

Enterprise Risk Management



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I N S U R A N C E

Step 1: Identify The Risks – Reflect on your job, program, organization and industry:

- *What concerns you the most? What keeps you up at night? What’s the worst thing that can happen?*
- *What concerns your peers, other staff members, your participants, your management, your board?*
- *Where can you immediately improve your risk profile and reduce your risk?*

Risk Register	
Strategic Risks	Brief Description
1.	
2.	
3.	
4.	
5.	
Financial Risks	Brief Description
1.	
2.	
3.	
4.	
5.	
Operational Risks	Brief Description
1.	
2.	
3.	
4.	
5.	
Organizational Risks	Brief Description
1.	
2.	
3.	
4.	
5.	
Reputational Risks	Brief Description
1.	
2.	
3.	
4.	
5.	

Sample Outdoor + Adventure and Experiential Education Risk Register	
Strategic Risks	Brief Description
Clients, donors, partners, staff	Difficult/unable to attract them at the level needed to achieve goals
Competition	There are many similar programs/organizations
Safety Culture	Poor, not demonstrated to be an organizational value
Financial Risks	Brief Description
Asset valuation	Incorrect/outdated
Facilities	Many, wood frame, subject to natural disasters
Financial management systems/financial oversight	Inadequate
Operational Risks	Brief Description
Activity management	Incomplete policies/procedures/waivers specific to activities
Field communications	Inadequate, ability to communicate to/from the field is overstated
Contracts, Liability Release forms, agreements	Not reviewed by lawyer, inconsistent
Course/activity area, or facilities	Unable to access (e.g. due to fire, flood, permits)
Crime/Cyber	Embezzlement, funds transfer hacking, data breach, social engineering fraud
Crisis/Emergency Response Plan	Don't have it, inadequate, not recently tested
Employee	Harassment, discrimination, wrongful termination, failure to hire/promote/transitional duty/return to work policy
Equipment	Need policies/procedures for inspection, repair replacement, need secure storage
Facilities	Inadequate for program needs/lack long term Capital Improvement Plan
Hazard Assessment/Conditions Reports	Not conducted, not current
Incident Reporting, Investigation, Analysis	No definitions, no systems, poorly understood
Medication	Formal process for securing/administering/managing access
New Programs	No system to assess
OSHA	Poor understanding of how it affects us
Participants	Screening/no system to determine suitability
Sexual Misconduct	Employees/staff, participants, inadequate training
Staffing	Difficult to attract, hire, retain, train qualified staff
Transportation	Less experienced drivers, international, driver screening and training, lack of fleet maintenance program
Organizational Risks	Brief Description
Unclear roles/responsibilities	No/outdated job descriptions
Lack of appropriate governance structures	Poor oversight for safety/risk management, finance, HR, advancement and fundraising
Risk Tolerance	Poorly understood, inappropriate for the mission, lack of alignment from field through management
Safety and RM Goals	None, progress towards goals is not assessed
Succession Planning	No clear plan/lack of knowledge sharing/redundancy
Reputational Risks	Brief Description
Crisis Communications	No dedicated 'Information Officer' and/or a relationship with a crisis comm. consultant
Marketing/Communications	Does Mar/Com understand how to appropriately communicate about the hazards/relative safety of your programs/courses/trips? Does field staff understand their role in communicating with the media?

Step 2: Assess The Risks – Using the Assessment Worksheet (below) and Definitions (page 4) or the Heat Map (page 5), determine the Risk Score for the top risks identified in Step 1. To determine the Risk Score, multiply the Consequence times the Probability.

Risk	Consequence (1-5)	Probability (1-5)	Risk Score (Consequence X Probability)
Total Pre Mitigation Risk Score			

Definitions:	
Consequence/Severity/Impact:	
1-2:	Insignificant/Low – Minor Incident (negligible impact to organization, participants, or staff); physical and/or emotional injuries to staff and/or participants who are fully recoverable in a relatively short period of time; property damage to facilities and equipment or loss of property which is not significant in terms of value and/or impact on the organization’s ability to operate. Reputational damage is minor and repairable. Financial consequence to the organization will depend on size, but consider a range of \$0 to \$250,000.
3:	Moderate – Relatively serious incident, significant impact to organization, staff, participants, assets (e.g. serious but not life or limb threatening injuries, minor loss of property, possible media coverage); physical or emotional injuries to staff and/or participants may be disabling or recoverable after a significant amount of time. Property damage to facilities and equipment or loss of property is significant but recoverable in terms of value and/or impact on the organization’s ability to operate. Reputational damage is possible for the short to moderate term requiring time and resources to address. Financial consequence of the incident will depend on organization size and financial health – consider a range of \$250,000 to \$1,000,000.
4-5:	Significant/Catastrophic – Major Incident, potentially catastrophic impact to the organization (e.g. single serious life/limb threatening injury or fatality, or multiple participants with moderate to serious injuries where hospitalization is likely required, likely media coverage; loss of major facility due to fire, flood; loss of use of course area due to wildland fire, loss of permits). Physical and/or emotional injuries to staff and/or participants are disabling requiring long periods of treatment. Property damage to facilities and equipment or loss of property shuts down operations and may not be recoverable. Reputational damage is long term and potentially debilitating to the organization, requiring significant time and resources to address. Financial consequence of the incident is potentially catastrophic - threatening the sustainability of the organization; cost significance will depend on organization size and financial health – consider starting at \$1,000,000+.
Velocity: In assessing each risk consider the impact of velocity – the speed at which an incident unfolds, theoretically increasing the consequence level by reducing your ability to respond and manage the incident.	
Probability/Likelihood/Frequency:	
1-2:	Unlikely – Improbable but not Impossible; consider a frequency range of occurrence from once in the history of the organization to every 5 – 10 years.
3:	Likely – Probable; consider a frequency range of occurrence of every 3 – 5 years.
4-5:	Highly Probable – this is likely going to happen frequently; consider a frequency range of occurrence every 1 – 2 years.

STEP 2: ASSESS THE RISKS – HEAT MAP

CONSEQUENCE/SEVERITY/IMPACT	SIGNIFICANT CATASTROPHIC			
	MODERATE			
	INSIGNIFICANT LOW			
		UNLIKELY	LIKELY	HIGHLY PROBABLE
		PROBABILITY/LIKELIHOOD/FREQUENCY		

Step 3: Mitigate the Risks – From your assessment in Step 2, list the top risks for treatment on the Risk Mitigation Worksheet. Use the worksheet to start capturing the strategies you will employ for mitigating each of the risks that you identified. Strategies include: avoid (by not undertaking the activity/project/program), training, use of Personal Protective Equipment, Policies & Procedures, and transfer (such as outsource to a third party or

Risk		Responsible Party	Mitigation Strategies	Due Date	Date Completed
1.					
2.					
3.					
4.					
5.					

insurance).

Step 4: Monitor and Reassess – Track your progress towards reducing the top five risks that you identified for mitigation. Periodically refresh your Risk Register looking for new/additional risks facing the organization. Periodically assess the effectiveness of your mitigation strategies to determine if the residual risk (the risk that remains after mitigation) is in alignment with your organization’s risk tolerance.