

- What is the mouse's objective?
- What risks could prevent the mouse from achieving his objective?
- What is the likely cause of the risk?
- What would be the consequences of the risk occurring?
- What would be the likelihood and impact of the risk occurring?
- What can the mouse do to minimise, or mitigate the risk to itself?
- What contingency measures could the mouse take if the risk was to occur?

What is the mouse's objective?

- To get the cheese
- What factors should the mouse take into consideration before attempting to get the cheese?



<http://www.freshdv.com>

What risks could prevent the mouse from achieving his objective?

- The cheese may be taken by another mouse
- A cat might be stood guard by the cheese
- The cheese may go moldy if left there for too long
- The trap could spring trapping the mouse



Source:
www.kewlwallpapers.com/images/wallpapers/chee



Source:
<http://mrsrashistidoll.files.wordpress.com>

What is the likely cause of the risk?

- The mouse not being quick enough to get the cheese
- The owner made the cat stand guard over the cheese
- The mouse leaves the cheese there too long
- The mouse is not delicate enough on the trap to take the cheese without triggering the spring

What would be the consequences of the risk occurring?

- He may have to fight with another mouse to get the cheese
- He may get seen and caught by the cat
- The cheese will poison the mouse
- The mouse will be trapped



Source: <http://greatblogabout.com/wp-content>

What would be the likelihood and impact of the risk occurring?

- How likely is it that any of the causes mentioned previously could occur?
- The mouse not being quick enough to get the cheese – low likelihood as the mouse is very fast, the impact would be great though as the mouse would go hungry
- The owner made the cat stand guard over the cheese – low likelihood as the cat would more than likely wander off, the impact would be great though as the mouse would go hungry
- The mouse leaves the cheese there too long – low likelihood as the mouse is very hungry, the impact would be great though as the mouse would go hungry
- The mouse is not delicate enough on the trap to take the cheese without triggering the spring – High likelihood as the trap is very sensitive, the impact would be great though as the mouse would be trapped

What can the mouse do to minimise, or mitigate the risk to itself?

- The mouse will need to consider targeting the root causes of the risk to lessen the likelihood/impact of the risk occurring
- The mouse not being quick enough to get the cheese – the mouse should train himself to be fast to be able to grab the cheese
- The owner made the cat stand guard over the cheese – can the mouse reason with the cat? Or can the mouse sneak in under its nose and take the cheese without being spotted?
- The mouse leaves the cheese there too long – Devise a plan to get the cheese as soon as possible through the use of the above mentioned mitigation
- The mouse is not delicate enough on the trap to take the cheese without triggering the spring – Obtain the drawings for the trap and analyse this for weaknesses within the trap

What contingency measures could the mouse take if the risk was to occur?

- The cheese may be taken by another mouse – ask the other mice if they can share the cheese (AVOIDANCE)
- A cat might be stood guard by the cheese – find a way to distract the cat away from the cheese (CONTROL)
- The cheese may go moldy if left there for too long – get to the cheese as soon as possible (CONTROL)
- The trap could spring trapping the mouse – obtain some protective equipment to prevent injury to the mouse (CONTROL)
- Contractually transfer the risk (not possible in this case)



www.gotit.co/wallpaperImages/Mouse_Helmet.jpg

No Risks Impacted

- The mouse identified and understood the risks that would prevent him getting the cheese and put in place solid mitigation and contingency measures to help him achieve his objectives



Risk Management for Agency for Volunteer Service

- The principles set out in the previous slides can be applied to any organisation to help them better identify and manage the risks/hazards they are likely to face on not just individual projects but also the day to day running of their operations
- Due consideration should be given to the likely risks that could impact the volunteering organisation/agent in all spheres of their work , whether this forms an individual project or the overall structure of the organisation
- All members should be encouraged to consider risk management in all of the activities that they undertake, not just the physical risks to themselves but also risks to the organisation they are volunteering with. All volunteers are risk managers



Why Risk Management

- To protect the organisation, brand and its resources
- To protect service users and beneficiaries
- To improve decision making, planning and prioritisation
- To reassure funders
- To minimise impact of the event where reasonably practicable
- Because you value volunteers ...
- *“risk management is not about buying insurance. It is not about avoiding lawsuits. Instead it is about protecting and conserving your organisations resources and providing goods and services reasonably”*

(Laird Hunter 1998)

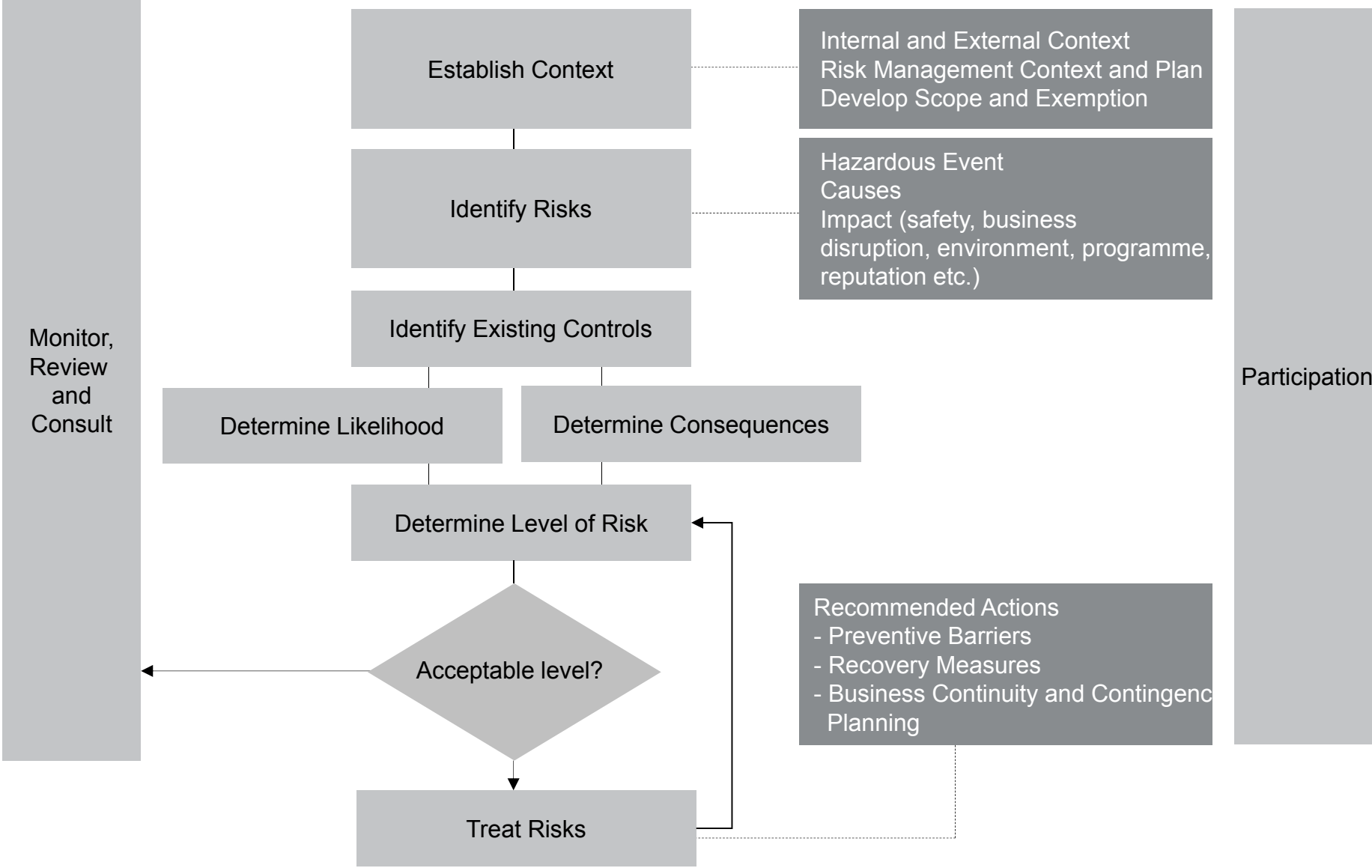
Volunteering Program

- Event set-up e.g. working at height
- Driving
- Flag selling
- Camping
- Logistical arrangement
- Activities involving elderly, disabled and children
- Home visits
- Media handling
- Other outdoor activities

Major Risks for Volunteer Services

- Injuries occasioned to volunteers throughout their work, e.g. physical hazards such as falls from height, injuries caused by lifting heavy objects, accidental or malicious injury.
- Financial hazards caused by acting in a negligent manner giving rise to private and or public prosecution and/or financial penalties.
- Volunteers providing inaccurate information or advice to organisation's
- Volunteers acting outside of the scope of their remit and exceeding skills and/or authority

Basic Risk Management Process



Step 1: Define objective and scope

- Objective setting – Without identifying the organisations objectives it will be difficult to identify risks/hazards that could impact on them and preventing them achieving their objectives
- Risk management should be considered at all levels of the volunteering organisation, there are a wide variety of tools that can be used to identify, assess and manage risks within a company such as:
- Risk Assessments carried out across all of the activities that the volunteering organisation undertakes, this can take the form of a generic risk assessment that volunteers/employees are asked to complete or by way of a risk intervention whereby the senior management team would assess each individual and/or activities on an ad hoc basis

Step 2: Risk Identification

- Questionnaires/surveys of volunteers/employees to gain a better understanding of how risk is perceived within the organisation
- Incident investigation
- Auditing and inspection
- Workshops (e.g. brainstorming or scenario analysis)– Gathering together key members of the organisation and brainstorm likely hazards that could impact them.



Step 3: Risk Evaluation

- Exposure: organisation, people, property, financial, compliance and environment
- Cause: high temperature, natural disaster (e.g. flood, high wind, earthquake, fire and drought etc), vibration, overload, power outage, toppling of high-piled object, pollution and deliberate acts
- Likelihood and consequence evaluation
- Control Measures: preventive barriers and recovery/contingency measures

Likelihood and Consequence Evaluation

Rating		Injuries/Fatalities	Environmental	Media Attention	Legal	Financial/Asset Loss
INSIGNIFICANT	1	Superficial injuries or less than 10 minor injuries	Trivial environmental impact no response required	Very high reputation, seen as a quality volunteering organisation	Threat of legal action	Up to HKD 10,000
MINOR	2	1 -10 major injuries or more than 10 minor injuries (i.e. first aid / outpatients medical treatment)	Significant environmental impact - long duration limited response	"Routine" sniping in the Press or posted on Internet	Legal action with limited potential for decision	Up to HKD 50,000
MODERATE	3	1 -10 serious injuries or more than 10 major injuries (require immediate hospitalisation for less than 3 days)	Serious environmental impact - resulting in insignificant fines and resources commitment	Critical article in Press or TV. Public criticism from regulator or industry body. Criticism in internet forums or on-line internet diaries.	Individual lawsuit with probable settlement out of court	Up to HKD 100,000
MAJOR	4	1-5 fatalities or more than 10 serious injuries (require hospitalisation for more than 3 days)	Serious environmental impact - resulting in major fines and resources commitment	Story in multiple media outlets and/or national TV main news over more than one day	Individual lawsuit brought against the organisation for major violation with limited opportunity for quick settlement	Up to HKD 500,000
MASSIVE	5	> 5 fatalities	Toxic release with long-lasting detrimental effect - resulting in extended duration significant resource commitment	Governmental or comparable political repercussions. Loss of confidence by public	Class action litigation brought against the organisation for significant violation.	Over HKD 500,000

Rating		Regulatory Status	Example of Loss event	Frequency
RARE	1	Negligible - may occur only in exceptional circumstances	No or little change to regulation in recent history/ near future.	30 years or less frequently
UNLIKELY	2	Might occur at some time	Limited recent or anticipated regulatory changes	Once every 10 years
OFTEN	3	Should occur at some time	Modest changes to regulation recently or anticipated	Once every 3 years
LIKELY	4	Probably occur at some time	Significant changes to regulation	Annually
EXPECTED	5	Will occur in most circumstances	Major complex changes to regulations	At least monthly

Step 4: Risk Treatment

- Robust and consistent mitigation measures should be identified and assigned to all risks, not just the high ranking ones. The mitigation measures need to be measurable and achievable.
- Ensure that all mitigation measures are assigned an owner who is responsible for ensuring the mitigation is carried out appropriately and on time.
- Based on organisation's appetite for risk

Risk Control Method

- Elimination
- Avoidance e.g. abandon the activities if it is not core; suitably selection and screening process
- Control (reduce likelihood or consequence) e.g. additional resource to finance meet the liability caused by the risks; additional training; clear written appointment and objectives
- Isolation e.g. physical segregation
- Transfer e.g. insurance, workers' compensation, indemnity or exemption from liability clause

Emergency Response and Contingency Plan

- Contingency measures will also need to be considered as it is vitally important to know that if the risk do occur what measures are in place to tackle this and therefore lowering the impact to the organisation and people involved.
- A good example of a contingency measure for the types of risk that could impact the AVS would be ensuring they have adequate liability cover in place with their insurers in order to counter balance the financial impact of risks impacting

Step 5: Record Risk

- Risk Registers – A risk register, the repository used to hold all of the risk information identified, is probably the most important tool you will use. This would include identified risks, the likelihood and impact of them occurring and the mitigation measures put in place to minimise either the likelihood, the impact or both.
- Assign ownership making sure control measures are followed, and who will be responsible for ongoing monitoring
- Record coverage, limit and exclusions

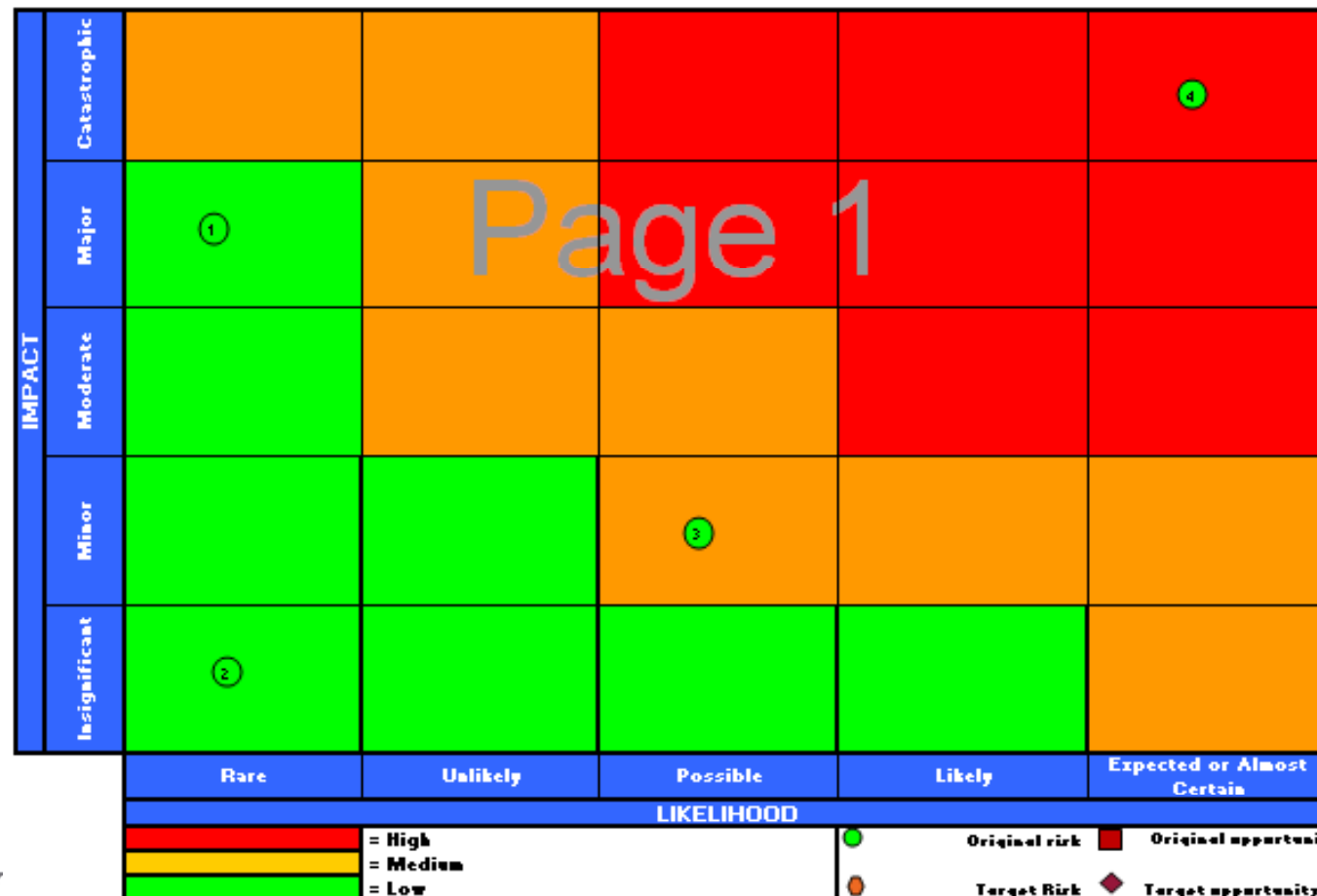
Example: Risk Register

Risk Register					Impacts - Inherent ranking - Without controls								
Scoring	Risk Information				Likelihood	Injuries / fatalities	Environmental	Service Disruption	Financial / Asset Loss	Slips in programme	Media Attention	Legal Action	Original Risk Score
Risk ID	Cause	Hazardous Event	Impact	Risk Owner									
R001/A Mouse/1.1	The mouse not being being quick enough to get to the cheese	The cheese may be taken by another mouse	May have to fight with another mouse the get the cheese	Mouse	5		4						20
R002/A Mouse/1.1	The owner made the cat stand guard over the cheese	A cat may be stood guard by the cheese	The mouse may get spotted and caught by the cat	Mouse	1	1							1
R003/A Mouse/1.1	The mouse leaves the cheese on the trap too long	The cheese may go moldy if left there for too long	The cheese will poison the mouse	Mouse	3	2							6
R004/A Mouse/1.1	The mouse is not delicate enough on the trap to take the cheese	The trap could spring trapping the mouse	The mouse will be trapped	Mouse	2	3							6

Control in Place				
Preventive Barriers	Owner	Target Completion Date	Urgency	Recovery & Contingency Measures
Start training to be fast to be able to grab the cheese quickly	Mouse	01/10/2011	LATE	Ask the other mice if they can share the cheese
Set out reasoning with the cat and advantages of this. Develop a plan to sneak in and take the cheese without the cat noticing	Mouse	01/11/2011	LATE	Find a way to distract the cat away from the cheese
Devise a plan to get the cheese as soon as possible through the use of the mitigation mentioned above	Mouse	01/12/2011	1	Get to the cheese as soon as possible
Obtain the plans for the mousetrap and devise a way to disable the trap	Mouse	01/01/2012	32	Obtain some protective equipment to prevent injury to the mouse

Step 5: Prioritisation of Risks and Actions

- Using the example of the mouse trying to get the cheese we can plot the likelihood and impact of the mouse getting the cheese on a risk matrix as shown below:



Step 6: Monitoring

- Essential that identified risks, scoring and mitigation measures are monitored and re-evaluated on a regular basis. Risk Management should be engrained in the organisation from top to bottom to encourage all volunteers/employees to consider risk management in every decision they make



Questions



Reference (1)

- **ISO 31000 Risk Management Principles and Guidelines**
- **A Structured Approach to Enterprise Risk Management (ERM) and the Requirements of ISO 31000 by IRM, AIRMIC and Alarm**
- **Health and Safety Executive**
 - <http://www.hse.gov.uk/pubns/index.htm>
- **NCVO – Managing Risk: Guidelines for Medium Sized Organisations**
 - <http://www.ncvo-vol.org.uk>
- **NICVA – Member Services Advice Note 13: Risk Management**
 - <http://www.nicva.org/resources/publications/article.asp?ArticleID=9266>
- **Volunteering Australia - Running the Risk**
 - <http://www.volunteeringaustralia.org/publicationsa.html>

Reference (2)

- **ACOVO** – Guide to RISK Management
 - http://www.acovo.org/publications_goodpracticeguides.asp
- **Charity Commission** – Charities and Risk Management
 - <http://www.charity-commission.gov.uk/publications/ccpubs2.asp>
- **DIY Committee Guide**
- Guidance and simple templates for implementing a risk management within your organisation
 - http://www.diycommitteeguide.org/index.cfm/section/news/key/SCTN3_DIYGUIDE_22

Reference (3)

■ Volunteer Now

- Child Protection, Our Duty to Care – gives details of practice which minimises risk of harm to children.
- Volunteer Management Information, As Good as They Give, Book 5 - Volunteers and the Wider Organisation, pgs 11 -16
- www.volunteering-ni.org
- Volunteers and Insurance Information Sheet available from www.volunteering-ni.org

■ Wales Council for Voluntary Action – The Safer Volunteering Guidebook

- http://www.wcva.org.uk/content/volunteering/dsp_managing.cfm?0=0&display_sitetextid=103