

Risk Management in Volunteer Programs Tip Sheet

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Introduction

Risk management is a discipline for dealing with the possibility that the future may be surprisingly different from what is expected.

Risk management in volunteer programs is necessary because of ethical and legal duty of care. Volunteer management professionals are obligated to:

- Prevent harm to others including volunteers, staff, clients, and stakeholders
- Reduce the probability and size of operational losses or harm
- Stimulate recovery from these losses and rebuild reputation and strength

Exploring Risk in Volunteer Programs

Volunteer Programs cannot eliminate all risks. But, with risk management tools, volunteer managers are better able to forecast risks in advance and take proactive steps to deal with the identified risks in a purposeful fashion. To reduce liability volunteer managers must ask:

- Is the risk foreseeable?
- Is the risk controllable?

Not all risks are negative or require an immediate response. Too many qualified volunteers applying for a new volunteer position is an example of a positive or upside risk. Once in a while, it may feel very rewarding when volunteer programs are overwhelmed with applications. But, what happens to a program's reputation and to the potential volunteer's trust if there are always too many volunteers and never enough volunteer positions? Upside risks can become downside risks and vice versa.

When measuring the impact of risk on volunteer programs consider:

- **Frequency** (How often does this risk happen? For example, a public building floods on average once every forty years.)
- **Consequence** (What is the impact of the risk? The flood was caused by a leaking sewage pipe which destroyed all of an organization's current volunteer records.)

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- **Duration** (What is the impact measured in length of time? The flood was isolated to one room and the volunteer program was operational again in 24 hours. Volunteers records were not recoverable and will take up to 6 months to recreate.)

Volunteer management specialists create systems and processes to help us identify, track, and mitigate risks – but what type of risks should be considered?

Managing and Measuring Risk in Multiple Dimensions

A one-time low-risk, unforeseeable incident may have no impact on a volunteer program, but when incidents become more complex, frequent, or significant, it is helpful to explore the impact of risks through multiple lenses.

Risk management specialists use a helpful acronym. They explore risk by evaluating their PEARS:

- **People** – How are people in your volunteer program impacted by risks in your operation?
- **Environment** for your volunteer program to succeed? What physical space is needed but also what legal or business requirements must be in place for your volunteer program to operate and succeed?
- **Assets and Resources** – How will you protect your financial and human assets, and protect future income?
- **Reputation and Relationships** – What do you need to do to keep the relationship with existing and future stakeholders strong?
- **Systems and Security** – What policies, practices, behaviours or values must be in place to reduce risk and how will resources be protected from physical or virtual harm.

Once determining that risk exists articulate the impact on PEARS and measure the frequency and consequence. This is done using a risk matrix.

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Rating	Consequences (Threats)				Likelihood (Probability)	Rating
	People - Risks to our Board, staff, volunteers, clients served, general public as a result of our operations	Environment - Mission Effectiveness - Risks to the agency's legal status, corporate status or viability, risks as a result of the activities of other organizations and hence our ability to fulfill our mission or achieve our vision	Assets - Risks that may impact our ability to generate revenue or manage expenses	Reputation - Risks that may impact the good standing of our agency, the public's good will towards our agency		
0	no harm	zero effect	zero damage	zero impact	A1 Unknown in Sector	zero risk
1	slight harm	slight effect	slight damage	slight impact	1	slight risk
2	minor harm	minor effect	minor damage	limited impact	2	limited risk
3	major harm	local effect	moderate damage	considerable impact	3	considerable risk
4	single critical incident	major effect	major damage	debilitating impact	4	major risk
5	multiple critical incidents	massive effect	extensive damage	Critical Impact	5	extreme risk

Disaster Preparedness / Response - Risks resulting from an accident, incident or natural disaster

Green: Continue Work

Red and Yellow: A detailed risk assessment is required

Reit: Programs/services stop. Board approval is required to resume.

Mitigate the risk from the outset (control)

Minimize the harm, should the risk materialize (response)

Clarify responsibilities and liabilities (planning, prevention)

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Responding to Risk Incidents

After evaluating the impact of risk, volunteer managers can choose various approaches to mitigate and manage risk:

- **Political Option** – A political decision provides a single overarching response to lessen or eliminate risk. For example, a volunteer manager may determine that the risks associated with youth volunteers visiting vulnerable clients inside their homes is too high. A political option is not to accept any youth volunteers and not to serve adult clients to eliminate the possibility of all risk.
- **Technical Option** – A technical decision allows for risk in operations but only when there are significant overarching limitations. For example, a volunteer manager will allow youth volunteers to visit vulnerable adult clients inside their home only if the youth volunteers are accompanied by a staff member on weekday mornings. The technical option opens the door to a very limited number of possible options. Risk is mitigated, but to the possible detriment of the program outcomes.
- **Managerial Option** – A management decision allows for a broad range of risk mitigation strategies. For example, a volunteer manager determines that there is value in having youth volunteers visit vulnerable adult clients in their own homes. The program can launch as a pilot if youth volunteers and adult clients are assessed and matched according to an approved criteria, the pair are supervised by a staff member who checks in regularly with both parties, the youth volunteer is matched with an adult volunteer for the first month, and the cost/benefit of the volunteer program is evaluated after one year. The managerial option mitigates risk and manages emerging issues and opportunities.

Your insurance carrier normally provides a list of high risk activities not covered under general liability insurance. Hot air balloon rides is one example of an uninsurable activity. For more information always check with your insurance carrier.

Return to Normal Operations

Volunteer managers have a range of tools to identify “upside and downside risks and incidents” and explore their impact on people, environment, assets, reputation, and systems and security.

Throughout the volunteer management cycle there are options to:

- **Mitigate the risk** from the outset (Control)
- **Minimize the harm**, should the risk materialize (Respond)
- **Clarify responsibilities and liabilities** (Plan to Act and to Prevent)
- **Return to normal operations** (Resume)

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Additional Resources

- 2012 Edition of The Screening Handbook. Prepared by Volunteer Canada for Public Safety Canada Community Safety and Partnerships Branch March 2012. https://volunteer.ca/vdemo/researchandresources_docs/2012%20Edition%20of%20the%20Screening%20Handbook.pdf
- 7 Critical Risks Facing Nonprofit Organizations Adhering to charitable missions with limited budgets presents unique risks for nonprofit organizations. By: Katie Dwyer | July 9, 2018 <https://riskandinsurance.com/7-critical-risks-facing-nonprofit-organizations/>

About Volunteer Victoria

The Greater Victoria Volunteer Society, more commonly known as Volunteer Victoria, is a volunteer centre and hub to assist volunteers, volunteer managers, and volunteer-led organizations.

Volunteer Victoria's mission is to *inspire and empower volunteerism!*

Volunteer Victoria:

- Assists volunteers and volunteer-led organizations
- Builds and shares knowledge through the delivery of professional development, training, learning and networking opportunities
- Offers specialized services and resources that advance the quality of volunteer programs and builds capacity
- Treats all members, volunteers, partners, staff and stakeholders with fairness, dignity, and respect
- Provides welcoming spaces that embrace diverse ideas, knowledge, cultures, and experiences

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