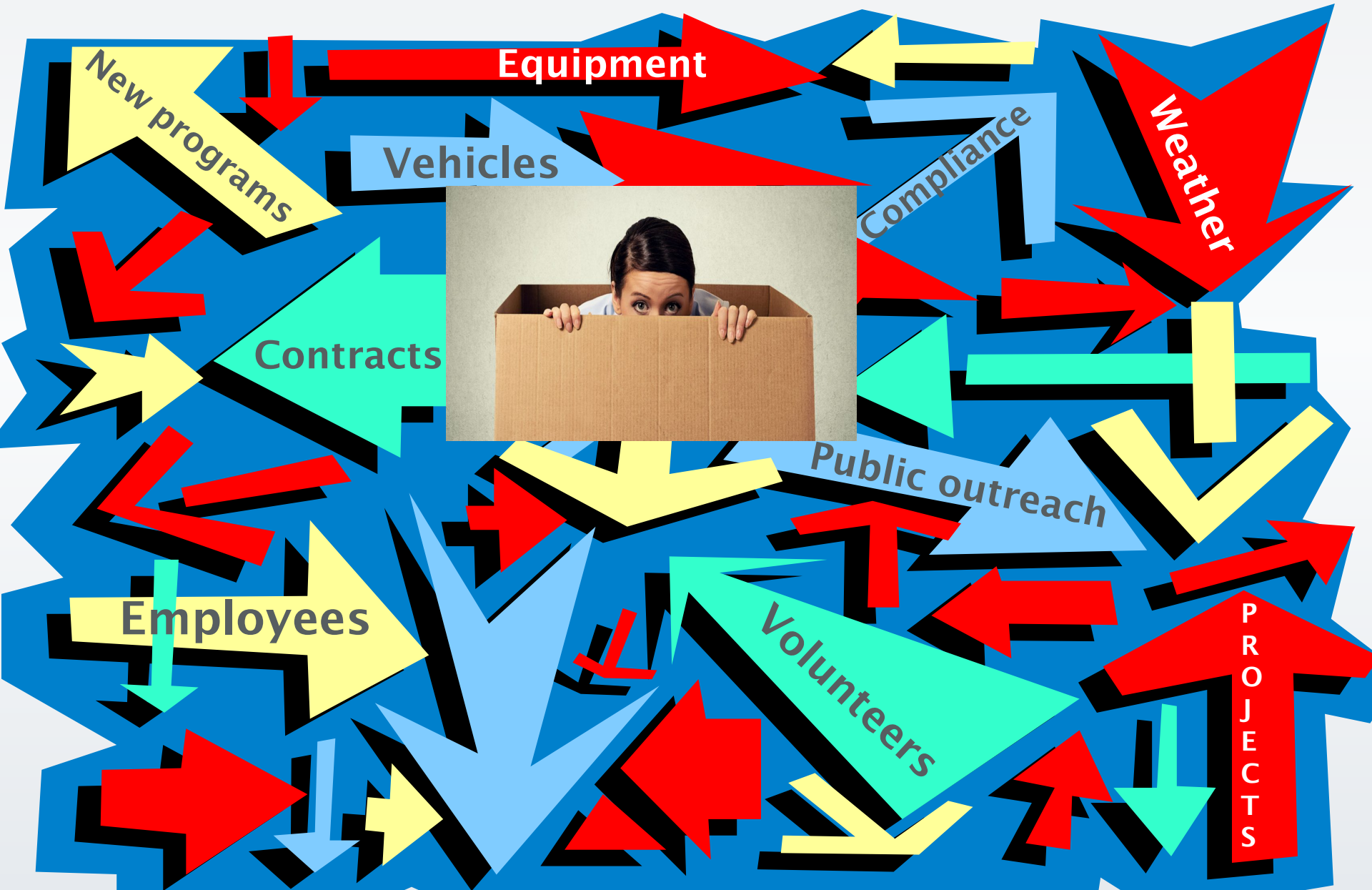


Risk Management Basics for Conservation District Boards



**CONSERVATION DISTRICTS
OF WASHINGTON STATE**
your window to healthy lands

Risk is all around you!



Risk management

Why manage risk in the first place?

- Protection of assets
 - Property, income, balance sheet
- Protection of people
 - Staff, volunteers, public



Risk basics

Who is your risk manager?

Everyone!

- ✓ Leadership
- ✓ Staff
- ✓ Volunteers
- ✓ Contractors and consultants
- ✓ Cooperators and the public



Two main areas of exposure to risk...

- Premises
 - ✓ Where you are
 - ✓ Your locations
- Operations
 - ✓ What you do
 - ✓ Your activities



**IDENTIFY
YOUR RISKS**

**Five Stages
of the
Risk
Management
Process**

**ANALYZE
YOUR RISKS**

**MONITOR
THE PLAN**

**CONTROL
YOUR
RISKS**

**IMPLEMENT
A PLAN**



Stage 1: Identification of risk

The process of identifying and examining exposures to your conservation district (premises; operations).

- Make a list of your activities
 - What can go wrong?
 - What has gone wrong?



Stage 1: Identification of risk

Methods of identification:

- ✓ Interview / discussion
- ✓ Checklists
- ✓ Flowcharts
- ✓ Contract review
- ✓ Physical inspection
- ✓ Policy/procedures review
- ✓ Past claims or mishaps



Stage 2: Analyze the risks

The assessment of the potential impact of various exposures to an organization.

- How can it go wrong?
- What is the cost if it goes wrong?
- Money?
- Reputation?
- Partnerships?
- Viability?
- What is the probability it will go wrong?



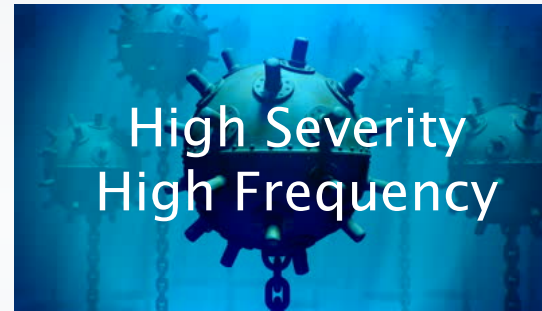
Stage 2: Analyze the risks

SEVERITY

F
R
E
Q
U
E
N
C
Y

Low Severity
High Frequency

High Severity
High Frequency



Low Severity
Low Frequency

High Severity
Low Frequency

Stage 3:

Control the risks



Any conscious action (or inaction) to minimize the frequency, severity, or unpredictability of loss.

- Should we do this?
- Going forward, how do we keep bad things from happening?
- Who's in charge here, anyway?
- Do we have insurance for this?

Stage 3: Control the risks



SEVERITY

F
R
E
Q
U
E
N
C
Y

Control the risk

Low Severity
High Frequency

AVOID!

High Severity
High Frequency

Retain the risk

Low Severity
Low Frequency

Transfer the risk

High Severity
Low Frequency

Stage 3:

Control the risks



Five options of risk control:

- 1) Avoidance – Eliminate it! Don't do it!
- 2) Prevention – Training, personal protective equipment (PPE), controls.
- 3) Reduction – Fire extinguishers, post incident review.
- 4) Separation/Duplication – Backing up data.
- 5) Transfer – Insurance or a contractual transfer.

Stage 4: Implement a plan



- Make a plan... in writing.
- Training and awareness are good things!
- Retention – use internal resources and funds to finance losses.
- Transfer – use external resources to finance losses, or contractually transfer risk of losses.

Stage 4: Implement a plan



- Basic rules of risk management:

- Don't retain more risk than you can afford to lose.
- Don't risk a lot for a little.
- Consider the likelihood of events and their potential impact (financial, reputational, etc.).
- Don't treat insurance as a substitute for risk control.
- An uninsured loss is usually a retained loss.
- Use at least one risk control technique and one risk financing technique for each exposure you identify.

Sample: Vehicle safety

- ✓ Qualify and use experienced drivers with a responsible driving history.
 - *(Run driver abstracts, train drivers on unique vehicles)*
- ✓ Seat belts required for all passengers.
 - *(written policy requirement, training)*
- ✓ Follow all speed limits.
 - *(written policy requirement, training)*
- ✓ No illegal/unsafe use of mobile technology while driving.
 - *(written policy requirement, training)*
- ✓ Inspect the vehicle regularly.
 - *(Checklist: tires, lights/signals, brakes)*
- ✓ Keep the vehicle on a regular maintenance schedule.
 - *(Checklist)*
- ✓ Report and document issues with a vehicle.
 - *(Reporting form, policy, training)*

Stage 5: Monitor the plan

- How's it working?
- What's working / what's not working?
- Is there accountability?
- Can everyone follow the plan?
- Is everyone buying into the plan?
- You have to follow the plan. If you don't and something bad happens, you may be negligent in not following your plan!



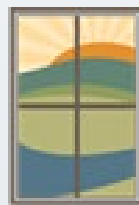
More information

Contact your Conservation
Commission Regional
Manager:

scc.wa.gov/regional-managers

Visit our website:

scc.wa.gov



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Washington State
**Conservation
Commission**