

Risk Management

*Or Let's Use Our
Common Sense*

*From a workshop presented by Myra Willis
October, 2008*

FROM A WORKSHOP PRESENTED BY
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Risk Management is common sense. We do it every day and often don't even realize that you are doing it. Take crossing the street. You look then you judge the risk of the on coming traffic and you go or stay. Many other things enter into your decision. The time you saw someone foolishly crossing when it was obvious it wasn't safe and almost getting hit. How much of a rush you are in to get where you are going. Maybe your leg is hurting today and it will take longer to walk across so you have to make allowances for that.

With your club you do much the same with one big difference, it becomes a plan that is written down.

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Good Governance

Or how to stop worrying and love your club

Understand the role of your Executive

- a. *Develop* an Executive Manual that outlines everyone's responsibilities.
- b. *Educate* Board Members on their duties
- c. *Plan* for succession
- d. *Match* person to the position

- The job descriptions in the Executive Manual should be factual and reflect the actual responsibilities of the position. Often things are taken over by someone and that duty remains with that position even if it doesn't make sense. Duties need to be reviewed every year.
- Everyone should know what everyone else does. Then you know who to go to for what.
- Turnovers can be wonderful, okay or terrible. With a plan in place then everyone knows what is expected of them when the new executive is put in place. This makes things easier for everyone. Things won't get lost or misplaced. The new executive will have the things it needs to get on with it.
- You need the right person for the position. Sometimes the right person needs a mentor or maybe a co chair. They may need a strong committee to get the work accomplished. People in the right position are happier and more productive.

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FISCAL RESPONSIBILITY

Money, Money, Money!

- a. Budget
- b. Cheques and signing authority
- c. Transparency and accountability
- d. Financial policies

- Every club passes one at their Annual Meeting.
- Make sure that your banking is up do date and there are no extra people with signing authority still recorded. There should be a minimum of two signatories on a cheque. (Does anyone want to take the responsibility of being the only one? Sounds risky to me!) Ontario Council has 3 signatories of which 2 much sign. It works. The Treasurer should also keep good books and a paper trail. There are some really good programs out there to help your Treasurer.
- Transparency and accountability just says it all. Without this....MAJOR RISK. Have a budget that is clear and be prepared to answer questions. All the Executive should be knowledgeable about the budge. All the Executive is responsible for the money so be aware and pay attention to financial updates and motions being passed.
- Put your financial policies in writing and review them. You need a set of rules for conducting your financial business.

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Let's Talk Paper

...the important kind!

- a. Constitution and By Laws
- b. Standing Rules
- c. Minutes and Motion Book
- d. Financial Policies
- e. Insurance
- f. Charter
- g. Other

Keep your papers safe and up to date.

Keep good records such as minutes and a motion book. Yes, it might take a bit to set up the motion book but you will never have that discussion again as to what passed and when and who brought it forward etc.

Make sure that the members of the Executive have copies of the papers they need, such as everyone should have a copy of the Constitution and By Laws and the Financial Policies.

If you have government filings, make sure they are up to date.

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CLUB ACTIVITIES

Oh those things we do so well!

- a. General Meetings
- b. Annual General Meetings
- c. Fund Raising
- d. Special Events
- e. Interest Groups
- f. Other

One of the first things you need to do is develop a list of things your club does. Above are a few suggestions to look at and there will be many more. Your list will probably surprise you but don't be let this put you off. You are on the way to developing a risk management plan to protect the club and the members.

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So What Could Go Wrong

*What about a herd of steers stampeding
through your meeting?*

- a. Identify the risk
- b. Judge the risk

After you have your list of things your club does, you need to identify the risk involved in these activities and then judge it.

Basically this means, you take the risk and figure out how likely it is to happen (high, medium and low). Then you judge how great the consequences would be if it did happen (high, medium, low).

Then you make a list of the high probability and high consequence items. You need to deal with these first. After you have exhausted this list, you move downward.

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THE BIG PICTURE

1. Identify and prioritize risks (decide which ones require immediate attention)
2. Develop a written action plan for each identified risk
3. Communicate and train the action plan
4. Monitor your programme and make changes where necessary.

- So let's say that you are looking at your General Meeting in the winter and you identify the risk of someone slipping. How great is it? You decide that it is high. How would this impact your club? The impact could be high as well. It is high and high impact and therefore you need to have a risk management plan to deal with this.
- You may decide to bring some salt to put on the stairs or have someone in the parking lot to help members in
- Make a plan such as it is the Hospitality Chair's responsibility to buy the salt. She puts it in a cupboard at the Church and it is her and her committee's responsibility to put it down on the stairs. It is her committee's responsibility to have members to walk other members in.
- See how this plan is working. Reevaluate your plan if necessary.

There are lots ways to deal with risks and you have to find one that is sensible and works for you and your club.

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Getting It Done

- a. Get a broad based committee together
- b. Develop your list of liabilities
- c. Plan

DEVELOP a plan to deal with the risk in your club.
REVIEW it every year to make sure that measures are being taken and revise as necessary.
GET member buy in. Your club is every member's responsibility.

REMEMBER: Rome was not built in a day and neither will your risk management plan. The important thing is to get started

- You need a committee with broad viewpoints. Different eyes see different things. You may be surprised as to what comes out in the discussion.
- Developing a list is as easy as your email. Get your committee talking.
- Then begin your plan. You don't have to have examined under every rock to get your plan started.

THE MOST IMPORTANT THING IS TO START!

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RESOURCES

Imagine Canada, www.imaginecanada.ca

Volunteer Canada, www.volunteer.ca

Charity Village, www.charityvillage.ca

Not for Profit and Charity Law,
www.lawnon-profit.org

Carter and Associates, www.carters.ca

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There are many good resources on the internet and above are just a few.

Carter and Associates, a law firm, has a newsletter that you can subscribe to.

Imagine Canada runs workshops on Risk Management.

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