

Section 6.3.1

Risk Management

CONTENTS

PART I: THE BASIC THEORY

Summary

- 1. Introduction**
- 2. Definition**
- 3. The Goals**
- 4. The Basics**
- 5. The Benefits**
- 6. The Process**

PART I: THE THEORY

SUMMARY:

This section outlines the theory behind risk management, provides an outline of what is involved in the process and discusses the goals and strategies that should be considered in the development of a risk management plan. In effect, risk management is a proactive approach to identifying, analyzing and controlling the resources of an organization in order to minimize potential adverse effects of risk. The process consists of identifying possible risks, analyzing the nature and likelihood of their occurrence, taking steps to reduce, mitigate or transfer the risk, and finally monitoring the situation on an ongoing basis to ensure that any potential risks are dealt with before they occur.

Formulating a municipal risk management plan provides an outline of possible alternatives, and establishes a basis for selecting an appropriate course of action. Implementing a risk management plan and effectively communicating it to all personnel can result in increased productivity, reduction of uncertainty, and ultimately a more effective management of personnel and resources.

1. INTRODUCTION:

This part provides a brief overview of the fundamentals of risk management. Although every effort has been made to identify major or generic activities that would involve an element of risk for a municipality, the reader is cautioned that not all elements of risk management can be covered in an article of this scope. In addition, the reader is further cautioned that the preparation of this guide must necessarily involve interpretation of general situations and may not represent specific events. Specific situations may require a careful legal analysis, therefore, reference should be made to the appropriate Nova Scotia statutes and to legal advisors for individual situations.

This part provides a brief overview of the process of risk management as it relates to municipalities and offers some practical examples of how to initiate the process in your municipal unit.

The uncertainty factor

2. DEFINITION:

Traditionally, risk has been defined as the possibility of loss, injury, disadvantage, or destruction resulting from the day to day operations of a business, or organization. Risk management is a term used to describe the process of analyzing, organizing, planning, directing, and controlling the resources of an organization in order to minimize the potential effects of risk. Risk management is by nature, proactive, and encompasses all management-directed activities aimed at accomplishing optimum results in a professional manner.

A risk is comprised of:

- a *definable* event,
- the *probability* of that event occurring, and
- the *consequences* of such an occurrence.

The types of risk that municipal governments are faced with that can cause economic loss include:

- legal liability to others,
- property loss through disaster, theft etc.,
- extra expense (e.g. to replace equipment or to re-establish service),
- loss of income,
- human resources loss, and
- crime and fidelity loss.

Some of the characteristics of risk are clearly identifiable and include:

- **Situational** - specific risks vary according to particular situations. Certain weather patterns can lead to flooding in certain areas. When those patterns are identified, steps can be taken to alleviate the risk of flooding. What one municipality may do in their locale may not be effective in another municipality.
- **Interdependent** - risks are often interdependent and interrelated. Eliminating one risk may cause another risk to occur or possibly increase the impact of another risk. Hiring extra security personnel to ensure safety during a planned event may impact budget projections for that event and place the

A simple example of Municipal Risk Management

project in financial risk.

- **Proportional** - the greater the expected benefit, the more acceptable the risk becomes,
- **Value based** - the acceptance level of risk may vary from person to person. What may be deemed an acceptable risk to one person may be considered an unacceptable risk to another. Municipal governments, because they are holders of public funds should have a lower tolerance for risk than private sector organizations.
- **Time specific** - risk is a prediction of future events and is related to activities carried on today.

Risk is the uncertainty factor. When planning a project or an activity such as a festival or event in your municipality, risk management involves determining ahead of time just what might happen that you don't want to happen. For example, your recreation department officials are planning a lilac festival to celebrate the arrival of spring and the start of the summer recreation season. Plans for the festival include an outdoor concert featuring a very popular musical group. Inclement weather would be a risk factor that should be considered during the planning stages of such an event. Either spring arrives late and the lilacs don't bloom in time and it's too cold for an outdoor festival, or it rains the whole weekend. These are generally insignificant risks in the grand scheme of things, but they do have a measurable impact on the budget and on the success of your planned event.

Risk management goes beyond merely listing things that could possibly go wrong, it involves analyzing the consequences of such unforeseen events, and determining what steps can be taken to either prevent or lessen the impact of such occurrences. For example, when your lilac festival was rained out, you still had to pay the rental on the tents, and you still had to pay the entertainment even though they couldn't play because of the torrential downpour. A carefully thought out strategy of risk management would enable the municipality to be prepared in advance with alternative sites to hold the concert, or the purchase of an insurance policy which would cover among other things the fees paid to the entertainment if they could not perform due to inclement weather.

Why have a risk management program?**3. THE GOALS:**

Risk management is primarily a specialty within the management function and is specifically targeted towards the elimination or reduction of financial losses resulting from the activities of a municipality.

The obvious goals for initiating a risk management program at the local government level are to eliminate, where possible, the threat of accident and other forms of liability, and where it is not possible to eliminate the risk, to at the very least reduce the possibility of an accident or risk occurring. Beyond this, the goal is to minimize the impact on a municipality when losses occur.

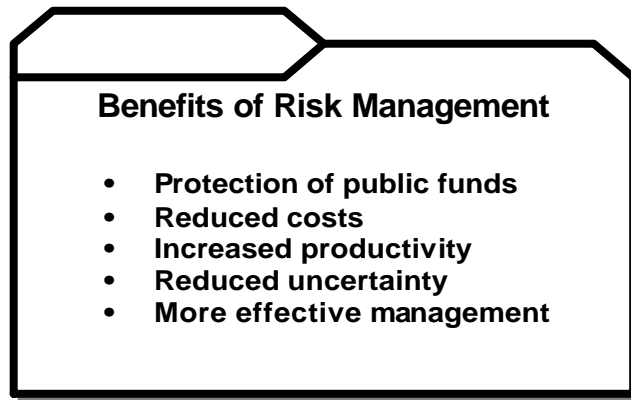
The most effective and efficient municipal risk management program keeps its objectives in line with the needs, goals, and overall well-being of the community it serves. Municipal risk managers must pursue their goals with sensitivity to the limitations on local resources and monitor program costs carefully.

4. THE BASICS:

Risk management involves identifying, analyzing, and responding to risks by minimizing the consequences of adverse events and maximizing the results of positive events. These are the outcomes of risk management planning.

The plan may identify several possible alternatives for each identified risk, and indicate the preferred action to address each one. Such actions may range from simply monitoring the situation and controlling the variables, to making changes to the process. In some instances it may be necessary to alter the goals of the project in order to achieve the desired outcomes. Formulating this kind of risk management plan will provide an outline of the possible alternatives available to the municipality and indicate a course of action.

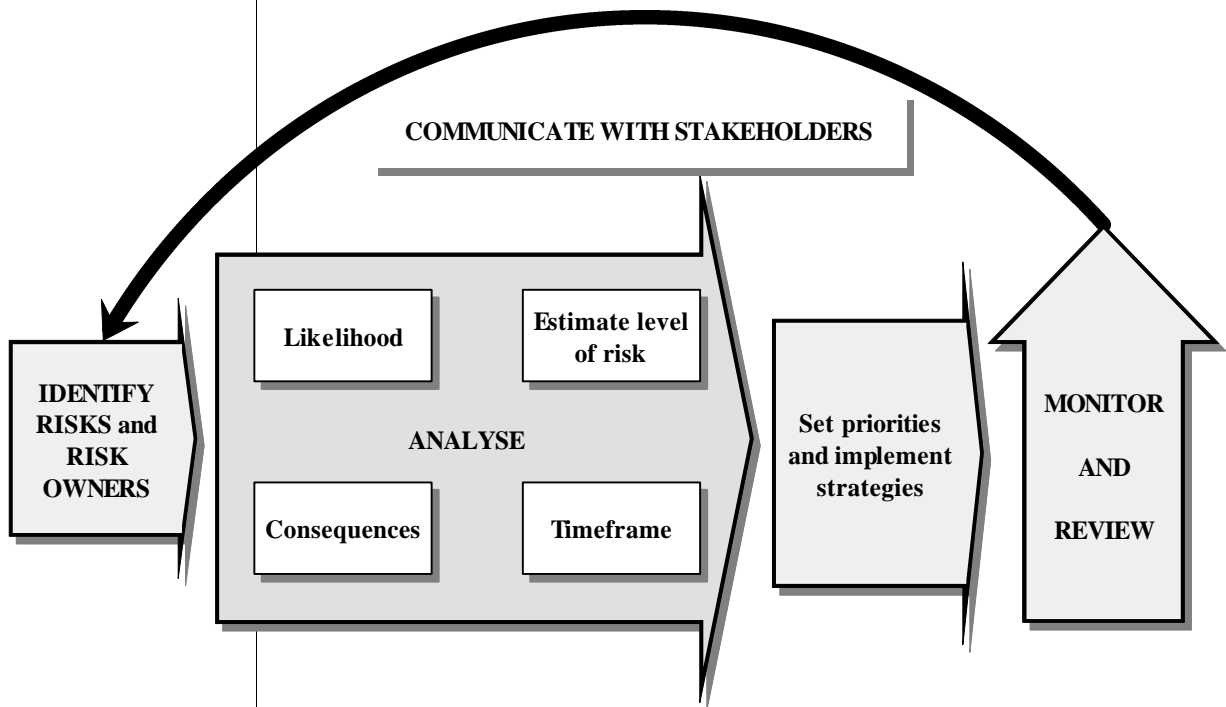
5. THE BENEFITS



The benefits of a comprehensive risk management plan for the municipality are numerous and can be recognized at a number of levels, from the activity level to the senior management level. Such benefits may include:

- more effectively managed and efficiently run projects,
- better control over project budgets,
- increased likelihood of a successful outcome,
- greater community support,
- reducing the possibility of costly surprises and budget overruns,
- increased effectiveness and efficiency, resulting in better program results,
- more openness and transparency in the decision making and management processes, and
- more effective strategic planning resulting from an increased awareness and understanding of risk exposure.

6. THE PROCESS:



The process involves the continued monitoring of all of the activities the municipality is involved with in order to identify new elements of risk as soon they become apparent. Once they are identified, the risks are prioritized according to their impact or importance to each particular situation, and a detailed plan of action is drawn up to address each risk in the most appropriate manner. Simply put, risk management involves the sequence of identifying, analyzing, and responding to risks.

Identify, analyze, and respond

Although specific methods for addressing a particular type of risk may differ, the process remains consistent. The process of risk management involves the following steps:

1. **Identify** - identify the services and assets that could potentially cause financial losses for the municipality. In addition, identify “risk owners,” more specifically, the staff person or project manager responsible for the program, service, or asset.

2. **Analyze** - evaluate the risk: the probability of the risk occurring, the frequency with which it could occur, the impact or severity of the loss resulting from the risk, and the length of time it will take for the municipality to recover from the loss.
3. **Plan** - assess the options and implement the procedures designed to eliminate the conditions that may lead to loss, minimize the effects of the loss or mitigate the risk by finding ways to cover the loss financially.
4. **Monitor** - collect and compile status information on the risk and the mitigation plan, adjust the process, and manage the program accordingly to ensure maximum effectiveness. Re-evaluate and adjust the plan on a regular basis.

The process of risk management can be as simple or as complicated as time and resources permit. The following section provides detailed information on how to implement and carry out the risk management process.

There are numerous invaluable publications available for those wishing to pursue further information on risk management. Please refer to the list of publications in the bibliography at the end of Section III for details on authors and titles.

Section 6.3.2

Risk Management

CONTENTS

PART II: IMPLEMENTATION

SUMMARY:

1. Practical steps to take

- 1.1 The Challenges**
- 1.2 Selecting a Risk Manager**
- 1.3 Duties and responsibilities of a Risk Manager**
- 1.4 Formulating Policy**
- 1.5 Preparing a Risk management plan**

2. The Process

- 2.1 Strategies to Identify the risks**
- 2.2. Analyzing the risks**
- 2.3 Planning your response**
- 2.4 Monitor**

PART II: IMPLEMENTATION

SUMMARY:

This section provides a “how to guide” for implementing a risk management program in a municipality beginning with the selection of a risk manager. Hiring a professional risk manager is one option, however the costs involved may make this impractical for many municipalities. Developing a risk management team under the direction of a senior municipal official may be the most feasible option for most municipalities. The skills and abilities required for the position of risk manager range from having a genuine interest in controlling risk, a desire to learn, and the ability to maintain accurate records to dealing with potentially difficult situations or people. The ability to speak in public and to talk to the media during a crisis is a key attribute for any risk manager.

Once the risk manager has been designated, a risk management plan can be implemented that will involve all municipal personnel. Implementing a risk management process consists of four basic steps: identify, analyze, plan, and monitor. Each step is outlined in detail with practical suggestions on how they can be accomplished.

PRACTICAL STEPS TOWARD MANAGING RISK

1.1 The Challenges:

One of the major challenges for local government is to make risk management an integral part of the management process. This may require a fundamental change in the culture of the workplace. A successful risk management program depends upon support and sponsorship from the top; coordination of planning and activities at all levels; involvement and cooperation of staff at all levels and the development of a culture that encourages and rewards risk management.

At the management level, managers need to support and encourage prudent risk management. This can be accomplished by following general good management guidelines such as:

- Develop an atmosphere of trust and empowerment with staff,

Appoint or hire a Risk Manager

- Acknowledge, reward and publicize good risk management practices,
- Focus on the positive, recognize what your staff are doing right and don't place undue emphasis on minor mistakes,
- Encourage learning from unexpected results, and
- Develop positive strategies for avoiding recurrence while avoiding restrictive controls.

1.2 Selecting a Risk Manager

The implementation process involves establishing risk management practices at the organizational, activity, project and team levels. The first concern in implementing a risk management process involves a clear demonstration of support for the process at the management level. Communicating the philosophy and awareness of risk can be facilitated by training, and educating staff and management. The most important part of communicating and educating staff is to delegate a risk manager, and a risk management team to sponsor the initiative and to communicate to the organization what is expected of them.

Hiring a professional risk manager is one option, however, few municipalities are in a position where they could justify the expense. Other options include jointly hiring a professional risk manager with one or several other municipal units in the region. In the event that this is not feasible, it may be possible to designate a capable employee as risk manager and back this person up with a risk management committee. A risk management committee involves a significant amount of dedication and effort on the part of its membership which may ideally include the municipal solicitor, the insurance agent, department heads and various other key personnel.

L. E. O'Brien and Duane E. Wilcox offer some valuable insights into the selection of a risk manager in their article *Risk Management Organization and Administration*, some of their suggestions as to the characteristics to look for in a potential risk manager include:

- have an *interest* in being a risk manager,
- have the *ability to learn* how to fulfill the responsibilities of a risk manager with some retraining,

- have the ability to setup and *maintain accurate records*,
- have the ability to *identify risk management implications* of legislation, regulations and administrative guidelines,
- have the ability to *identify issues and trends* and be able to formulate practical conclusions from personal observation, information provided or collected,
- have some *training and understanding* of a broad range of local government operation and procedures,
- have the ability to *deal with potentially difficult situations* and people as he or she may be called upon to intervene in situations that may be problematic,
- have the ability to *deal with people* calmly and tactfully, as well as effectively, and
- have *public speaking skills* as they will be called upon to make presentations, to lead focus groups, and to educate staff on risk management procedures.

The risk manager should be either a top level executive position, or report directly to the top executive position in municipal government, rather than to a middle manager. This will have the effect of emphasizing the importance of the role of the risk manager to other local officials and employees. It will also emphasize the fact that the risk manager has the ability to call upon the highest level of authority for assistance when required.

Transferring some of the risk manager's previous duties to another position may help to free up the needed time for him or her to devote to the new responsibilities. Also, providing administrative assistance can help to combine the previous and new duties without placing an unmanageable work load on their shoulders. Appointing a risk manager however, does not release other municipal employees from the responsibility of identifying risk.

All municipal employees need to be informed that the risk manager is entitled to call upon them for assistance and that they in turn have an obligation to respond positively to any request for assistance. The risk manager may wish to call key officials and employees together on a somewhat regular basis to review the overall program and to discuss any matters requiring attention. Persons with a special obligation to

What does a risk manager do?

assist the risk manager would include the municipal solicitor, the clerk, chief of police, fire chief, city engineer etc.

1.3 Duties and responsibilities of a Risk Manager

The general responsibilities of the risk manager are to identify, evaluate, and deal with risk exposures which may potentially face the municipality. Some of the particular functions of a risk manager described by O’Brien and Wilcox include:

- ***Participate*** in the preparation of a risk management policy,
- ***Identify*** facilities, situations or conditions which may present a possible risk,
- ***Review*** projects and programs for risk management implications,
- ***Provide recommendations*** for dealing with risk ie: accept the risk, avoid the risk, reduce the opportunity for risk, mitigate the impact of the risk, transfer the risk, and monitor the risk,
- ***Establish and maintain records*** related to insurance coverage, loss and claims and other pertinent documentation,
- ***Negotiate*** insurance coverage,
- ***Work*** with the insurance agent or municipal solicitor when required, and
- ***Communicate*** with, and educating other employees and management on issues relevant to risk management.

*Municipal Risk Management
Mission Statement*

- Promote proactive risk management techniques in municipal government.
- Provide the mechanism to minimize the adverse impacts of risk and losses for the municipality.
- Absorb risk while maintaining a stable financial profile.
- Ensure the long-term financial security of the municipality.

Developing a risk management policy is essential

1.4 Formulating Policy

Development of a clear policy regarding the management of risk in the organization is essential. The policy should be relevant to the municipality's mandate and should be:

- *Communicated* to staff at all levels,
- *Understood* clearly by all employees, and
- *Implemented* and maintained at all levels and in all departments.

The policy should contain:

- The *objectives and rationale* for managing risk,
- The range or *extent of risk* that needs to be managed,
- Clear *guidelines* on what may be regarded as risk and how to identify risk,

- **Guidance** on what may be regarded as “acceptable risk”,
- Guidance on what level of **documentation** is required,
- **Identification** of the persons (or positions) who “own the risk”,
- Support and expertise in handling risk, and
- A clear **plan for review and evaluation** of performance in managing risk.

Some suggestions for formulating a risk management policy statement include:

- Have the risk management committee produce a draft statement for review,
- Have the risk manager produce a draft statement for review,
- Seek the advice of the insurance agent and the municipal solicitor,
- Adopt a provisional policy statement as a starting point and provide for future modifications, and
- Consider policy statements of other municipal units and adapt them to fit.

1.5 Preparing a Risk Management Plan

The risk management plan is a document which outlines the procedures that will be used to address and manage risks throughout a program or project. This document should contain the risk management matrix and any documents related to the identification and analysis phase. This plan should also outline who is responsible for managing the various areas of risk and indicate how the contingency plans will be implemented.

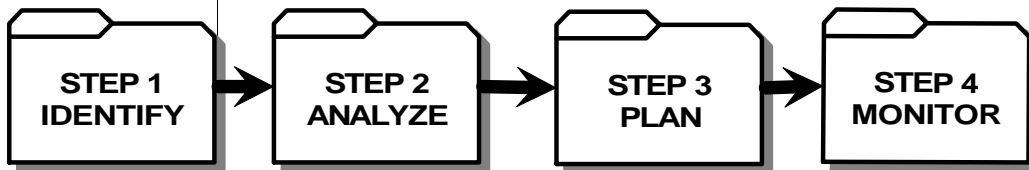
A Risk Management Matrix can be found in Appendix A4.

The risk management plan is a supporting element of the project plan and can either be in minute detail, or a more broad-based approach depending on the specific project. Whether detailed or not, any risk management plan should contain the following elements:

1. List of all the identified risks in a summarized form,
2. Risk management matrix or worksheets,
3. Detailed strategy or plan of response for each major risk to be monitored,
4. Identification of ownership - which section or department is responsible for each identified risk,
5. A review schedule to aid in monitoring progress, and
6. Documentation on the results of the risk management plan and what has been happening with each identified risk, how they were addressed etc.

There are a number of valuable sources for further information on the development of guidelines for risk management in both the public and private sectors. The internet has a wealth of good websites dedicated to this topic. One particular publication that deserves special mention is *“Critical Incident Protocol - A public and Private Partnership”* published by Michigan State University. This publication has particular relevance following the events of September 11, 2001.

A selection of some of the relevant www sites consulted is included at the end of Part III for those who wish to further research the subject.



THE PROCESS:

2.1 Step 1: Identifying Risks

The first step in risk management involves identifying areas of possible risk. In order to manage risk effectively, the local government administrator must know and understand clearly what risks the municipal government faces. For information concerning municipal liability in specific situations, administrators are advised to seek advice from their municipal solicitor.

Risks are often common knowledge

**STEP 1:
IDENTIFY**

See PART XXI of the *Municipal Government Act* regarding municipal liability, sections 504, and 512 to 517.

Some risks are obvious and often well known. Damage to property near a river that is known to flood on a regular basis is a fairly obvious example of this. Not all risks, however, are as easily identified and the establishment of a risk analysis procedure will allow you to identify risks as they arise.

According to Richard Wong in *The A,B,C's of Risk Management*, loss exposures can be categorized into six broad groups:

- **Physical property**- (including buildings, machinery and equipment),
- **Loss of income**,
- **Contingent expenses** - (depending on the circumstance),
- **Human resources**,
- **Legal liability**, and
- **Perils** - (something that creates a danger or risk).

Municipal Liability Risk Management is a compendium of articles published by Butterworths Canada, edited by Frederick P. Crooks, Q.C and M. Rick O'Connor, which provides a wealth of information on municipal liability in specific situations.

Keeping management and key personnel adequately informed is critical, and this can be accomplished by implementing an incident reporting system within your organization. Small problems that are dealt with in a timely manner may prevent larger problems in the future.

One of the tools that a risk manager should have at their disposal is an emergency call list so that they can contact key personnel for assistance in developing contingency plans, and to refer to in case an emergency situation occurs. The list should outline the responsibilities of each of the key personnel and should contain both work and home telephone numbers with space to record the time and date of contact. This list should also include emergency telephone numbers for fire, police, and ambulance services.

Tools to Assist the Risk Manager

Strategies for identifying risk

A tool to assist the risk management team

A brainstorming session involving all the stakeholders, including front line workers, is an extremely valuable tool that can help to identify what could go wrong, when risks are likely to occur, where they are likely to occur, why they may occur and who is apt to be involved. Potential risks identified in this manner can be addressed before they happen and the risk either eliminated or reduced. Detailed information from *The Memory Jogger: A Pocket Guide of Tools for Continuous Improvement and Effective Planning* on how to hold a brainstorming session is contained in **Appendix A3** at the end of this section. This tool can be used to carry out each of the five steps in the risk management process.

Some additional sources of information the risk management team may use to identify potential risk include:

- Past **experience** can often provide insight into what may happen in the future,
- **Investigation** into incidents and accidents can reveal where previous risks may have arisen and how they may be prevented in the future,
- **Interview/focus group** discussions with staff to identify risks that they may already be aware of,
- **Surveys and questionnaires** with the public as well as staff can identify areas that may need to be addressed,
- Carry out **safety audits** (such as outlined in Part III - Section 6.3.3, number 9.1)
- **Focus** on any new projects and on areas of change for new or previously unidentified risk factors, and
- **Network with peers**, other municipalities, and professional associations.

Key questions to ask in identifying risk

Identifying risk is by far the most significant step in dealing with the risk. The risk management matrix in **Appendix A4**, developed by the Australian Agency for International Development, provides a template to assist in answering the following questions to identify and analyze potential problems.

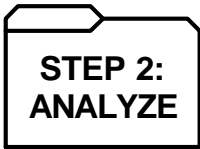
It is important to determine who in the organization is responsible

- **Who, what, when, where, why and how?** These age old questions are the basis for identifying potential risks. At the planning stage of each new venture or activity, a risk identification process should be initiated.

It may be worthwhile to remind the risk management team that although their input and suggestions are most beneficial, the ultimate decision as to if and how their suggestions are to be implemented will be ultimately the responsibility of the risk manager.

Risk ownership

The ownership of risk is an allocation process tailored to the particular area of the organization responsible for the particular function, specialty or discipline. It may be appropriate to keep risk ownership at a relatively high level such as department head, supervisory staff etc. Responsibility goes hand in hand with the authority to act. Without that authority there can be no true risk ownership. Front line employees are often the ones with the expertise and know how to identify potential risk. They deal with such situations on a regular basis and can make suggestions to address problems before they arise. The most effective risk management program will include all employees and have responsibility clearly defined at each level.



2.2: Analyze the risk:

After the initial session, the group will be charged with analyzing each of the identified risks from the first session. After identifying what the risks are, the next step involves looking at all aspects of the risk and determining how it could happen, why it could happen, and what factors need to be considered in order to correct the situation.

Analyzing a risk involves establishing the characteristics of each risk, what is the likelihood of the risk occurring, (either the frequency or the probability), and what are the consequences if it does occur. Identifying the probability and the consequences of each risk enables the risk management team to determine what steps, if any, should be taken to address the risk.

A risk analysis worksheet provides an opportunity to identify sources of risk, the impact of the risk, alternatives for handling the risk, the owner of the risk and provides a method for ranking risk levels. An example of such a risk management matrix is included in *Appendix A 4*.

- ***What is the source of the risk?*** Be specific, outline all possible

What is the source?

sources of risk using the risk management matrix. Have each team member identify any and all possible sources of risk inherent in a project, activity or operation. Indicate in each instance whether the risk is certain to happen, likely to happen etc. By ensuring that everyone working on a project receives a copy of the completed risk management matrix, you can make everyone more aware and better able to prevent the occurrence of the risk. Nicholas Greifer and Brennan Schwarz outline seven categories of sources of risk, including:

- **Physical environment** (snowstorms, earthquakes hurricanes etc.).
- **Legal environment** (laws and legal precedents).
- **Operational environment** (day to day activities and actions within the government).
- **Political environment** (legislative activity, elections).
- **Social environment** (cultural composition of the community, social attitudes and preferences).
- **Economic environment** (market trends, interest rates).
- **Cognitive environment** (absence of information, the attitude of individuals towards risk).

The above list is by no means exhaustive, and further examination of individual circumstances may identify more sources of risk that municipalities may face.

When the sources of risk have been identified, further evaluation should include questions such as:

Can you control it?

- Is the source of risk something that you have control over?
- Is the source of risk something that can be changed?
- **What are the consequences of each risk?** How would the occurrence of this risk impact the project? Would a rainstorm during the outdoor band concert planned for your lilac festival result in cancellation of the concert? How would cancellation impact the municipality? Would this lead to financial losses? If it would cause a financial loss, how great would the loss be? If it is an insignificant amount this may be one of those times where it is better to just accept it because the level of risk is not substantial enough to warrant booking an alternate site for the concert.
- **How can you avoid, eliminate or reduce the likelihood of the risk?** Do you have alternatives available that will lessen the

impact of the risk occurring? Can you hold the band concert in the local arena for example? If the planned concert involves a significant expenditure for the recreation department to bring in the entertainment, it is probably a good idea to have a back-up plan in case of inclement weather.

Table 1. provides a template to help identify the level of risk and the type of response that may be most beneficial.

TABLE 1: Consequences
Determine the level of risk and the response level required:

	Extreme	High	Medium	Low	Negligible
Almost certain	<i>Severe</i>	<i>Severe</i>	<i>High</i>	<i>Major</i>	<i>Trivial</i>
Likely	<i>Severe</i>	<i>High</i>	<i>Major</i>	<i>Significant</i>	<i>Trivial</i>
Moderate	<i>High</i>	<i>Major</i>	<i>Significant</i>	<i>Moderate</i>	<i>Trivial</i>
Unlikely	<i>Major</i>	<i>Significant</i>	<i>Moderate</i>	<i>Low</i>	<i>Trivial</i>
Rare	<i>Significant</i>	<i>Moderate</i>	<i>Low</i>	<i>Trivial</i>	<i>Trivial</i>

Source: Better Management: Guidelines for Managing Risk in the Western Australian Public Sector.

RISK LEVEL	ACTION
Severe:	Requires management by senior management with detailed research and an itemized plan for addressing the issue. <i>i.e. the discovery of e-coli or other serious contamination of a municipal water supply which would present a significant health risk to area residents.</i> On site management of the situation by senior staff is imperative. Staff at the front line level would be involved in monitoring the situation, keeping accurate records and ensuring that senior management is kept well informed of the situation as it progresses, and what steps are being taken or recommended to address the situation. Seek expert guidance from outside sources when appropriate.
High:	Requires management by senior management with research and itemized plans for addressing the issue. Senior management would work with front line staff to

monitor the situation and seek expert guidance from outside sources when appropriate.

Major: Requires ongoing monitoring by senior management. *i.e. extended drought conditions causing major concern over the strain on municipal water supplies.*
Front line staff would manage the situation and ensure that senior management is kept informed and updated on a regular and frequent basis.

Moderate: Requires routine monitoring by senior management. Management of the situation would remain with front line staff with regular updates to senior management

Minor: Requires management at the front line level, monitored and managed by routine procedures. Senior management would be kept informed via routine weekly or monthly reports. *i.e. vandalism causing property damage to municipal property such as park or recreation facilities.*

Negligible: Can be managed by routine procedures. *i.e. minor weather damage to park or recreation facilities as a result of wind storm).*

Consequences

When the consequences are extreme, or there is a potential for personal injury, sickness or loss of life, more involvement by senior management is required. The following guide may be used to describe consequence.

Extreme: The consequences represent a threat to not only the project, program, or activity, but would present major problems for the municipality. This would include any significant threat to the health and well being of the residents of the municipality, or significant financial losses to the community. Intense media attention would be expected in these circumstances. Senior management intervention would be required.

High: The consequences represent a significant threat to the effective operation of the project, program or activity or may attract adverse media attention. This level would require senior management intervention. Any risk that would result in significant financial loss to the municipality, or represent a threat to the health and well

being of the residents would be considered high.

Medium: The consequences would represent a significant level of threat to the successful completion of a project, program, or activity and may involve critical review and alteration to the operation of the project, program or activity. This would involve any risk of financial loss, or loss of service to the municipal residents.

Low: The consequences would represent some threat to the success or effectiveness of some aspect of the project, program, or activity, but could be dealt with at the program level.

Negligible: The consequences may be dealt with by routine procedures.

The option you will ultimately choose is based upon the severity of the risk, and the likelihood of it occurring. Some questions to keep in mind when brainstorming in order to develop a risk response plan include:

- ***How will reducing or eliminating one factor increase the probability of another risk factor occurring?*** Using the example of the outdoor concert during a lilac festival again, perhaps your recreation director has considered not hiring this particular popular musical group for the outdoor concert during the lilac festival in order to reduce the financial losses should a rainstorm wash out the planned events. The decision to not hire the popular group may have a number of ramifications:
 - The number of concert goers would be reduced significantly and therefore there would be less revenue generated by the concert,
 - Because there would not be the crowds attending the festival, there would be fewer vendors willing to invest in setting up booths at the festival,
 - The festival would not generate the kind of community support organizers were hoping for, and
 - The publicity that would be generated by having this group perform could mean a dramatic increase in

visitors to the area during the festivities, by not having them perform, the community could be missing out on an opportunity to promote the festival and ultimately negatively impact the financial success of the festival.

What can you do about it? There are a number of alternatives to consider in any situation. In this example, you could choose to:

- Hold the concert rain or shine. If the group you are booking can attract a significant number of concert goers who would attend even in the rain, it may be better to go ahead regardless,
 - Rent a tent,
 - Have an alternate site available in case of rain for example, plan to hold the concert in a local arena instead of planning an outdoor concert so that inclement weather would not be a risk factor to contend with, or
 - Talk to your insurance agent about purchasing cancellation insurance.
- ***Which area would you prefer to have the risk?*** Some risk factors may be easier to monitor or control than others. After analyzing the options in the previous question, you may be better able to identify what could go wrong if you choose one alternative over another. Each individual situation presents unique possibilities and must be addressed on an individual basis depending upon the circumstances.
- ***What are your obligations?*** What are the terms of any contract that may have been undertaken? Are you responsible to pay for all or any expenses incurred by either the parties involved or the public should cancellation be necessary? What is your refund policy? What does your insurance cover?

Once the risk management team has identified what the risks are, and analyzed what the ramifications are for responding to each risk in a specific way, the time has come to decide upon the best course of action to take to deal with the risk. This is a decision that can only come after careful analysis. What appears to be the wisest course of action at first glance may not be the best response after careful analysis. In short the options for dealing with risk are as follows:



2.3 Plan your response

Risk response planning consists of identifying possible responses to the risks that have been identified, and selecting the best response to each particular situation.

Options to consider in a risk response plan

Some of the options to consider when evaluating the risk and possible responses include:

1. *Accept the risk*
2. *Avoid the risk*
3. *Reduce the risk*
4. *Impact mitigation*
5. *Transfer the risk*

Just Accept It?

1. *Accept the risk.* At times, when the level of risk is not substantial, or where it is not practical or economically feasible to make changes, the wisest course may be to just accept the risk. In such situations monitoring may be the recommended course of action. When the following criteria are present, consider accepting the risk and not taking steps to eliminate or reduce it:

- The level of risk is not high,
- the consequences of the risk occurring are not significant, or
- the likelihood of the risk happening is not great.

If it's too risky, Don't do it

2. *Avoid the risk:* Where the level of risk is unacceptable, and controlling the risk is not worthwhile, it may be advisable to avoid the risk. If an activity, or project presents the risk of significant loss to the municipality, it may be preferable to not proceed with the project or activity. However, it should be noted that inappropriate risk avoidance can result in diminished efficiency, cost penalties, loss of community identity or other losses to the community. Avoiding the risk involves a decision not to proceed, or to follow an alternative option. For example, a town may decide not to build an area for skateboarders to practice in order to avoid the liability exposures and the safety risks involved. However, by avoiding the risk in this case, the town may be creating a greater risk. Riding a skateboard on public streets could present an even greater hazard for the

skateboarder, pedestrians, and drivers as well. Some risks are unavoidable however. Police and fire protection involve considerable risk to the municipality but are not avoidable. When the risk is not something easily or practically avoided, then consider the alternative options. Carefully weigh the pros and cons of a project before making a decision. The social benefits may outweigh the risks involved and the decision to go ahead may ultimately be the best for the community despite any risk involved.

3. **Reduce the risk:** taking action to reduce the consequences of risk and planning in advance to deal with the impact include developing emergency contingency plans, evacuation plans, etc. Quality assurance, testing, training, supervision, review, documented policy and procedures, research and development and regular monitoring are all ways of reducing the chance that losses will occur. Natural events such as hurricanes cannot be avoided but the likelihood of losses from such a catastrophic event can be reduced or eliminated by having carefully prepared disaster preparedness plans.

Accidents and disasters are bound to occur in even the most diligent communities. Municipalities should be prepared in advance so that staff are prepared for such an event. The first step is to identify the services and activities that are essential and must not be interrupted for any extended period of time. Next, brainstorm about what types of incidents could interrupt these services. Then, determine alternative plans that can be put into action immediately if normal services are interrupted. For example, have a back up plan for supplying emergency drinking water to the residents in the event of something happening to the municipal water supply.

Techniques for risk reduction include:

- Establish a routine of inventorying and documenting municipal property, equipment and services;
- Systematically conduct safety checks;
- Compose and enforce written policies and procedures concerning municipal operations, with particular emphasis on areas most likely to present risk;
- Establish and communicate an incident reporting system

Have a contingency plan ready.

Tips for reducing risk

so that employees are aware and can report any incident or condition that they see or are involved in that could present risk to the municipality;

- Ensure effective supervision by means of training and performance review;
- Have employees and volunteers participate in regular training activities.

One of the fundamental principles of risk management is that risk should be the responsibility of the party best able to control that risk

4. **Impact mitigation:** Impact mitigation refers to taking steps to reduce the consequences of a risk occurring. Again, careful planning in advance is the method for reducing the impact of a risk occurring. Develop contingency plans. In case of serious or catastrophic events, evacuation plans or emergency response plans should be drawn up with the assistance of the experts, the fire department, police department, ambulance services, local hospitals and the local office of the EMO.

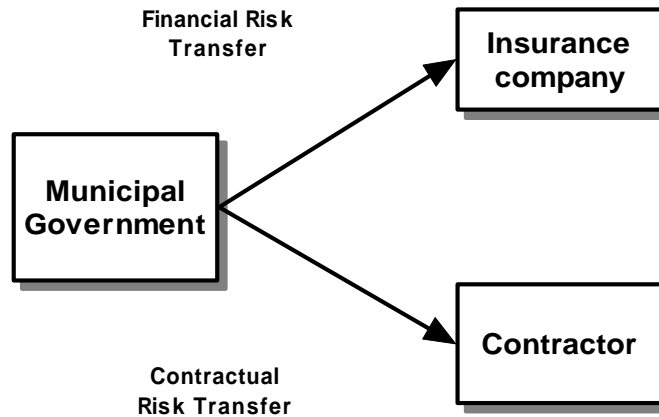
5. **Transfer the risk:** The obvious example of transferring risk is through insurance. It is in the municipality's best interest to be sure that insurance coverage is adequate, covers all assets and is kept up to date. Your insurance agent is the best source for information on how much and what types of insurance are best for the particular circumstance of each municipal unit. It's always a good idea to consult with an expert on such matters. Get quotes from several sources and carefully compare the coverage offered and the rates. The cheapest is not always the best option.

Contracting out is another method of transferring the risk to an outside source. For example, if you hire a company to provide hanging baskets of flowers and other landscaping services for the downtown area of your community it is then the responsibility of that company to ensure that the plants and landscaping features are well cared for and maintained. If the plants die, the landscaper replaces them, not the municipality.

Keep in mind that transferring the risk and the responsibility in this manner comes at a cost. You will be expected to pay for the peace of mind such services provide.

**Let someone else
carry the risk for you**

Risk Transfer



Source: An Elected Official's Guide to Risk Management

The main objective of a risk management program is to reach a level where accidents and injuries do not occur, however that is probably not a realistic expectation. Risk management is a long term process aimed at eliminating at best, and reducing at the least, risk to the municipality.

STEP 4: MONITOR

2.4 Monitor

One of the primary responsibilities of the project manager is to monitor and track risk events. Where proactive strategies have been implemented to address risk factors, continuous monitoring of the situation is imperative to determine whether those strategies are working as planned and to regularly reassess the situation to determine if new strategies are in order.

Part of the risk management plan should include maintaining a log to record events as they occur, and steps taken to address each event. The effectiveness of the risk management plan should be evaluated periodically throughout the project in order to review the actions that have been implemented, and to judge their effectiveness.

The government of Western Australia has a number of extremely useful publications dealing with risk management. In particular *Guidelines for Managing Risk in the Western Australian Public Sector* offers some valuable advice and detailed information on carrying out a risk management plan for local government.

**Keep on top of things:
Monitor and review
regularly**

Monitor the situation:

Keywords for the monitoring phase of the process are educate, inform, and recognize.

- **Educate** - Educate your risk management team to deal with risk and to continually update their skills and keep abreast of issues in the risk management field. Enabling the risk management team to participate in workshops and training programs will make them a more effective and efficient mechanism for carrying out the functions they have been entrusted with.

- **Inform** - Inform your staff about risk management and enable them to become active participants in the process. Establish reporting procedures so that any staff member who becomes aware of a situation that could present a risk to the municipality may record and report what they have discovered. Allowing your staff to become active participants will make the risk management team and the entire process much more effective. An added bonus is the boost to employee morale when they feel they can contribute in a meaningful way.

- **Recognize** - Recognition of the contribution of every staff member in keeping risk factors under control is not only good management, it's good manners. There are numerous ways to recognize and reward the contributions of staff from "employee of the month" type of programs, to a simple letter of thank you for your contribution to the effort.

**The basics of risk
management**

The process, in summary, involves the identification, analyzing, planning, and continued monitoring of all of the activities the municipality is involved with in order to identify new elements of risk as soon they become apparent, and respond to them in a timely fashion. Risks should be prioritized according to their impact or importance to each particular situation, and a detailed plan of action is drawn up to address each risk in the most appropriate manner.

Section 6.3.3

Risk Management

CONTENTS

PART III: APPLYING THE THEORY

SUMMARY:

- 1. Liability for negligent statements**
- 2. Talking to the media**
- 3. By-law enforcement**
- 4. Proactive safety program**
 - 3.1 On Site inspections**
 - 3.2 Motor vehicles**
 - 3.3 EMO**
 - 3.4 Employee training**
 - 3.5 Fire emergencies**
 - 3.6 Weather emergencies**
- 5. Human resources**
- 6. Sport and recreation**
- 7. E-Commerce**
- 8. Financial**
- 9. Safe Communities**
 - 9.1 Safety Audit Program**

Appendix

- A 1. Safety Inspection Checklist**
- A 2. Community Safety Audit**
- A 3. Brainstorming**
- A 4. Risk Management Matrix**
- A 5. E-Policy Handbook**

PART III: APPLYING THE THEORY

SUMMARY:

How a municipality handles communications with the media or the public is critical. Information provided to the public must be accurate, non-interpretive and reliable. Appropriate personnel should be designated to talk to the media and only designated personnel should provide information to the public.

Government at all levels have a responsibility to apply the law consistently, fairly and equitably. Canadian courts tend to find a duty of care to exist in almost any regulatory area where persons who are intended to be protected by the regulatory scheme suffer as a result of careless enforcement.

On site inspections of municipal buildings and properties are an effective and relatively easy way to begin the risk management process. Community safety audits are one way to bring the risk management program to the community at large and to identify areas where citizens may be at risk.

The following suggested courses of action are meant to provide a starting point, not a comprehensive or all inclusive list of the potential risks faced by a municipality.

1. Negligent misrepresentation

Municipalities may find themselves liable for employees who offer negligent statements, incorrect advice, supply invalid permits or approvals while acting on behalf of the municipality. Therefore, caution should be exercised when any municipal employee gives out information to members of the public or the media.

Employees should be advised to not offer information which they are not required to give out. In addition, when staff are in a position to provide information over the telephone, it is advisable to take notes while on the phone, recording who they are speaking with, the date and time of the conversation, the topic of conversation and any pertinent comments made by either party. Such notes made concurrently with a phone call may be referred to in a court of law if the staff person is called as a witness. These notes will provide support to the staff member's credibility as a witness.

Advise staff to use caution when speaking with the public

When the press wants to talk to you

When an opinion, or an interpretation, is requested, employees should be made aware that because law is open to interpretation, it may be advisable to seek the advice of the municipal solicitor before offering any comment or statement of fact on bylaws or regulations (including permits or approvals). A court may still disagree with that legal interpretation, but having a legal opinion is good evidence that reasonable care has been exercised.

It's a good idea to remind all municipal employees that regulations are put in place for a reason, and they should avoid the temptation to give someone "a break" as it could backfire on the municipality.

The liability for negligent statements by municipal staff is well established. Negligent statements extend to advice, permits and approvals, as well as statements to the public at the reception desk or over the phone.

2. Talking to the media (or the public)

Providing information to the media or to the general public can be a particular source of risk for municipal governments. All information that staff provides to the public should be reviewed to ensure it is correct. Incorrect information could potentially lead to a law suit. It is important also that the information is being supplied by the appropriate staff person. If the information being provided is something that is open to interpretation, staff should be advised against offering any interpretation.

In a crisis situation, media relations must be handled very carefully. It's a time of high tension and it's easy to respond emotionally, off the cuff or in a hostile manner. None of these approaches will get your message out correctly. While it is recommended that senior staff receive media training, some suggestions for dealing with the media include:

- One person should be designated as the media spokesperson and everyone on the crisis response team should refer reporters to him or her.
- Media will often focus their attention on the mayor or warden, as the head of the community, but that doesn't mean the mayor or warden should be the media spokesperson.
- Answers should be short and factual. Steer clear of hypothetical

Tips for dealing with the media

questions and don't guess at answers, or offer personal opinions.

- Be mindful of media deadlines but don't let a newspaper deadline determine your response. Provide accurate information when you have it rather than offering a rushed response that you may later regret just to meet a deadline.
- Provide copies of any press releases to your staff and have them available to the general public in addition to offering them to the media. In this way, your staff will be knowledgeable about the official position if approached with questions. Also, the public will have access to the official statement that you provided rather than the statement edited for publication.

The media will be hungry for information and will often seize on rumour to build a story. Respond with the facts and don't be afraid to defer your response until you can verify the information a reporter provides to you in a question, for example:

- **Question:** Mr. Mayor, is it true that 25 children were injured in the school disaster?
- **Poor response:** I have no idea... It's a terrible thing... I can only imagine the horror those poor kids felt as
- **Better response:** Emergency response crews are on the scene and we are still confirming information. There will be a news conference at the town hall at 4:30 and we will provide you with as much information as we can at that time.

For a more in depth look at how to deal with the media, refer to *How to Handle the Public, The Media and Your Staff* by Peter Gill of the British Columbia Municipal Insurance Association. This article can be found in *Municipal Liability Risk Management* Volume 1, Number 4.

3. By-law enforcement

Government at all levels should presume they are under a legal duty of care to perform their statutory functions responsibly. Canadian courts are clearly ready to find a duty of care to exist in almost any regulatory area where persons who are intended to be protected by the regulatory

Inspections and enforcement

scheme suffer physical or economic damages which may be reasonably foreseeable as a result of careless enforcement.

Legislation and bylaws should be carefully reviewed to identify which impose a duty to conduct inspections. Be particularly aware of legislation which imposes specific duties to regulate or supervise. Review bylaws to see if the words imply a higher level of duty than necessary. Consider things like:

- the likelihood that careless enforcement may cause harm to the person for whose benefit the regulatory program was established,
- the potential for serious harm due to lack of enforcement,
- the degree of public reliance on the program;
- the accepted enforcement practices in other municipalities and jurisdictions.

Inform staff that the municipality may be liable for any inspection or investigation conducted in a negligent manner. Explain that if during an inspection, an inspector fails to discover a failure to comply with the regulations which ought to have been able to be discovered, the municipality may be liable for loss suffered by a person.

Be aware that as a result of the Just decision, governments may be liable for failing to institute a system of inspection or an adequate system of inspection which would disclose failures to comply and not only for failure to discover a breach and subsequent failure to enforce.

Review enforcement methods. Consider things such as:

- Is it reasonably foreseeable that a particular individual or group of persons may be adversely affected as a result of failure to enforce?
- Are the intervals between inspections so lengthy that the program is ineffective?
- Do officials routinely negotiate with significant non-compliers without taking formal enforcement action?
- Do officials routinely escalate enforcement responses in cases of persistent non-compliers?

The importance of documentation

- Are public complaints responded to?
- Is staff trained?
- Do officials routinely permit informal variations of the rules?
- Are there regulations which are never enforced?

After the review, prioritize responsibilities. The budget preparations should include a request for sufficient funding to properly inspect and enforce. If, as a result of the budget process, inadequate resources are allocated, re-evaluate priorities.

Record the decision making process to provide documentation that:

- senior officials had responsibility for the review,
- that the decisions made by council, and were based on the allocation of limited resources in the way best designed to protect both the public interest, and any persons who may be most adversely affected by a failure to inspect or enforce.

The courts will not lightly interfere with true policy decisions, especially when taken at a high level, which involve financial, economic, social or political factors or constraints. But a government must now be ready to demonstrate that balanced against the nature and quantity of the risk involved, its system of inspection and enforcement was reasonable in light of all the circumstances, including budgetary limits, the personnel and equipment available, and that it has met the standard of care imposed on it.

Liability for poor management practices may depend on whether there is a comprehensive compliance and enforcement policy in effect for each regulatory program. Management should designate an officer in charge of compliance, allow for regular reporting, provide for training and the development of manuals and procedures, a system to deal with persistent or emergency situations, and a periodic evaluation of the program with response to the recommendations arising from it.

While the focus is on minimum enforcement responsibilities, governments must also take care not to over enforce by prematurely ordering, for example, the seizure or destruction of property. Civil damages for careless enforcement could arise. The courts will consider whether the officials, on an objective re-assessment of their

actions in all the circumstances, had reasonable grounds to believe the action was necessary. The fact that an official sought legal advice before acting may reinforce the conclusion that there were reasonable grounds to believe the actions were necessary and proportionate.

4. Proactive Safety Program

Nova Scotia's *Occupational Health and Safety Act* states:

“The foundation of this Act is the Internal Responsibility System which

(a) is based on the principle that

(i) employers, contractors, constructors, employees and self-employed persons at a workplace, and

(ii) the owner of a workplace, a supplier of goods or provider of an occupational health or safety service to a workplace or an architect or professional engineer, all of whom can affect the health and safety of persons at the workplace, share the responsibility for the health and safety of persons at the workplace;”

A safety program is an important first step

In light of this legislation, and in the interest of both the employer and the employee, establishing and carrying through a proactive safety program to identify possible risk factors and eliminate or reduce the opportunity for accidents or mishaps to occur is a vital part of any successful risk management program. There are a number of risk management areas that can be addressed by a comprehensive safety program including:

- site safety,
- vehicle safety,
- driver safety,
- emergency situations, and
- human resources.

A proactive safety program begins with a study of the physical surroundings. A walk through survey of the physical environment is a good beginning in identifying possible exposure to risk. On site inspections held at regular intervals can reveal where conditions can be improved, or risks eliminated.

**Municipal buildings
and grounds****4.1 Inspections**

Some considerations to note while doing a walk through site evaluation include:

- Install adequate security equipment - ensure locks, lights, alarms, etc. are maintained in proper working order and are sufficient for the job.
- Control building access and keys - policies for storing, signing out, and returning keys should be developed and followed rigorously. Keys hanging on the wall in plain view are an open invitation to trouble. Be aware of threats from within - Staff, visitors and others who legitimately visit your premises may be a source of risk that can be addressed before a problem arises.
- Check the lighting in all municipal structures. Light fixtures should provide adequate light levels for the work being performed. Well-lit hallways, doorways, stairways, and exits provide for a comfortable work environment and help to prevent accidents. Shadow areas must be kept to a minimum especially in areas that are accessible to the general public. Emergency lighting should be installed and in proper working order. Adequate exterior lighting will help to reduce the possibility of accident or injury in public areas including parking lots, and walkways.
- Outside walkways and parking lots should be well maintained and kept free of obstacles or debris in all seasons. Loose pavers or damaged pavement should be repaired immediately. Snow and ice should be cleared as soon as possible.
- The flooring in buildings should be in good repair. Part of the regular building maintenance routine involves identifying and repairing any damaged areas of flooring such as bunched or loose carpet, loose or missing tiles. If tread mats are used at entrances, they should lie flat without sliding. Stair treads must be in good condition and hand rails must be in place where necessary and firmly secure.
- Emergency exits ought to be clearly marked and accessible, and should be clear of debris both inside and out. Exits should never be chained or bolted and must open easily from the inside even when locked. Hallways and doorways should be clear of any obstacles. Any overflow storage should be

removed to an off site location.

- Fire extinguishers should be available and appropriate for the site and the type of fire which could occur. With the proliferation of computers and electronic equipment, the extinguishing agent should be appropriate for electrical fires, paper, wood, and so on.
- Employee lounge areas ought to be kept free of combustibles. If microwave ovens, toasters, coffee pots etc. are available, someone should be responsible for checking that all appliances are left unplugged unless someone is in the room. Any electrical cord that is frayed, loose or in any kind of disrepair can present a fire hazard and should be discarded. Overloading a circuit can lead to a fire and it may be advisable to consult a professional electrician to ensure that the wiring in an employee lounge area is sufficient to the task.

This is not by any means an exhaustive list of the possible sources of risk on municipal property, however it is a place to begin to assess your own location.

Walk through inspections will not eliminate the possibility of accident or liability, but can be a simple and cost-effective way for municipal administrators to address this aspect of risk management.

See also safety audits in Part III, number 14, and Appendix A2 for further information on doing a walk through assessment of the community.

4.2 Motor Vehicles

Municipal vehicle operation

Municipal Vehicle operation is a good example of how your community can easily avoid risk situations. Taking the time to understand the cause and effect relationship in accident prevention provides an opportunity to avoid losses in the future.

The first priority is to ensure you have adequate insurance coverage for all vehicles owned and operated by the municipality. Coverage should include liability, collision as well as vehicle replacement costs.

Accident prevention measures are an important part of a vehicle risk management program. The three areas to address in such a plan are:

- The *vehicles*;

- The *people* who operate them; and
- The *organization*.

Regular vehicle maintenance is essential

4.2.1. The vehicle:

A good vehicle maintenance program is of prime importance and includes well organized, written records of all maintenance and repairs undertaken on each municipal vehicle. Maintenance schedules outlined in your program ideally will conform or exceed the guidelines and schedule in the vehicle’s owner’s manual. A regular part of a vehicle’s maintenance includes keeping the vehicle clean, and in good repair. Establishing procedures for daily ‘walk about’ checks to examine tires, lights, etc. prior to starting a vehicle may serve to avoid expensive repairs later and may even prevent avoidable mishaps. Such procedures have the added benefit of promoting a sense of pride and confidence not only in your employee/operator, but in the community as well, when your vehicles are looking and performing at their optimum.

If your municipality employs mechanics to work on municipal vehicles, it is also a good idea to ensure that their certification is kept current.

DOT safety inspections are mandatory and should be kept up to date

Vehicle safety is an important responsibility of local government administration. Employees and citizens rely upon their municipal government to ensure that the vehicles and equipment used by municipal staff are well maintained, in good repair and equipped with all the necessary features that are required for safe operation.

4.2.2. The people who operate them:

Another important aspect of this responsibility is ensuring that equipment, machinery and vehicles are operated by reliable, safety-conscious, even-tempered and cautious drivers who acknowledge that safe vehicle operation is an important function of their job.

Reliable, safety conscious vehicle operation

A valid operator’s license is not sufficient to prevent accidents. The people you select to operate a vehicle on behalf of the municipality must have good driving records. Putting a poor driver behind the wheel can be an expensive mistake. Reviewing a driver’s past driving record and experience is essential. The best indication of how a driver

will perform in the future is how they performed in the past. If a driver has a record of minor traffic accidents, chances are that trend will continue, at the expense of the municipality. The municipality should have a policy regarding the use of municipal vehicles.

In order to reduce the opportunity for risk, professional risk managers may recommend:

- Regular review of the motor vehicle records of municipal employees who are operating vehicles. An applicant's good driving record should be a prerequisite for employment.
- Prospective employees can be questioned on their previous driving experience, and have their driving record verified with the Registry of Motor Vehicles. Employees who operate municipal vehicles on a regular basis should have their driving record reviewed periodically.
- Provide a positive incentive for employees to develop courteous driving habits. This can be one of the best ways to encourage safe driving. There are simple and inexpensive ways to encourage courteous driving such as safe driving commendations, certificates and perhaps even awards such as t-shirts etc. for commendable driving habits. Small investments such as these can boost employee morale while encouraging good driving habits, and may even lead to gains in productivity, lower operating costs and good relations with the community.

4.2.3. The organization:

Accidents do happen. The remedial action a municipality chooses to respond to an accident depends upon the circumstances. When an employee is involved in an accident while operating a municipal vehicle consideration must be given to the factors leading up to the accident. If, following a careful review of the incident, the municipal vehicle is found to have been properly maintained, the driver is practicing safe driving, and the accident can be attributed to other contributing factors such as adverse weather conditions, then remedial action would involve no disciplinary action against the employee. If on the other hand, the incident is a result of negligence on the part of the vehicle operator, then reprimand, suspension, dismissal, or even criminal charges might be a more appropriate response. Check with your solicitor prior to taking these actions. Employees should be made aware of municipal policy in the event of any such incident.

Vehicle Safety Program

A municipality can help to prevent accidents by establishing a program of vehicle safety. All incidents involving municipal vehicles should be reviewed with staff as soon as possible after the incident. Invite feedback from all employees on how they feel the incident could have been prevented or minimized. Establishing a routine safety program which includes employees as stakeholders helps to make them part of the solution rather than part of the problem.

A proactive, preventive program of risk management in operation of municipal motor vehicles is an inexpensive way to increase efficiency and managing costs. Keep in mind that all hazards and risks cannot be predicted, this is not intended to be an exhaustive check list for addressing the risks involved with municipal vehicle operations.

4.3. Emergency Measures Organization

The Emergency Measures Organization is the coordinating agency of the Nova Scotia Government responsible for assisting municipalities to plan and prepare for emergencies and for the administration of the province-wide emergency reporting 911 service. Under the Emergency Measures Act, each municipality is required to have emergency measures by-law, an emergency measures organization, a coordinator, committee and emergency measures plan. Municipal units may agree to have a common organization, plan or program. EMO NS may be of assistance in advising municipalities on implementing these requirements.

See Section 10 of the Emergency Measures Act.

Emergency situations

In an emergency, EMO coordinates the efforts of provincial and federal departments and agencies, as well as emergency health and social services to provide assistance to the disaster areas. EMO Nova Scotia maintains a staff of professional planners at the head office in Halifax and at zone offices located in Truro, Kentville, and Sydney.

EMO coordinates all emergency preparedness training for Nova Scotia federal, municipal, and provincial staff at the Canadian Emergency Preparedness College, Arnprior, Ontario, and for regional training within Nova Scotia. EMO manages the Joint Emergency Preparedness Program, which provides a federal cost-sharing formula for emergency equipment for some first-response agencies and EMO (NS) sponsors the Ground Search and Rescue Program.

Mandate and Functions

EMO's mission is to ensure the safety and security of Nova Scotians

by enabling the most prompt and coordinated response to an emergency.

The Emergency Measures Organization's objectives are to:

- minimize the frequency and significance of emergencies;
- mitigate the effects of emergencies through timely and effective response and appropriate preplanning;
- provide for recovery from emergencies to pre-emergency conditions; and
- maintain cost-effectiveness and consistency with the financial and administrative frameworks and policies of government.

Nova Scotia's Emergency Measures Organization can be accessed via the internet at: <http://www.gov.ns.ca/emo/> and by email at:

E-mail: emo@gov.ns.ca

4.4. Employee CPR training

Although the 911 emergency service is available across the province, it is still a good idea to ensure that municipal employees are certified in first aid and/or CPR. According to the *Occupational Health and Safety Act* there must always be at least one person at a worksite with a valid first aid certificate. The type of first aid certificate required depends on the type of worksite and the number of employees working there. You can find out what is required at individual worksites by checking the First Aid Regulations or by contacting the Occupational Health and Safety Division of the Department of Labour.

- Employees with such training should be identified and other employees made aware of whom in each workplace has had such training.
- Employees should also be briefed on procedures for handling emergency situations.
- A well stocked first aid kit is a necessity in any office, workplace, or site, and there should be a designated person responsible for ensuring that these kits are regularly checked and well stocked with fresh supplies.

For further information on first aid in the workplace, check the provincial Occupational Health and Safety internet site at

<http://www.gov.ns.ca/labr/ohs/legislat.htm>.

CPR, first line of treatment

How to respond to fire emergencies

4.5. Fire emergencies

Advance planning is essential for proper response to a fire emergency.

- Every building should have an evacuation plan in the event of fire.
- All staff should be made aware of the evacuation plan, the location of fire extinguishers, as well as emergency exits, and be familiar with which routes they need to follow in order to quickly and orderly evacuate from any part of the building.
- In an event of an evacuation, staff should be instructed to gather in a particular place so that it can be determined whether everyone has left the building, or site.
- Depending on the size of the building, an adequate number of persons need to be designated with the responsibility of taking roll call to ensure that everyone is accounted for in the event of an evacuation.
- Anyone requiring assistance during an evacuation should be identified during the planning stages, and someone assigned to assist in their evacuation in an emergency. The person requiring assistance should be made aware of who will be assisting them, and a backup plan put in place in the event that the designated helper is not on site during an emergency.
- Regular fire drills are an important way of ensuring that employees are familiar with the procedures to follow. Local fire departments are usually happy to be consulted to review the plan, observe fire drills and make suggestions as to how the plan can be improved.

Dealing with weather emergencies

4.6. Weather emergencies

Weather emergencies are a rare occurrence in Nova Scotia but can include windstorms, snowstorms, flood or severe electrical storms. While procedures may differ from one type of weather emergency to another, the need for advance preparation and good communication is the same for all emergencies.

- The first priority for any weather emergency is to ensure that municipal employees and their equipment are adequately

prepared to keep roads clear and municipal services functioning.

Some general guidelines for dealing with emergency weather situations include:

- Employee manuals should clearly outline the procedures to follow in the event of any emergency. Employees need to be informed of their responsibilities and exactly what is expected of them during an emergency situation.
- Periodic safety exercises, and hands on orientation improve the likelihood that safety procedures will be followed.
- Safety training begins when a new employee is introduced to the workplace. Appropriate sections of the employee manual may be reviewed during the orientation process. Instruction on safety procedures and location of emergency exits may be addressed while introducing the new employee to their new colleagues. This may also be the appropriate time to identify which employees are trained to handle emergency situations.

5. HUMAN RESOURCES RISK MANAGEMENT:

In addition to the human resource risks that immediately jump to mind such as discrimination, violence in the workplace, sexual harassment and wrongful termination there are also potential losses due to losing the employees themselves. It is estimated by some experts that the cost of replacing any employee in today's market is roughly half of that person's annual salary.

- When new employees are introduced around the office conduct a *safety orientation*, showing where fire extinguishers are located, how they operate, where exits and fire doors are located and which employees are trained in CPR or first aid.
- If you haven't yet conducted safety orientations for existing staff, schedule a brief tour and make sure everyone is aware of safety procedures.
- *Safety exercises* enable employees to be prepared for emergency situations. Ask the local fire marshal to attend a fire drill and offer suggestions for improvement.

Human resources and risk management

- Employees need and want a sense of accomplishment, as well as the opportunity to learn and gain new experiences on the job.
- Establishing open two way lines of *communication* between management and employees improves staff morale, promotes a sense of teamwork, and is essential to reducing losses due to employees leaving their jobs.
- Instituting effective mechanisms to investigate and address employee concerns and complaints in a timely manner may limit liability in the event of subsequent legal action.
- *Conflict intervention* training is an effective way to enable your employees to deal with threatening situations and can help to keep people calm and save during a crisis.
- Establish written *policies and procedures* that document how transactions are to be carried out. It is essential that policies and written procedures are clearly communicated to staff. Employees that know what is expected are better equipped to provide what is required of them.

While in fact, the majority of employees are excellent workers and entirely trustworthy, there is another category of risk involving loss due to employee misconduct or dishonesty, and liability resulting from the actions of an employee in the performance of their job.

- Adoption of an *ethics statement* by Council lets your employees and your community know up front that misconduct will not be tolerated in your municipality.

See Local Government Resource Handbook, Section 4.2 Code of Ethics.

A number of measures may be taken to reduce the financial risks resulting from employee misconduct. Prevention begins with the hiring process.

- When a new employee is being considered, it is advisable to prepare in advance a list of questions to ask an applicant's references. Prior consultation with the municipal solicitor will ensure that employment and privacy laws are not compromised.

Preventing opportunities for employee misconduct

- Most frauds require daily attention in order to avoid detection. The same employee should not be responsible for authorizing transactions, collecting or paying bills and maintaining financial records. While this may prove difficult in a small municipality, your municipal auditor may advise on adequate internal controls.
- In the same vein, it may also be advisable to have alternate employees assume the duties of individuals dealing with financial functions periodically during the year. This could be arranged during scheduled vacations or other leave, or could be a part of a cross training arrangement.
- Exposure to employee theft can be prevented to a certain extent but not eliminated completely. Insurance coverage and limits should be reviewed on a regular basis to confirm that coverage is adequate for the needs of the municipality.

6. SPORT AND RECREATION LIABILITY

Principles of risk management may be applied to the municipal sport and recreation department much like any other department. Municipalities have a responsibility to provide the safest programs or events possible for participants as well as spectators.

Ronald L. Baron provides helpful advice for risk managers in the area of sport and recreation in his article *Risk and Litigation Management for Municipal Sports and Recreation Liability*. Mr. Baron offers a number of suggestions for addressing risk in the area of sport and recreation including:

- Develop procedures for inspection and maintenance of sports and recreation facilities and equipment;
- Post adequate warnings about the dangers of events and activities from the perspective of the participant as well as the spectator;
- Ensure adequate supervision of all activities;
- Provide proper training for personnel involved in sport and recreation programs;
- Supply detailed instructions for the use of equipment and facilities;
- Ensure supervisors are made aware of any physical condition that may impair a participant in an activity or event;

Warn people of the risks involved in sport and recreation programs!

- Establish guidelines for safe access, security, crowd control, and emergency situations;
- Develop procedures for documenting and reporting accidents or mishaps and conduct followup investigations.

Spectators and participants need to be informed of inherent risks associated with any recreation activity or event in order to make an informed decision to participate. Failure to warn about the safe use of sport and recreation facilities can result in liability. The degree and detail of the warning, and the informed consent depend upon the type of activity and the level of participation.

Clearly written, well designed signs are vital. A number of points should be considered when placing signs on recreation facilities, or at special events:

- **Appropriate language:** In areas where there are significant non-English speaking communities, signs should be bilingual (in both English and the predominant language of the surrounding community).
- **Age appropriate:** Signs in play areas should be worded so that children can recognize and understand the message. Use of standard symbols may enhance the readability of signs for children or non-English speaking people.
- **Conspicuous:** Signs should be strategically placed in areas where they are most visible, and most likely to attract attention. The higher the level or likelihood of risk involved, the more attention should be paid to making the signs conspicuous.
- **Size appropriate:** The size and style of the lettering used on the sign should be selected for readability. Lettering should be simple yet bold and in a colour chosen for high contrast and visibility.

Use signs that are appropriate for the audience and sufficient for the purpose

In addition, the number of signs erected should be sufficient to warn spectators and participants as they approach all entrances to a facility in addition to be strategically placed throughout. Announcing warnings over the public address system should also be considered prior to the event, and during any breaks in the activities. Publishing any warning announcements in printed programs is another way of ensuring that the public is well informed of any risks.

For a more in-depth look at recreation programs and facilities and how they impact on municipal risk management see *Parks and Playgrounds: A Minefield of Occupiers' Liability* by David G Boghosian, J. Murray Davison, and M. Rick O'Connor, in *Municipal Liability Risk Management* Volume 1, Number 6.

7. E-COMMERCE RISK MANAGEMENT

“My government believes that we increase our opportunities for success when different levels of government come together with communities, our Regional Development Authorities and the private sector to support a common objective. This year, we will bring these partnerships together to implement an aggressive plan for advancing Nova Scotia’s digital economy, from broadband connectivity to e-government.”

Lieutenant Governor for Nova Scotia, April 2001

The opportunity exists now for local government to consult with its citizens inexpensively and regularly on issues facing the municipality. This will undoubtedly lead to improved transparency, increased accountability, and more citizen involvement in the community. This increased transparency and improved access to government also raises new concerns.

E-government means more than just publishing information on the internet however, it enables governments to interact and conduct transactions with citizens and residents via computer.

As the world moves from the industrial society of the past to the information society of the future, the concept of security becomes even more critical. Security, particularly as it relates to computer technology, is a major concern to any business or government that is considering developing an electronic service delivery program.

Computer security involves the developing, implementing, and deploying of new technologies, mechanisms and services that will be used to store, process, and transmit your clients personal information in a safe and secure manner.

Moving toward offering online and internet service involves a number of security risk factors that deserve careful consideration. Some of the risks involved in communicating information over a network or on the Internet include:

Computer and network security

- **Confidentiality** - Information of a confidential nature must be kept confidential.
- **Integrity** - Information must be kept intact and free from tampering.
- **Authenticity** - Information must be authoritative and genuine. Parties accessing the system must be assured of the integrity of the information exchange.
- **Non-repudiating** - Parties involved in the information exchange must not be able to deny having participated in the exchange.
- **Access** - Access control services, commonly known as firewall protection, can include a configuration of static packet filtering, dynamic packet filtering, circuit level gateways, and application level gateways (or proxy servers). Contact your professional IT representative to discuss the risks of unauthorized access to your database or network.
- **Anonymity** - When appropriate, the identity of the parties involved must remain confidential, and;
- **Availability** - Information must be available when and where it is needed and to those parties who require access.

Although a great deal of publicity has been given to the threat from unauthorized persons gaining access to your network and data, hackers in other words, the greatest threat to your system is less likely to come from outside than from inside the walls of your municipal office. The media's obsession with the image of young hackers prowling the internet for opportunities to disrupt government and private business is a distortion of the real problem with network security.

A 1998 survey commissioned by the Computer Security Institute, found that some 70 percent of the organizations polled said that their network defences had been breached. Surprisingly, nearly two-thirds of the attacks reported came from the inside the organization. When you are evaluating the possibility of facing threats to your network, perhaps you would be better off to pay less attention to media hype and focus on the likeliest perpetrators - embittered or careless employees.

Some guidelines recommended by experts to address security issues with a network include:

Network security guidelines

- Make sure there is no one person in control of the whole system;
- Require every person who is logging on to the system uses a password;
- Assign supervisory rights and access to as few people as possible;
- Ensure that backups are done on a regular basis;
- Have a strict sign-in/sign-out system for backup tapes;
- Keep a current copy of the backup tape stored away from the site in case of catastrophic events such as fire;
- Do backups of desktops and laptops routinely as well as servers;
- Rotate backup tapes - don't keep using the same tape over and over again;
- Change passwords on a regular basis and remind staff of selecting passwords that are not easily identifiable such as pets names, telephone numbers etc.;
- Remind staff that when the system prompts for a password to be changed, do not enter an existing password;
- Don't use the same password for everything such as network access, online email programs, database access. Use various passwords so that if one password is compromised a hacker cannot gain access to all systems with one password;
- Keep your server in a secure area under lock and key with limited physical access;
- Keep your virus protection software updated on a regular basis;
- Use firewalls and other intrusion-detection software that will alert you when you are being threatened;
- Be alert for any employee who is in an information-critical position who may be showing signs of trouble. Disgruntled or careless employees represent the greatest threat to network security;

Be Prepared!

- At times of particular stress, increase your security. If there are pressures from layoffs, budget cuts etc. pay close attention to network security;
- Have clearly defined policies in place for what you consider appropriate and inappropriate behavior on the network, email system, or internet usage;

Perhaps most important,

- Prepare and test a recovery plan for system failure or disaster.

When an employee is departing for one reason or another there are certain precautions that should be taken immediately to protect your system.

When an employee leaves

- Change the passwords so that the departing employee no longer has access to the system;
- Verify that the system has not been tampered with and that files are left intact, passwords have not been changed without your permission and knowledge.

Educate staff as to their responsibilities with regard to their use of computers, networks, email and internet usage. People tend to underestimate the impact their actions have on others. Responsibility lies with each staff person to ensure that safe practices will prevent losses due to computer failure or attack from virus or other hazards. Ensure that every employee has a copy of the policy governing how computers are used in the workplace, with particular reference to email and internet use.

*See Appendix A5 for an excerpt from **The ePolicy Handbook** by Nancy Flynn, (c2001) outlining ePolicy do's and don'ts.*

8. FINANCIAL

Transferring the risk

Insurance

Unquestionably a well thought out plan for insurance coverage is one of the most important risk management tools available to a municipality. In addition, insurance may offer protection against catastrophic losses, help to keep municipal finances stable, preserve

Property versus liability insurance

revenue and resources, and provide reserves in order to prevent small claims from growing into big claims.

Probably the most important step you can take in preparing your risk management plan is to develop a rapport with your insurance underwriter and to discuss your needs in detail so that he or she has a complete understanding of what your specific requirements are.

There are numerous types of insurance coverage that a municipal unit can consider purchasing but there are two basic categories.

- **Property insurance** protects the municipality's own property; while
- **Liability insurance** protects against financial loss arising from damage done to someone else's person or property.

*See Sections 300 and 301 of the **Municipal Government Act** with regard to municipal and fire department liability and the municipal role in fire and emergency services.*

Property insurance or casualty insurance covers municipal owned buildings and their contents. The policy should list the current value of all municipal owned buildings and their contents and should include an up to date inventory.

Special coverages to consider when discussing your needs with your insurance company may include:

- **Boiler and machinery coverage** which insures against loss to a building and its contents due to the explosion of boilers or other pressure vessels and machinery. This type of policy would require an inspection which would ultimately be of benefit to the municipality.
- **Extra expense coverage** would cover additional expenses resulting from the necessity of using alternative premises because of loss or damage to municipal buildings.
- **Inflation guard coverage** provides an automatic increase of limits to your insurance to cover periods of inflation.
- **Valuable papers coverage** provides for the cost of reproducing papers lost or destroyed in an emergency.

- **Flood insurance** provides coverage for municipalities in event of flood. Flood plain management measures may be required

Insurance risk management

There are a number of considerations to keep in mind when it comes to risk management regarding insurance coverage for municipal units.

- **Regularly and routinely review** and analyze your existing insurance:
 - know your deductibles,
 - know what is excluded,
 - know the limits of your policy,
 - does your coverage match the value of your assets?
- **Compile a history:**
 - keep a file for a minimum of five years of all claims;
 - identify any recurring accidents or claims;
 - develop a plan to address or prevent recurrences.
- **Do an inventory** of all property and assets:
 - take a physical inventory of all municipal buildings;
 - use a video camera or take photos of equipment etc.;
 - keep a copy of the inventory file off-site in case it is needed.
- **Document**
 - establish a complaint process;
 - assign one employee to handle and deal with complaints;
 - document all complaints completely with dates times and identities.

Some guidelines for purchasing insurance offered by the Nonprofit Risk Management Centre include:

- **Talk to your insurance underwriter.** Each underwriter has basic underwriting guidelines but these guidelines may or may not cover all situations. Taking the time to review your insurance needs with your underwriter on a regular basis may

prevent unexpected financial losses due to insufficient or inappropriate coverage.

- ***Solicit quotes*** from a number insurance providers to be confident that yours is the best coverage, at the best available price. However, let your underwriter know that you have been getting quotes from other agencies and give them the opportunity to match the quote or to discuss the quote with you.
- ***Plan ahead.*** Providing adequate lead time to your insurer gives the underwriter an opportunity to review your insurance needs and to ask questions. It also gives your organization an opportunity to understand the features of your insurance product, to obtain competitive quotes, and to compare terms.
- ***Complete then review the application.*** Every question on an application form is important to the insurance company. An incomplete application may be declined or returned for completion. Taking a few extra minutes to ensure the application is complete and clearly worded before you submit it to the underwriter may save you valuable time later.
- ***Attach all supporting documentation.*** When an insurer requests information it is important to include that information with your application. List enclosed items in the cover letter and check to ensure that each item is in the package when it is sent.
- ***Verify the accuracy of your information.*** An insurer may deny coverage if the information contained in the initial application turns out to be inaccurate.
- ***Anticipate questions*** your insurance agent may have. In consultation with your insurance agent, provide any necessary explanation for the answers on the application form and any unique exposures your organization may have.
- ***Promptly respond*** to requests for further information. Prompt responses may not only save time later, but highlights your professionalism.
- ***Negotiate with respect.*** Sometimes an honest mistake either in filling out an application, or a misunderstanding in discussing your requirements with the underwriter may result in a quote

Making the community a safer place to live

that is unacceptable or unreasonable. While it is good to question the basis for a quotation to try to alter the terms, do so in a respectful way and allow him or her the opportunity to be reasonable.

- **Offer alternatives.** If an insurance quotation is unacceptable, offer suggestions that may improve the terms. If your insurer refuses to cover an activity, ask if there are ways that you can work with the insurer to come to a mutually satisfactory agreement. In some instances offering to institute an insurer-approved risk management plan as a condition of coverage may be an option.

9. SAFE COMMUNITIES

A number of initiatives have been undertaken in communities all over North America designed to enhance the safety of residents and visitors to the area. The **METRAC** organization, of Toronto, has developed a Women’s Safety Audit Guide to help communities of all sizes carry out a program to enhance women’s safety in their neighborhoods. This safety audit guide provides extensive information on how to carry out such a program in a municipality. The following section outlines briefly the recommendations of the guide, however, anyone interested in carrying out this program would be advised to read the guide and contact the authors for further details.

9.1 Safety Audit Program

A “Safety Audit Program” is an important tool used in crime prevention to recognize, appraise and anticipate personal safety and loss potential concerns. A safety audit is an in-depth on-site examination of a physical facility and its surrounding property (other buildings, etc). The audit is conducted to identify deficiencies or security risks, and to outline and define the protection needed. Finally, a safety audit can make recommendations to eliminate the opportunity for crime to occur.

Audits don’t have to involve a lot of people or cost a lot of money to carry out. Students employed in the community for the summer doing recreational programs, or neighborhood volunteers could be called upon to carry out the audit with a little direction and assistance from the local police force. The best size for an audit team is 3 to 7 people.

The audit team

This allows for differing points of view but is still small enough for lots of discussion. The team should reflect the needs of the community at large. While carrying out the safety audit, your audit team should consider the special needs of people who are using a wheel chair, hard of hearing, blind, mentally challenged, very young, elderly, or persons unable to read.

How to prepare for a safety audit.

The first step is to define how big an area you want to cover in your safety audit. You may want to concentrate on just the downtown area or even one or two neighborhoods where you may feel a safety audit would be most beneficial. This is a program that can be carried out over time and eventually cover all areas of the community that may benefit from this kind of program. If you want to cover a large space, you may need several teams.

The time required to carry out a “first audit” depending upon the size of the area selected for study would be approximately 2 to 3 hours. You will need about ½ to 1 hour to discuss the audit and brief the team on the location and the size of the area they are to cover. At the end of the audit, you may want to take ½ hour to 1 hour to discuss the findings and finish taking notes.

Carrying out the actual audit requires a minimum amount of equipment including:

- flashlights;
- notepad and clipboard;
- black marker or pen;
- camera with a high speed film (400 or 800 ASA) to document problem areas or to document positive features;
- reflective vests or clothing so that team members can be visible at night.

The time of day the audit is carried out is most important. The only way to know if an area has adequate lighting is to be there at night. Night time is also when people are most isolated and feel least safe in their communities.

The audit team is trying to find out how people feel in the community at night, where and when and why they feel uncomfortable. To learn these things it is most helpful to talk to the people in the area during the audit, and to pay attention to how they feel themselves when they are in the area. The audit team should be asking questions such as:

The equipment a safety audit team will require

Questions the safety audit team will ask themselves

- Why don't I like this place?
- When and why do I feel uncomfortable here?
- What changes would make me feel safer?

When the team is looking at an area, they should take their time and consider the circumstances that they find themselves in:

What the safety audit team are looking for

- What if you were walking alone here at night?
- What if you were waiting for someone to come pick you up?
- Is there a possible entrapment site nearby?
- Would it feel safe in the rain? In wind?
- Are there fewer people around at a different time of day, week, year?

A suggested check list for carrying out a community safety audit is included in Appendix A2. You may want to add to this list or modify it to suit your individual needs.

After the Audit: Organizing the findings:

When the safety audit is completed there will be a lot of information available about problem areas in the community. There may also be a number of ideas for changes suggested in the audit sheets.

One way of organizing the information is to group together all the points on one factor such as lighting. Comments about how far a person has to go to get help, whether there are enough telephones near by, or how likely it is that other people might see an assault take place, can all be brought together under the category of isolation factors.

Another way of organizing the information from the checklist is by type of space. For example, safety factors common to all parking lots could be grouped together.

When you've finished organizing the findings, you should check to see if any part of the area has been overlooked. If it has, consider collecting more information with a mini-audit, or by asking people in the area.

Sharing the Results:

Whether they were part of the audit or not, you might want to get support, information, ideas, and feedback from people living or working in the area.

Now is the time to include people in the community who were not directly involved in the safety audit process to date. Consider holding small meetings where people can talk about their concerns and help with the recommendations. The members of the community will welcome the initiative to make their neighbourhood a safer place to live or visit. Also, residents may be aware of problems that might have been overlooked by the audit team. This type of neighbourhood meeting will provide more information on the problems, and will also illicit ideas about what could be done to improve things. Last but not least, community meetings can build support for the changes you want to see and promote community spirit.

The safety audit is the easy part, changing problem areas to safe areas is a little more difficult, but well worth the effort both from a risk management point of view and a community point of view.

Conclusion:

Developing, implementing and maintaining a municipal risk management program can provide immediate and long term benefits to the municipality. Although it may seem to be an overwhelming task in the beginning, especially if the resources are not available for hiring a professional risk manager, it is a program that can be initiated one step at a time with minimum investment of personnel and resources. A number of quick and easy tasks such as mentioned in Section III may provide a significant return on investment in a relatively short time span.

In summary, a municipal risk management program begins with the decision makers. Basic guidelines need to be developed, a risk manager designated, and adequate resources dedicated to support the program. List the tasks that can be accomplished within the budgetary restraints of your municipal unit and get started. Make the program a priority for all staff members and the benefits will soon become apparent.

Risk management for municipalities encompasses a large number of topics, and space limitations prevent covering all the possibilities in an

article of this nature. A great number of electronic and print sources were reviewed in writing this article, and a number of experts were consulted for their advice on particular aspects of risk management.

For more detailed information on specific topics, there are numerous resources available both in print and through electronic media. Municipal risk managers are advised to consult the many sources listed in the suggested reading section for a more thorough treatment of specific situations.

Risk managers are reminded however, that it is always advisable to consult with your municipal solicitor for information pertaining to particular situations.

Suggested Reading:

The following is a listing of some of the more useful resources consulted in the preparation of this document.

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<http://www.infoinc.com/rims/canada/crmc.html>

Chubb Electronic Insurance Library <http://www.chubb.com/library/>

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http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rmf-cgr01-1_e.html#ACommonProcess

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<http://enterprisesecurity.symantec.com/article.cfm?articleid=120&PID=na>

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<http://www.fire.org.uk/papers/tecindex.htm#3>

Review of Canadian Best Practices in Risk Management
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rm-rcbp1_e.html

Risk Management Program Guidance for Offsite Consequence Analysis Chemical Emergency Preparedness and Prevention Office, US EPA 1999. 19 July 2001.
<http://www.epa.gov/ceppo/pubs/oca/oca-chps.pdf>

Washington Municipal Clerks Association: Municipal Clerks Handbook
<http://www.mrsc.org/associations/clerk/title-5.htm>

Women's Safety Audit Guide
<http://www.dhgender.org/cdrom98/ccg97/3/050201.htm>

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Safety Inspection Checklist

Department: _____

Date: _____

This list is intended only as a reminder, watch for other unsafe acts or conditions.
Turn one copy in to Personnel with Safety Committee minutes.
Keep one copy for your department's records.

- ✓ **Indicates Satisfactory - no hazards exist**
- Indicates Unsatisfactory - hazards exist**
- S **Indicates Not Applicable to your operations**

FIRE PROTECTION:

- G 1. Fire extinguisher accessible and inspected.
- G 2. Fire extinguisher recharged in last 12 months.
- G 3. Exits unobstructed.
- G 4. Exit signs lighted.
- G 5. Proper electrical fuses.
- G 6. Storage near hot or electrical equipment.
- G 7. Proper storage of flammable material.
- G 8. _____

HOUSEKEEPING:

- G 9. Wet or slippery floors.
- G 10. Holes, splinters, uneven places in floors.
- G 11. Loose objects on floors.
- G 12. Wet or slippery stairs.
- G 13. Holes, splinters, uneven places on stairs.
- G 14. Loose objects or obstructed stairs.
- G 15. Improper storage of overhead items.
- G 16. Improper lighting or ventilation.
- G 17. Materials piled in walkways.
- G 18. Waste improperly disposed of.

- G 19. Hazards in wash or locker rooms.
- G 20. _____

HAND TOOLS AND MATERIALS:

- G 21. Safety devices defective or missing.
- G 22. Other defects in tools.
- G 23. Unprotected sharp edges.
- G 24. Unsafe carrying of tools, nails, etc.
- G 25. Tools and materials left lying around.
- G 26. Improperly placed or stored materials.
- G 27. Improper use of tools and materials.
- G 28. Dangerous materials improperly marked.
- G 29. _____

MACHINERY:

- G 30. Defective wiring.
- G 31. Defective safety devices.
- G 32. Defective belts, pulleys, gears, shafts.
- G 33. Defective cables, ropes, chains, slings.

Community Safety Audit

Safety Audit Questionnaire

LOCATION: _____

DATE: _____

TIME: _____

AUDITED BY: _____

1. GENERAL IMPRESSIONS

Your gut reactions: _____

What 5 words best describe the place? _____

2. LIGHTING

Impression of lighting:

- very poor
- poor satisfactory
- good
- very good
- too dark
- too bright

Is the lighting even?

- yes
- no

How many lights are outs? _____

What proportion of lights are out?

- most
- some
- few

E.g. Maybe only two bulbs in a particular location are burned out, but if there are only three bulbs to start with, then a more powerful way to say this is that two-thirds of the lights are out.

Are you able to identify a face 25 metres (75 feet) away?

- yes
- no

Outdoors:

Do you know where/whom to call if lights are out, broken, not yet turned on, etc.?

- yes
- no

Is the lighting obscured by trees or bushes?

- yes
- no

How well does the lighting illuminate pedestrian walkways and sidewalks?

- very poorly
- poorly
- satisfactorily
- well
- very well

How clearly does the lighting illuminate directional signs or maps?

- very poorly
- poorly
- satisfactorily
- well
- very well

3. SIGNAGE

Is there a sign (i.e. room no., building name) identifying where you are?

- yes
- no

Impression of overall signage:

- very poor
- poor
- satisfactory
- good
- very good

If no, are there directional signs or maps nearby which can help you identify where you are?

- yes
- no

Do exit doors identify where they exit to?

- yes
- no

Are there signs which show you where to get emergency assistance if needed?

- yes
- no

What signs should be added? _____

Are there signs which direct you to wheelchair access?

- yes
- no

Is there information posted describing the hours the building is legitimately open?

- yes
- no

4. SIGHTLINES

Can you clearly see what's up ahead?

- yes
- no

If no, why not?

Are there places someone could be hiding?

- yes
- no

If yes,

where? _____

Indoors:

- sharp corners
- walls

Outdoors:

- pillars bushes
 - fences
 - hill
 - other
-

What would make it easier to see?

E.g.: - transparent materials like glass - angled corners - security mirrors - trimmed bushes - snow cleared - vehicles moved

Other

comments? _____

5. ISOLATION -- EYE DISTANCE

At the time of your audit, does the area feel isolated?

- yes
- no

How many people are likely to be around? _____

In the early morning:

- none
- a few
- several
- many

During the day:

- none
- a few
- several
- many

In the evening:

- none
- a few
- several
- many

Late at night (after 10 pm):

- none
- a few
- several
- many

Is there a monitor or surveillance system?

- yes
- no
- don't know

Is it easy to predict when people will be around?

- yes
- no

Other comments?

6. ISOLATION -- EAR DISTANCE

How far away is the nearest person to hear a call for help?

- don't know

Can you see a telephone, or a sign directing you to emergency assistance?

- yes
- no

How far away is the nearest emergency service such as an alarm, security personnel, crisis telephone?

- don't know

Is the area patrolled?

- yes
- no
- don't know

Other comments?

If yes, how frequently?

- every hour
- once per afternoon/evening
- don't know

7. Movement Predictors (a predictable or unchangeable route or path)

How easy is it to predict a woman's movements? (e.g. her route)?

- very easy
- somewhat obvious
- no way of knowing

Are there corners, alcoves, or bushes where someone could hide and wait for you? • yes • no

Other comments?

Is there an alternative well-lit and frequently travelled route or path available?

- yes
- no
- don't know

Can you tell what is at the other end of the path, tunnel, or walkway?

- yes
- no

8. POSSIBLE ENTRAPMENT SITES

Indoors:

Are there empty rooms that should be locked?

- yes
- no

Are there small, well-defined areas? (E.g.: - stairwells - recessed doorways or lockers - unlocked closets - elevators)

- yes
- no

Details: _____

Outdoors:

Are there small, confined areas where you would be hidden from view? (E.g.: - between garbage bins, unlocked equipment or utility shed, alley or laneway, recessed doorway, construction site)

- yes
- no

Other? _____

9. ESCAPE ROUTES

How easy would it be for an offender to disappear?

- very easy
- quite easy
- not very easy

Is there more than one exit?

- yes
- no
- don't know

10. NEARBY LAND USE

What is the surrounding or nearby land used for?

- stores
- offices
- restaurants
- factories
- residential houses and streets

- busy traffic
- heavily treed/wooded area
- river bank
- parking lots
- campus buildings
- don't know
- Other: _____

Can you identify who owns or maintains nearby land?

- yes
- no

Impressions of nearby land use from the standpoint of personal safety:

- very poor
- poor
- satisfactory
- good
- very good

11 . MAINTENANCE

Impressions of maintenance:

- very poor
- poor
- satisfactory
- good
- very good

Is there litter lying around?

- yes
- no

Do you know to whom maintenance concerns should be reported?

- yes
- no

From your experience, how long do repairs generally take?

- one day
- within one week
- from 1-3 weeks
- more than 3 weeks
- don't know

12. Factors That Make the Place More Human

Does the place feel cared for?

- yes
- no

Are there graffiti on the walls?

- yes
- no

Does the place feel abandoned?

- yes
- no

Would other materials, tones, textures or colours improve your sense of safety?

- yes
- no

Are there signs of vandalism?

- yes
- no

In your opinion are there racist or sexist slogans/signs/images on the walls?

- yes
- no

Why? _____

Other comments? _____

13. OVERALL DESIGN

Impressions of overall design:

- very poor
- poor
- satisfactory
- good
- very good

If you weren't familiar with the place, would it be easy to find your way around?

- yes
- no

Does the place "make sense"?

- yes
- no

Is the place too spread out?

- yes
- no

Are there a confusing number of levels?

- yes
- no

Other comments?

14. IMPROVEMENTS

What improvements would you like to see?

Do you have any specific recommendations?

Please send any in-progress or completed documentation or reports to:

Source: Metropolitan Action Committee on Violence Against Women and Children

Brainstorming

How to hold a brainstorming session

Structured or unstructured

Brainstorming sessions assist a group to generate a variety of innovative ideas on how to identify and address risk factors. This method of problem solving encourages people to think creatively, and enables participants to build on ideas and move beyond the “same old ways”. All team members should have an opportunity to get involved and offer suggestions, not just the same few people who tend to dominate meetings. Some of the most innovative suggestion may come from totally unexpected sources.

Structured

1. Be certain that everyone understands the issue and verify this by asking several people in the group to paraphrase or define the problem. When the question or problem is stated and agreed upon, then it can be written down on a flipchart or blackboard for everyone to see.
2. In rotation around the table everyone in the group gives an idea or solution to the problem. It is essential that everyone feel free to offer a suggestion and no idea should ever be criticized, or derided. Any suggestion, no matter how ludicrous it may appear at first glance should be accepted and recorded. You never know where the innovative solutions are going to come from. The most ridiculous idea at first glance may be just the solution you're looking for with a little tinkering.
3. As each suggestion is offered, write it down on the flip chart in large clear bold letters on the flipchart or blackboard. Use the speakers own words, don't interpret or abbreviate. To ensure that it is written down accurately, always ask the speaker if their suggestion has been recorded accurately.
4. In turn go around the table and have everyone contribute ideas until everyone feels that they have exhausted their ideas. Keep the process moving and keep it relatively short. Five to twenty minutes

usually works well depending upon the number of participants and the complexity of the problem.

5. Review the written list of ideas and be sure that each is stated clearly and eliminate duplications. Discard only ideas that are virtually identical. Sometimes subtle differences can be extremely important so be sure that you aren't throwing out an idea that may prove valuable.

Unstructured:

Follow the same basic procedures as in the structured session except that ideas are tossed out in a random manner. In an unstructured session anyone can contribute at any time and there is no need to “pass” since you aren't following a rotation.

6-3-5 Or, How to Stimulate Creative Thinking in a Team Environment

Helmut Schlicksupp in his book *Creativity Workshop* offers a very handy tool for stimulating creative team thinking. His method called the “6-3-5 Method” involves dividing up the group into teams of six people. Each person in the team of six has five minutes to write down three ideas on a sheet of paper. Then each person passes his or her sheet of paper to the next person, who has five more minutes to add three more ideas that build upon the first three ideas. This rotation is repeated as many times as there are team member, e.g., 6 team members = 6 rotations, 6 sheets of paper, 18 ideas per sheet. This method of generating creative thinking forces participants to consciously build on each others ideas and offer suggestions to proceed.

When organizing a brainstorming session it may be helpful to plan for a full day. Plan to hold a separate session for each of the first three steps involved in the risk management process. The first session would cover identifying the risk, the second session can cover analyzing the risk. Finally, take each of the risks identified and analyzed in the earlier sessions and focus on what responses would be appropriate for addressing each one.

Source: The Memory Jogger II (GOAL/QPC)

Risk Management Matrix

Municipality: _____

Department: _____

Date: _____

Signature: _____

Respondent: _____

Sources of risk (How?)	Risk event (What?)	Impact on project (Why?)	L	C	R	Risk treatment	Responsibility	Timing

Key:

L - Likelihood	5 - almost certain	C - Consequence	6 - severe	R - Risk Level	4 - extreme
	4 - likely		5 - high		3 - high
	3 - possible		4 - major		2 - medium
	2 - unlikely		3 - moderate		1 - low
	1 - rare		2 - minor		
			1 - negligible		

Source: Australian Agency for International Development

E-Policy Handbook

What Every Employer Needs to Know

E-risks are as prevalent in the modern electronic office as eMail is indispensable. For responsible organizations operating in the age of electronic communication and commerce, a written ePolicy is an essential business tool.

EPolicy DO's

1. Establish comprehensive, written ePolicies that address employee use of eMail, the Internet, and software.
2. Educate employees about software piracy. Ensure compliance with all software licenses.
3. Communicate the fact that the organization's eMail and Internet systems are to be used strictly as business communications tools. But don't stop there. Provide clear guidance on what is, and is not, considered appropriate electronic business communication.
4. Bear in mind that some personal use of your organization's eMail may be warranted. Workers today put in more on-the-job hours than at any time in history. For employees who leave the house before dawn and don't return until well past dark, eMail may be the most efficient and effective way to stay in touch with family members. For the sake of employee morale and retention, savvy employers generally are willing to accommodate their employees' need to check in electronically with children and spouses. Let your employees know where you stand on this issue, and how much personal use (if any) is acceptable.
5. Incorporate an overview of your organization's discrimination and sexual harassment policies in your eMail policy. Because of the relaxed, informal nature of eMail, some employees will put in writing comments they never would say aloud. Make sure employees understand that regardless of how it is transmitted, an inappropriate comment is an inappropriate comment. And all it takes is one inappropriate comment to land you on the wrong side of an expensive, protracted lawsuit.
6. Review your written ePolicies with every employee. New hires and long-time employees, managers and supervisors, full-time professionals and part-time staff, telecommuters and temporary employees, independent contractors and freelancers –everyone should be informed of your eMail, Internet, and software usage policies. Have all employees sign and date copies of each policy to confirm that they have read and understand each document.
7. Incorporate your written ePolicies into your organization's employee handbook and new-hire orientation materials. Have the organization's human resources director review ePolicies with every new employee.
8. Address ownership issues and privacy expectations. Let employees know that the contents of the eMail system belong to the organization not the individual user. If management monitors and reads employee eMail, say so. Make sure employees understand that their eMail can, and will, be read at any time without notice to or permission of the employee. If there is any chance you may want to monitor employees' home computers, make that clear as well.
9. Support your eMail and Internet policies with eWriting and cyberlanguage policies designed to reduce risks by controlling content.
10. Establish netiquette policies for eMail senders and receivers, managers and staff.
11. Implement a risk management policy that incorporates retention and deletion policies, password policies, and monitoring and filtering software.
12. Establish a computer security policy. Put into place procedures and tools designed to keep unscrupulous hackers and internal saboteurs out of your system.
13. Install software to monitor and filter eMail and Internet use.

14. Purchase cyberinsurance policies to help mitigate electronic risk.
15. Develop an eCrisis communication policy for dealing with the media and public should an eDisaster occur.

EPolicy DON'T's

- 1 Rely solely on eMail to communicate your ePolicies. Require each employee to read, sign, and date a hard copy of each policy. Do use eMail messages, along with the company's Intranet system, to remind employees of your policies and management's commitment to enforcing them.
- 2 Expect employees to train themselves. Educate employees about the what's, why's, and how's of your ePolicies. Make employees aware of their eRisks, eRights, eResponsibilities, and the repercussions they will face for violating eMail, Internet, and software usage policies.
- 3 Create separate policies for management. Establish corporate eMail, Internet, and software policies, and insist that officers, managers, supervisors, and staff all adhere to them. A supervisor who turns a blind eye to an employee's online gambling addiction, a manager who winks at software piracy, a board member who sends risque jokes to senior executives—all are putting the organization at risk.

- 4 Forget your international associates. If you do business or operate facilities abroad, incorporate a discussion about effective international eCommunication in your eMail policy.
- 5 Assign one individual the responsibility of single-handedly enforcing your organization's ePolicies. Make all managers and supervisors aware of the important role they play when it comes to monitoring employee behaviour. Assign specific monitoring and enforcement roles to HR and information management professionals.
- 6 Allow employees to dismiss the organization's ePolicies as insignificant or unenforceable. Make sure employees understand that their computer activity will be monitored. Stress the fact that ePolicy violators will face disciplinary action that may include termination. Let employees know you mean business by enforcing your ePolicies consistently.

Excerpted from the ePolicy Handbook by Nancy Flynn, c2001. Permission to reprint granted, provided the material is reproduced in its entirety and www.ePolicyInstitute.com is cited as the source.
<[Http://www.epolicyinstitute.com/d&d.html](http://www.epolicyinstitute.com/d&d.html)>

Section 6.3.1

Risk Management

CONTENTS

PART I: THE BASIC THEORY

Summary

- 1. Introduction**
- 2. Definition**
- 3. The Goals**
- 4. The Basics**
- 5. The Benefits**
- 6. The Process**

PART I: THE THEORY

SUMMARY:

This section outlines the theory behind risk management, provides an outline of what is involved in the process and discusses the goals and strategies that should be considered in the development of a risk management plan. In effect, risk management is a proactive approach to identifying, analyzing and controlling the resources of an organization in order to minimize potential adverse effects of risk. The process consists of identifying possible risks, analyzing the nature and likelihood of their occurrence, taking steps to reduce, mitigate or transfer the risk, and finally monitoring the situation on an ongoing basis to ensure that any potential risks are dealt with before they occur.

Formulating a municipal risk management plan provides an outline of possible alternatives, and establishes a basis for selecting an appropriate course of action. Implementing a risk management plan and effectively communicating it to all personnel can result in increased productivity, reduction of uncertainty, and ultimately a more effective management of personnel and resources.

1. INTRODUCTION:

This part provides a brief overview of the fundamentals of risk management. Although every effort has been made to identify major or generic activities that would involve an element of risk for a municipality, the reader is cautioned that not all elements of risk management can be covered in an article of this scope. In addition, the reader is further cautioned that the preparation of this guide must necessarily involve interpretation of general situations and may not represent specific events. Specific situations may require a careful legal analysis, therefore, reference should be made to the appropriate Nova Scotia statutes and to legal advisors for individual situations.

This part provides a brief overview of the process of risk management as it relates to municipalities and offers some practical examples of how to initiate the process in your municipal unit.

The uncertainty factor**2. DEFINITION:**

Traditionally, risk has been defined as the possibility of loss, injury, disadvantage, or destruction resulting from the day to day operations of a business, or organization. Risk management is a term used to describe the process of analyzing, organizing, planning, directing, and controlling the resources of an organization in order to minimize the potential effects of risk. Risk management is by nature, proactive, and encompasses all management-directed activities aimed at accomplishing optimum results in a professional manner.

A risk is comprised of:

- a *definable* event,
- the *probability* of that event occurring, and
- the *consequences* of such an occurrence.

The types of risk that municipal governments are faced with that can cause economic loss include:

- legal liability to others,
- property loss through disaster, theft etc.,
- extra expense (e.g. to replace equipment or to re-establish service),
- loss of income,
- human resources loss, and
- crime and fidelity loss.

Some of the characteristics of risk are clearly identifiable and include:

- **Situational** - specific risks vary according to particular situations. Certain weather patterns can lead to flooding in certain areas. When those patterns are identified, steps can be taken to alleviate the risk of flooding. What one municipality may do in their locale may not be effective in another municipality.
- **Interdependent** - risks are often interdependent and interrelated. Eliminating one risk may cause another risk to occur or possibly increase the impact of another risk. Hiring extra security personnel to ensure safety during a planned event may impact budget projections for that event and place the

A simple example of Municipal Risk Management

project in financial risk.

- **Proportional** - the greater the expected benefit, the more acceptable the risk becomes,
- **Value based** - the acceptance level of risk may vary from person to person. What may be deemed an acceptable risk to one person may be considered an unacceptable risk to another. Municipal governments, because they are holders of public funds should have a lower tolerance for risk than private sector organizations.
- **Time specific** - risk is a prediction of future events and is related to activities carried on today.

Risk is the uncertainty factor. When planning a project or an activity such as a festival or event in your municipality, risk management involves determining ahead of time just what might happen that you don't want to happen. For example, your recreation department officials are planning a lilac festival to celebrate the arrival of spring and the start of the summer recreation season. Plans for the festival include an outdoor concert featuring a very popular musical group. Inclement weather would be a risk factor that should be considered during the planning stages of such an event. Either spring arrives late and the lilacs don't bloom in time and it's too cold for an outdoor festival, or it rains the whole weekend. These are generally insignificant risks in the grand scheme of things, but they do have a measurable impact on the budget and on the success of your planned event.

Risk management goes beyond merely listing things that could possibly go wrong, it involves analyzing the consequences of such unforeseen events, and determining what steps can be taken to either prevent or lessen the impact of such occurrences. For example, when your lilac festival was rained out, you still had to pay the rental on the tents, and you still had to pay the entertainment even though they couldn't play because of the torrential downpour. A carefully thought out strategy of risk management would enable the municipality to be prepared in advance with alternative sites to hold the concert, or the purchase of an insurance policy which would cover among other things the fees paid to the entertainment if they could not perform due to inclement weather.

Why have a risk management program?**3. THE GOALS:**

Risk management is primarily a specialty within the management function and is specifically targeted towards the elimination or reduction of financial losses resulting from the activities of a municipality.

The obvious goals for initiating a risk management program at the local government level are to eliminate, where possible, the threat of accident and other forms of liability, and where it is not possible to eliminate the risk, to at the very least reduce the possibility of an accident or risk occurring. Beyond this, the goal is to minimize the impact on a municipality when losses occur.

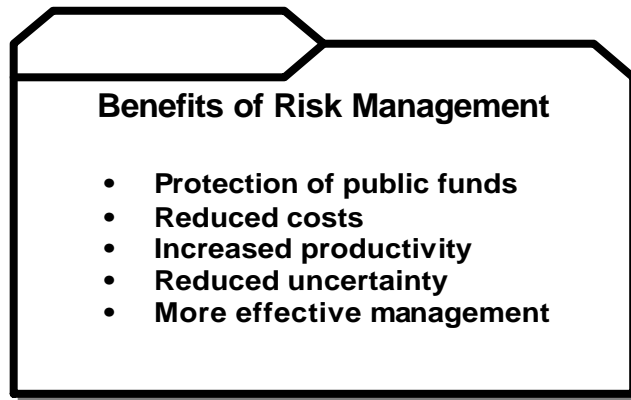
The most effective and efficient municipal risk management program keeps its objectives in line with the needs, goals, and overall well-being of the community it serves. Municipal risk managers must pursue their goals with sensitivity to the limitations on local resources and monitor program costs carefully.

4. THE BASICS:

Risk management involves identifying, analyzing, and responding to risks by minimizing the consequences of adverse events and maximizing the results of positive events. These are the outcomes of risk management planning.

The plan may identify several possible alternatives for each identified risk, and indicate the preferred action to address each one. Such actions may range from simply monitoring the situation and controlling the variables, to making changes to the process. In some instances it may be necessary to alter the goals of the project in order to achieve the desired outcomes. Formulating this kind of risk management plan will provide an outline of the possible alternatives available to the municipality and indicate a course of action.

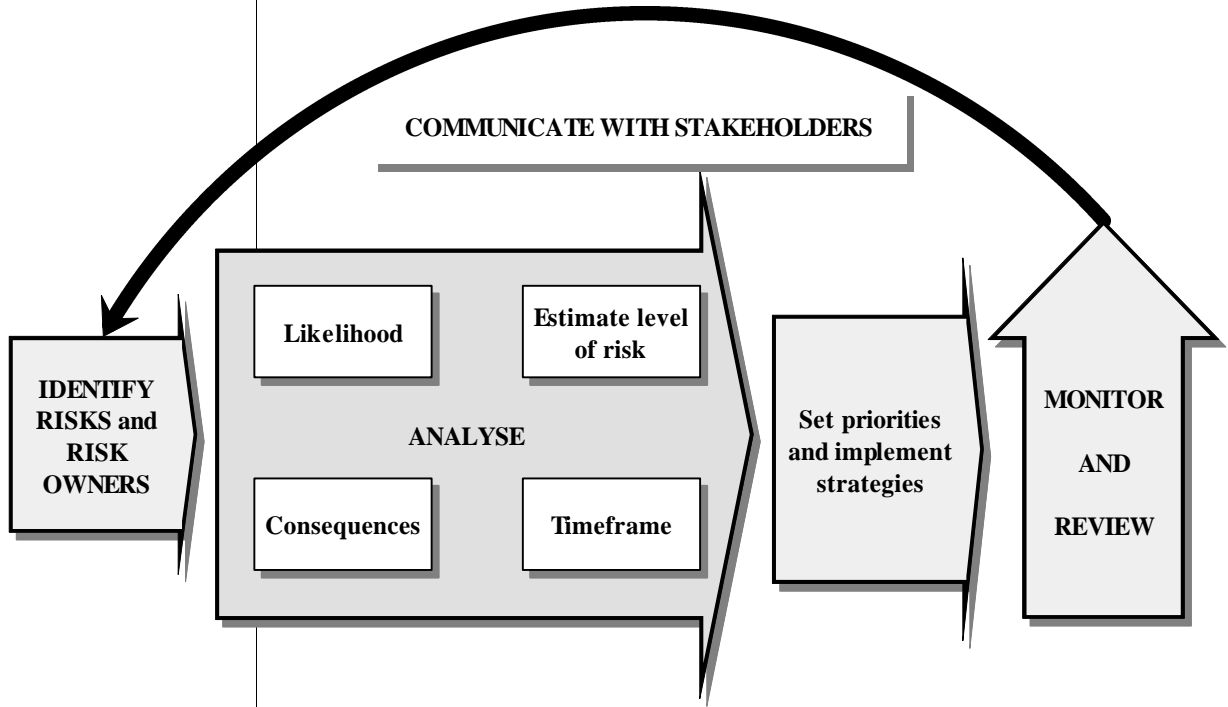
5. THE BENEFITS



The benefits of a comprehensive risk management plan for the municipality are numerous and can be recognized at a number of levels, from the activity level to the senior management level. Such benefits may include:

- more effectively managed and efficiently run projects,
- better control over project budgets,
- increased likelihood of a successful outcome,
- greater community support,
- reducing the possibility of costly surprises and budget overruns,
- increased effectiveness and efficiency, resulting in better program results,
- more openness and transparency in the decision making and management processes, and
- more effective strategic planning resulting from an increased awareness and understanding of risk exposure.

6. THE PROCESS:



The process involves the continued monitoring of all of the activities the municipality is involved with in order to identify new elements of risk as soon they become apparent. Once they are identified, the risks are prioritized according to their impact or importance to each particular situation, and a detailed plan of action is drawn up to address each risk in the most appropriate manner. Simply put, risk management involves the sequence of identifying, analyzing, and responding to risks.

Identify, analyze, and respond

Although specific methods for addressing a particular type of risk may differ, the process remains consistent. The process of risk management involves the following steps:

1. **Identify** - identify the services and assets that could potentially cause financial losses for the municipality. In addition, identify “risk owners,” more specifically, the staff person or project manager responsible for the program, service, or asset.

2. **Analyze** - evaluate the risk: the probability of the risk occurring, the frequency with which it could occur, the impact or severity of the loss resulting from the risk, and the length of time it will take for the municipality to recover from the loss.
3. **Plan** - assess the options and implement the procedures designed to eliminate the conditions that may lead to loss, minimize the effects of the loss or mitigate the risk by finding ways to cover the loss financially.
4. **Monitor** - collect and compile status information on the risk and the mitigation plan, adjust the process, and manage the program accordingly to ensure maximum effectiveness. Re-evaluate and adjust the plan on a regular basis.

The process of risk management can be as simple or as complicated as time and resources permit. The following section provides detailed information on how to implement and carry out the risk management process.

There are numerous invaluable publications available for those wishing to pursue further information on risk management. Please refer to the list of publications in the bibliography at the end of Section III for details on authors and titles.

Section 6.3.2

Risk Management

CONTENTS

PART II: IMPLEMENTATION

SUMMARY:

1. Practical steps to take

- 1.1 The Challenges**
- 1.2 Selecting a Risk Manager**
- 1.3 Duties and responsibilities of a Risk Manager**
- 1.4 Formulating Policy**
- 1.5 Preparing a Risk management plan**

2. The Process

- 2.1 Strategies to Identify the risks**
- 2.2. Analyzing the risks**
- 2.3 Planning your response**
- 2.4 Monitor**

PART II: IMPLEMENTATION

SUMMARY:

This section provides a “how to guide” for implementing a risk management program in a municipality beginning with the selection of a risk manager. Hiring a professional risk manager is one option, however the costs involved may make this impractical for many municipalities. Developing a risk management team under the direction of a senior municipal official may be the most feasible option for most municipalities. The skills and abilities required for the position of risk manager range from having a genuine interest in controlling risk, a desire to learn, and the ability to maintain accurate records to dealing with potentially difficult situations or people. The ability to speak in public and to talk to the media during a crisis is a key attribute for any risk manager.

Once the risk manager has been designated, a risk management plan can be implemented that will involve all municipal personnel. Implementing a risk management process consists of four basic steps: identify, analyze, plan, and monitor. Each step is outlined in detail with practical suggestions on how they can be accomplished.

PRACTICAL STEPS TOWARD MANAGING RISK

1.1 The Challenges:

One of the major challenges for local government is to make risk management an integral part of the management process. This may require a fundamental change in the culture of the workplace. A successful risk management program depends upon support and sponsorship from the top; coordination of planning and activities at all levels; involvement and cooperation of staff at all levels and the development of a culture that encourages and rewards risk management.

At the management level, managers need to support and encourage prudent risk management. This can be accomplished by following general good management guidelines such as:

- Develop an atmosphere of trust and empowerment with staff,

Appoint or hire a Risk Manager

- Acknowledge, reward and publicize good risk management practices,
- Focus on the positive, recognize what your staff are doing right and don't place undue emphasis on minor mistakes,
- Encourage learning from unexpected results, and
- Develop positive strategies for avoiding recurrence while avoiding restrictive controls.

1.2 Selecting a Risk Manager

The implementation process involves establishing risk management practices at the organizational, activity, project and team levels. The first concern in implementing a risk management process involves a clear demonstration of support for the process at the management level. Communicating the philosophy and awareness of risk can be facilitated by training, and educating staff and management. The most important part of communicating and educating staff is to delegate a risk manager, and a risk management team to sponsor the initiative and to communicate to the organization what is expected of them.

Hiring a professional risk manager is one option, however, few municipalities are in a position where they could justify the expense. Other options include jointly hiring a professional risk manager with one or several other municipal units in the region. In the event that this is not feasible, it may be possible to designate a capable employee as risk manager and back this person up with a risk management committee. A risk management committee involves a significant amount of dedication and effort on the part of its membership which may ideally include the municipal solicitor, the insurance agent, department heads and various other key personnel.

L. E. O'Brien and Duane E. Wilcox offer some valuable insights into the selection of a risk manager in their article *Risk Management Organization and Administration*, some of their suggestions as to the characteristics to look for in a potential risk manager include:

- have an *interest* in being a risk manager,
- have the *ability to learn* how to fulfill the responsibilities of a risk manager with some retraining,

- have the ability to setup and *maintain accurate records*,
- have the ability to *identify risk management implications* of legislation, regulations and administrative guidelines,
- have the ability to *identify issues and trends* and be able to formulate practical conclusions from personal observation, information provided or collected,
- have some *training and understanding* of a broad range of local government operation and procedures,
- have the ability to *deal with potentially difficult situations* and people as he or she may be called upon to intervene in situations that may be problematic,
- have the ability to *deal with people* calmly and tactfully, as well as effectively, and
- have *public speaking skills* as they will be called upon to make presentations, to lead focus groups, and to educate staff on risk management procedures.

The risk manager should be either a top level executive position, or report directly to the top executive position in municipal government, rather than to a middle manager. This will have the effect of emphasizing the importance of the role of the risk manager to other local officials and employees. It will also emphasize the fact that the risk manager has the ability to call upon the highest level of authority for assistance when required.

Transferring some of the risk manager's previous duties to another position may help to free up the needed time for him or her to devote to the new responsibilities. Also, providing administrative assistance can help to combine the previous and new duties without placing an unmanageable work load on their shoulders. Appointing a risk manager however, does not release other municipal employees from the responsibility of identifying risk.

All municipal employees need to be informed that the risk manager is entitled to call upon them for assistance and that they in turn have an obligation to respond positively to any request for assistance. The risk manager may wish to call key officials and employees together on a somewhat regular basis to review the overall program and to discuss any matters requiring attention. Persons with a special obligation to

What does a risk manager do?

assist the risk manager would include the municipal solicitor, the clerk, chief of police, fire chief, city engineer etc.

1.3 Duties and responsibilities of a Risk Manager

The general responsibilities of the risk manager are to identify, evaluate, and deal with risk exposures which may potentially face the municipality. Some of the particular functions of a risk manager described by O’Brien and Wilcox include:

- *Participate* in the preparation of a risk management policy,
- *Identify* facilities, situations or conditions which may present a possible risk,
- *Review* projects and programs for risk management implications,
- *Provide recommendations* for dealing with risk ie: accept the risk, avoid the risk, reduce the opportunity for risk, mitigate the impact of the risk, transfer the risk, and monitor the risk,
- *Establish and maintain records* related to insurance coverage, loss and claims and other pertinent documentation,
- *Negotiate* insurance coverage,
- *Work* with the insurance agent or municipal solicitor when required, and
- *Communicate* with, and educating other employees and management on issues relevant to risk management.

*Municipal Risk Management
Mission Statement*

- Promote proactive risk management techniques in municipal government.
- Provide the mechanism to minimize the adverse impacts of risk and losses for the municipality.
- Absorb risk while maintaining a stable financial profile.
- Ensure the long-term financial security of the municipality.

Developing a risk management policy is essential

1.4 Formulating Policy

Development of a clear policy regarding the management of risk in the organization is essential. The policy should be relevant to the municipality's mandate and should be:

- ***Communicated*** to staff at all levels,
- ***Understood*** clearly by all employees, and
- ***Implemented*** and maintained at all levels and in all departments.

The policy should contain:

- The ***objectives and rationale*** for managing risk,
- The range or ***extent of risk*** that needs to be managed,
- Clear ***guidelines*** on what may be regarded as risk and how to identify risk,

- **Guidance** on what may be regarded as “acceptable risk”,
- Guidance on what level of **documentation** is required,
- **Identification** of the persons (or positions) who “own the risk”,
- Support and expertise in handling risk, and
- A clear **plan for review and evaluation** of performance in managing risk.

Some suggestions for formulating a risk management policy statement include:

- Have the risk management committee produce a draft statement for review,
- Have the risk manager produce a draft statement for review,
- Seek the advice of the insurance agent and the municipal solicitor,
- Adopt a provisional policy statement as a starting point and provide for future modifications, and
- Consider policy statements of other municipal units and adapt them to fit.

1.5 Preparing a Risk Management Plan

The risk management plan is a document which outlines the procedures that will be used to address and manage risks throughout a program or project. This document should contain the risk management matrix and any documents related to the identification and analysis phase. This plan should also outline who is responsible for managing the various areas of risk and indicate how the contingency plans will be implemented.

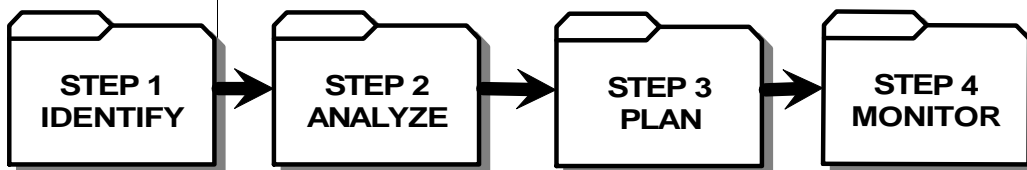
A Risk Management Matrix can be found in Appendix A4.

The risk management plan is a supporting element of the project plan and can either be in minute detail, or a more broad-based approach depending on the specific project. Whether detailed or not, any risk management plan should contain the following elements:

1. List of all the identified risks in a summarized form,
2. Risk management matrix or worksheets,
3. Detailed strategy or plan of response for each major risk to be monitored,
4. Identification of ownership - which section or department is responsible for each identified risk,
5. A review schedule to aid in monitoring progress, and
6. Documentation on the results of the risk management plan and what has been happening with each identified risk, how they were addressed etc.

There are a number of valuable sources for further information on the development of guidelines for risk management in both the public and private sectors. The internet has a wealth of good websites dedicated to this topic. One particular publication that deserves special mention is *“Critical Incident Protocol - A public and Private Partnership”* published by Michigan State University. This publication has particular relevance following the events of September 11, 2001.

A selection of some of the relevant www sites consulted is included at the end of Part III for those who wish to further research the subject.



THE PROCESS:

2.1 Step 1: Identifying Risks

The first step in risk management involves identifying areas of possible risk. In order to manage risk effectively, the local government administrator must know and understand clearly what risks the municipal government faces. For information concerning municipal liability in specific situations, administrators are advised to seek advice from their municipal solicitor.

Risks are often common knowledge

**STEP 1:
IDENTIFY**

See PART XXI of the *Municipal Government Act* regarding municipal liability, sections 504, and 512 to 517.

Some risks are obvious and often well known. Damage to property near a river that is known to flood on a regular basis is a fairly obvious example of this. Not all risks, however, are as easily identified and the establishment of a risk analysis procedure will allow you to identify risks as they arise.

According to Richard Wong in *The A,B,C's of Risk Management*, loss exposures can be categorized into six broad groups:

- **Physical property**- (including buildings, machinery and equipment),
- **Loss of income**,
- **Contingent expenses** - (depending on the circumstance),
- **Human resources**,
- **Legal liability**, and
- **Perils** - (something that creates a danger or risk).

Municipal Liability Risk Management is a compendium of articles published by Butterworths Canada, edited by Frederick P. Crooks, Q.C and M. Rick O'Connor, which provides a wealth of information on municipal liability in specific situations.

Keeping management and key personnel adequately informed is critical, and this can be accomplished by implementing an incident reporting system within your organization. Small problems that are dealt with in a timely manner may prevent larger problems in the future.

One of the tools that a risk manager should have at their disposal is an emergency call list so that they can contact key personnel for assistance in developing contingency plans, and to refer to in case an emergency situation occurs. The list should outline the responsibilities of each of the key personnel and should contain both work and home telephone numbers with space to record the time and date of contact. This list should also include emergency telephone numbers for fire, police, and ambulance services.

Tools to Assist the Risk Manager

Strategies for identifying risk

A tool to assist the risk management team

A brainstorming session involving all the stakeholders, including front line workers, is an extremely valuable tool that can help to identify what could go wrong, when risks are likely to occur, where they are likely to occur, why they may occur and who is apt to be involved. Potential risks identified in this manner can be addressed before they happen and the risk either eliminated or reduced. Detailed information from *The Memory Jogger: A Pocket Guide of Tools for Continuous Improvement and Effective Planning* on how to hold a brainstorming session is contained in **Appendix A3** at the end of this section. This tool can be used to carry out each of the five steps in the risk management process.

Some additional sources of information the risk management team may use to identify potential risk include:

- Past *experience* can often provide insight into what may happen in the future,
- *Investigation* into incidents and accidents can reveal where previous risks may have arisen and how they may be prevented in the future,
- *Interview/focus group* discussions with staff to identify risks that they may already be aware of,
- *Surveys and questionnaires* with the public as well as staff can identify areas that may need to be addressed,
- Carry out *safety audits* (such as outlined in Part III - Section 6.3.3, number 9.1)
- *Focus* on any new projects and on areas of change for new or previously unidentified risk factors, and
- *Network with peers*, other municipalities, and professional associations.

Key questions to ask in identifying risk

Identifying risk is by far the most significant step in dealing with the risk. The risk management matrix in **Appendix A4**, developed by the Australian Agency for International Development, provides a template to assist in answering the following questions to identify and analyze potential problems.

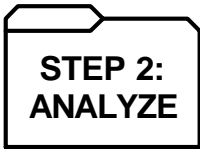
It is important to determine who in the organization is responsible

- **Who, what, when, where, why and how?** These age old questions are the basis for identifying potential risks. At the planning stage of each new venture or activity, a risk identification process should be initiated.

It may be worthwhile to remind the risk management team that although their input and suggestions are most beneficial, the ultimate decision as to if and how their suggestions are to be implemented will be ultimately the responsibility of the risk manager.

Risk ownership

The ownership of risk is an allocation process tailored to the particular area of the organization responsible for the particular function, specialty or discipline. It may be appropriate to keep risk ownership at a relatively high level such as department head, supervisory staff etc. Responsibility goes hand in hand with the authority to act. Without that authority there can be no true risk ownership. Front line employees are often the ones with the expertise and know how to identify potential risk. They deal with such situations on a regular basis and can make suggestions to address problems before they arise. The most effective risk management program will include all employees and have responsibility clearly defined at each level.



2.2: Analyze the risk:

After the initial session, the group will be charged with analyzing each of the identified risks from the first session. After identifying what the risks are, the next step involves looking at all aspects of the risk and determining how it could happen, why it could happen, and what factors need to be considered in order to correct the situation.

Analyzing a risk involves establishing the characteristics of each risk, what is the likelihood of the risk occurring, (either the frequency or the probability), and what are the consequences if it does occur. Identifying the probability and the consequences of each risk enables the risk management team to determine what steps, if any, should be taken to address the risk.

A risk analysis worksheet provides an opportunity to identify sources of risk, the impact of the risk, alternatives for handling the risk, the owner of the risk and provides a method for ranking risk levels. An example of such a risk management matrix is included in *Appendix A 4*.

- ***What is the source of the risk?*** Be specific, outline all possible

What is the source?

sources of risk using the risk management matrix. Have each team member identify any and all possible sources of risk inherent in a project, activity or operation. Indicate in each instance whether the risk is certain to happen, likely to happen etc. By ensuring that everyone working on a project receives a copy of the completed risk management matrix, you can make everyone more aware and better able to prevent the occurrence of the risk. Nicholas Greifer and Brennan Schwarz outline seven categories of sources of risk, including:

- **Physical environment** (snowstorms, earthquakes hurricanes etc.).
- **Legal environment** (laws and legal precedents).
- Operational environment (day to day activities and actions within the government).
- **Political environment** (legislative activity, elections).
- Social environment (cultural composition of the community, social attitudes and preferences).
- **Economic environment** (market trends, interest rates).
- **Cognitive environment** (absence of information, the attitude of individuals towards risk).

The above list is by no means exhaustive, and further examination of individual circumstances may identify more sources of risk that municipalities may face.

When the sources of risk have been identified, further evaluation should include questions such as:

Can you control it?

- Is the source of risk something that you have control over?
- Is the source of risk something that can be changed?
- **What are the consequences of each risk?** How would the occurrence of this risk impact the project? Would a rainstorm during the outdoor band concert planned for your lilac festival result in cancellation of the concert? How would cancellation impact the municipality? Would this lead to financial losses? If it would cause a financial loss, how great would the loss be? If it is an insignificant amount this may be one of those times where it is better to just accept it because the level of risk is not substantial enough to warrant booking an alternate site for the concert.
- **How can you avoid, eliminate or reduce the likelihood of the risk?** Do you have alternatives available that will lessen the

monitor the situation and seek expert guidance from outside sources when appropriate.

Major: Requires ongoing monitoring by senior management. *i.e. extended drought conditions causing major concern over the strain on municipal water supplies.*
Front line staff would manage the situation and ensure that senior management is kept informed and updated on a regular and frequent basis.

Moderate: Requires routine monitoring by senior management. Management of the situation would remain with front line staff with regular updates to senior management

Minor: Requires management at the front line level, monitored and managed by routine procedures. Senior management would be kept informed via routine weekly or monthly reports. *i.e. vandalism causing property damage to municipal property such as park or recreation facilities.*

Negligible: Can be managed by routine procedures. *i.e. minor weather damage to park or recreation facilities as a result of wind storm).*

Consequences

When the consequences are extreme, or there is a potential for personal injury, sickness or loss of life, more involvement by senior management is required. The following guide may be used to describe consequence.

Extreme: The consequences represent a threat to not only the project, program, or activity, but would present major problems for the municipality. This would include any significant threat to the health and well being of the residents of the municipality, or significant financial losses to the community. Intense media attention would be expected in these circumstances. Senior management intervention would be required.

High: The consequences represent a significant threat to the effective operation of the project, program or activity or may attract adverse media attention. This level would require senior management intervention. Any risk that would result in significant financial loss to the municipality, or represent a threat to the health and well

being of the residents would be considered high.

Medium: The consequences would represent a significant level of threat to the successful completion of a project, program, or activity and may involve critical review and alteration to the operation of the project, program or activity. This would involve any risk of financial loss, or loss of service to the municipal residents.

Low: The consequences would represent some threat to the success or effectiveness of some aspect of the project, program, or activity, but could be dealt with at the program level.

Negligible: The consequences may be dealt with by routine procedures.

The option you will ultimately choose is based upon the severity of the risk, and the likelihood of it occurring. Some questions to keep in mind when brainstorming in order to develop a risk response plan include:

- ***How will reducing or eliminating one factor increase the probability of another risk factor occurring?*** Using the example of the outdoor concert during a lilac festival again, perhaps your recreation director has considered not hiring this particular popular musical group for the outdoor concert during the lilac festival in order to reduce the financial losses should a rainstorm wash out the planned events. The decision to not hire the popular group may have a number of ramifications:
 - The number of concert goers would be reduced significantly and therefore there would be less revenue generated by the concert,
 - Because there would not be the crowds attending the festival, there would be fewer vendors willing to invest in setting up booths at the festival,
 - The festival would not generate the kind of community support organizers were hoping for, and
 - The publicity that would be generated by having this group perform could mean a dramatic increase in

visitors to the area during the festivities, by not having them perform, the community could be missing out on an opportunity to promote the festival and ultimately negatively impact the financial success of the festival.

What can you do about it? There are a number of alternatives to consider in any situation. In this example, you could choose to:

- Hold the concert rain or shine. If the group you are booking can attract a significant number of concert goers who would attend even in the rain, it may be better to go ahead regardless,
 - Rent a tent,
 - Have an alternate site available in case of rain for example, plan to hold the concert in a local arena instead of planning an outdoor concert so that inclement weather would not be a risk factor to contend with, or
 - Talk to your insurance agent about purchasing cancellation insurance.

- ***Which area would you prefer to have the risk?*** Some risk factors may be easier to monitor or control than others. After analyzing the options in the previous question, you may be better able to identify what could go wrong if you choose one alternative over another. Each individual situation presents unique possibilities and must be addressed on an individual basis depending upon the circumstances.

- ***What are your obligations?*** What are the terms of any contract that may have been undertaken? Are you responsible to pay for all or any expenses incurred by either the parties involved or the public should cancellation be necessary? What is your refund policy? What does your insurance cover?

Once the risk management team has identified what the risks are, and analyzed what the ramifications are for responding to each risk in a specific way, the time has come to decide upon the best course of action to take to deal with the risk. This is a decision that can only come after careful analysis. What appears to be the wisest course of action at first glance may not be the best response after careful analysis. In short the options for dealing with risk are as follows:



2.3 Plan your response

Risk response planning consists of identifying possible responses to the risks that have been identified, and selecting the best response to each particular situation.

Options to consider in a risk response plan

Some of the options to consider when evaluating the risk and possible responses include:

1. *Accept the risk*
2. *Avoid the risk*
3. *Reduce the risk*
4. *Impact mitigation*
5. *Transfer the risk*

Just Accept It?

1. *Accept the risk.* At times, when the level of risk is not substantial, or where it is not practical or economically feasible to make changes, the wisest course may be to just accept the risk. In such situations monitoring may be the recommended course of action. When the following criteria are present, consider accepting the risk and not taking steps to eliminate or reduce it:
 - The level of risk is not high,
 - the consequences of the risk occurring are not significant, or
 - the likelihood of the risk happening is not great.

If it's too risky, Don't do it

- 2 *Avoid the risk:* Where the level of risk is unacceptable, and controlling the risk is not worthwhile, it may be advisable to avoid the risk. If an activity, or project presents the risk of significant loss to the municipality, it may be preferable to not proceed with the project or activity. However, it should be noted that inappropriate risk avoidance can result in diminished efficiency, cost penalties, loss of community identity or other losses to the community. Avoiding the risk involves a decision not to proceed, or to follow an alternative option. For example, a town may decide not to build an area for skateboarders to practice in order to avoid the liability exposures and the safety risks involved. However, by avoiding the risk in this case, the town may be creating a greater risk. Riding a skateboard on public streets could present an even greater hazard for the

skateboarder, pedestrians, and drivers as well. Some risks are unavoidable however. Police and fire protection involve considerable risk to the municipality but are not avoidable. When the risk is not something easily or practically avoided, then consider the alternative options. Carefully weigh the pros and cons of a project before making a decision. The social benefits may outweigh the risks involved and the decision to go ahead may ultimately be the best for the community despite any risk involved.

3. **Reduce the risk:** taking action to reduce the consequences of risk and planning in advance to deal with the impact include developing emergency contingency plans, evacuation plans, etc. Quality assurance, testing, training, supervision, review, documented policy and procedures, research and development and regular monitoring are all ways of reducing the chance that losses will occur. Natural events such as hurricanes cannot be avoided but the likelihood of losses from such a catastrophic event can be reduced or eliminated by having carefully prepared disaster preparedness plans.

Accidents and disasters are bound to occur in even the most diligent communities. Municipalities should be prepared in advance so that staff are prepared for such an event. The first step is to identify the services and activities that are essential and must not be interrupted for any extended period of time. Next, brainstorm about what types of incidents could interrupt these services. Then, determine alternative plans that can be put into action immediately if normal services are interrupted. For example, have a back up plan for supplying emergency drinking water to the residents in the event of something happening to the municipal water supply.

Techniques for risk reduction include:

- Establish a routine of inventorying and documenting municipal property, equipment and services;
- Systematically conduct safety checks;
- Compose and enforce written policies and procedures concerning municipal operations, with particular emphasis on areas most likely to present risk;
- Establish and communicate an incident reporting system

Have a contingency plan ready.

Tips for reducing risk

so that employees are aware and can report any incident or condition that they see or are involved in that could present risk to the municipality;

- Ensure effective supervision by means of training and performance review;
- Have employees and volunteers participate in regular training activities.

One of the fundamental principles of risk management is that risk should be the responsibility of the party best able to control that risk

4. **Impact mitigation:** Impact mitigation refers to taking steps to reduce the consequences of a risk occurring. Again, careful planning in advance is the method for reducing the impact of a risk occurring. Develop contingency plans. In case of serious or catastrophic events, evacuation plans or emergency response plans should be drawn up with the assistance of the experts, the fire department, police department, ambulance services, local hospitals and the local office of the EMO.

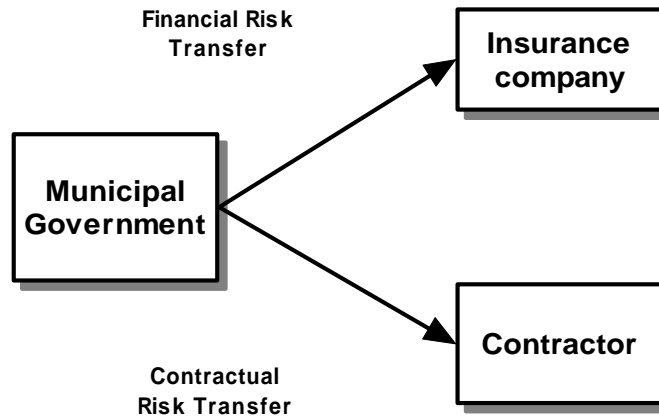
5. **Transfer the risk:** The obvious example of transferring risk is through insurance. It is in the municipality’s best interest to be sure that insurance coverage is adequate, covers all assets and is kept up to date. Your insurance agent is the best source for information on how much and what types of insurance are best for the particular circumstance of each municipal unit. It’s always a good idea to consult with an expert on such matters. Get quotes from several sources and carefully compare the coverage offered and the rates. The cheapest is not always the best option.

Contracting out is another method of transferring the risk to an outside source. For example, if you hire a company to provide hanging baskets of flowers and other landscaping services for the downtown area of your community it is then the responsibility of that company to ensure that the plants and landscaping features are well cared for and maintained. If the plants die, the landscaper replaces them, not the municipality.

Keep in mind that transferring the risk and the responsibility in this manner comes at a cost. You will be expected to pay for the peace of mind such services provide.

Let someone else carry the risk for you

Risk Transfer



Source: An Elected Official's Guide to Risk Management

The main objective of a risk management program is to reach a level where accidents and injuries do not occur, however that is probably not a realistic expectation. Risk management is a long term process aimed at eliminating at best, and reducing at the least, risk to the municipality.

STEP 4: MONITOR

2.4 Monitor

One of the primary responsibilities of the project manager is to monitor and track risk events. Where proactive strategies have been implemented to address risk factors, continuous monitoring of the situation is imperative to determine whether those strategies are working as planned and to regularly reassess the situation to determine if new strategies are in order.

Part of the risk management plan should include maintaining a log to record events as they occur, and steps taken to address each event. The effectiveness of the risk management plan should be evaluated periodically throughout the project in order to review the actions that have been implemented, and to judge their effectiveness.

The government of Western Australia has a number of extremely useful publications dealing with risk management. In particular *Guidelines for Managing Risk in the Western Australian Public Sector* offers some valuable advice and detailed information on carrying out a risk management plan for local government.

**Keep on top of things:
Monitor and review
regularly**

Monitor the situation:

Keywords for the monitoring phase of the process are educate, inform, and recognize.

- **Educate** - Educate your risk management team to deal with risk and to continually update their skills and keep abreast of issues in the risk management field. Enabling the risk management team to participate in workshops and training programs will make them a more effective and efficient mechanism for carrying out the functions they have been entrusted with.
- **Inform** - Inform your staff about risk management and enable them to become active participants in the process. Establish reporting procedures so that any staff member who becomes aware of a situation that could present a risk to the municipality may record and report what they have discovered. Allowing your staff to become active participants will make the risk management team and the entire process much more effective. An added bonus is the boost to employee morale when they feel they can contribute in a meaningful way.
- **Recognize** - Recognition of the contribution of every staff member in keeping risk factors under control is not only good management, it's good manners. There are numerous ways to recognize and reward the contributions of staff from "employee of the month" type of programs, to a simple letter of thank you for your contribution to the effort.

**The basics of risk
management**

The process, in summary, involves the identification, analyzing, planning, and continued monitoring of all of the activities the municipality is involved with in order to identify new elements of risk as soon they become apparent, and respond to them in a timely fashion. Risks should be prioritized according to their impact or importance to each particular situation, and a detailed plan of action is drawn up to address each risk in the most appropriate manner.

Section 6.3.3

Risk Management

CONTENTS

PART III: APPLYING THE THEORY

SUMMARY:

- 1. Liability for negligent statements**
- 2. Talking to the media**
- 3. By-law enforcement**
- 4. Proactive safety program**
 - 3.1 On Site inspections**
 - 3.2 Motor vehicles**
 - 3.3 EMO**
 - 3.4 Employee training**
 - 3.5 Fire emergencies**
 - 3.6 Weather emergencies**
- 5. Human resources**
- 6. Sport and recreation**
- 7. E-Commerce**
- 8. Financial**
- 9. Safe Communities**
 - 9.1 Safety Audit Program**

Appendix

- A 1. Safety Inspection Checklist**
- A 2. Community Safety Audit**
- A 3. Brainstorming**
- A 4. Risk Management Matrix**
- A 5. E-Policy Handbook**

PART III: APPLYING THE THEORY

SUMMARY:

How a municipality handles communications with the media or the public is critical. Information provided to the public must be accurate, non-interpretive and reliable. Appropriate personnel should be designated to talk to the media and only designated personnel should provide information to the public.

Government at all levels have a responsibility to apply the law consistently, fairly and equitably. Canadian courts tend to find a duty of care to exist in almost any regulatory area where persons who are intended to be protected by the regulatory scheme suffer as a result of careless enforcement.

On site inspections of municipal buildings and properties are an effective and relatively easy way to begin the risk management process. Community safety audits are one way to bring the risk management program to the community at large and to identify areas where citizens may be at risk.

The following suggested courses of action are meant to provide a starting point, not a comprehensive or all inclusive list of the potential risks faced by a municipality.

1. Negligent misrepresentation

Municipalities may find themselves liable for employees who offer negligent statements, incorrect advice, supply invalid permits or approvals while acting on behalf of the municipality. Therefore, caution should be exercised when any municipal employee gives out information to members of the public or the media.

Employees should be advised to not offer information which they are not required to give out. In addition, when staff are in a position to provide information over the telephone, it is advisable to take notes while on the phone, recording who they are speaking with, the date and time of the conversation, the topic of conversation and any pertinent comments made by either party. Such notes made concurrently with a phone call may be referred to in a court of law if the staff person is called as a witness. These notes will provide support to the staff member's credibility as a witness.

Advise staff to use caution when speaking with the public

When the press wants to talk to you

When an opinion, or an interpretation, is requested, employees should be made aware that because law is open to interpretation, it may be advisable to seek the advice of the municipal solicitor before offering any comment or statement of fact on bylaws or regulations (including permits or approvals). A court may still disagree with that legal interpretation, but having a legal opinion is good evidence that reasonable care has been exercised.

It's a good idea to remind all municipal employees that regulations are put in place for a reason, and they should avoid the temptation to give someone "a break" as it could backfire on the municipality.

The liability for negligent statements by municipal staff is well established. Negligent statements extend to advice, permits and approvals, as well as statements to the public at the reception desk or over the phone.

2. Talking to the media (or the public)

Providing information to the media or to the general public can be a particular source of risk for municipal governments. All information that staff provides to the public should be reviewed to ensure it is correct. Incorrect information could potentially lead to a law suit. It is important also that the information is being supplied by the appropriate staff person. If the information being provided is something that is open to interpretation, staff should be advised against offering any interpretation.

In a crisis situation, media relations must be handled very carefully. It's a time of high tension and it's easy to respond emotionally, off the cuff or in a hostile manner. None of these approaches will get your message out correctly. While it is recommended that senior staff receive media training, some suggestions for dealing with the media include:

- One person should be designated as the media spokesperson and everyone on the crisis response team should refer reporters to him or her.
- Media will often focus their attention on the mayor or warden, as the head of the community, but that doesn't mean the mayor or warden should be the media spokesperson.
- Answers should be short and factual. Steer clear of hypothetical

Tips for dealing with the media

questions and don't guess at answers, or offer personal opinions.

- Be mindful of media deadlines but don't let a newspaper deadline determine your response. Provide accurate information when you have it rather than offering a rushed response that you may later regret just to meet a deadline.
- Provide copies of any press releases to your staff and have them available to the general public in addition to offering them to the media. In this way, your staff will be knowledgeable about the official position if approached with questions. Also, the public will have access to the official statement that you provided rather than the statement edited for publication.

The media will be hungry for information and will often seize on rumour to build a story. Respond with the facts and don't be afraid to defer your response until you can verify the information a reporter provides to you in a question, for example:

- **Question:** Mr. Mayor, is it true that 25 children were injured in the school disaster?
- **Poor response:** I have no idea... It's a terrible thing... I can only imagine the horror those poor kids felt as
- **Better response:** Emergency response crews are on the scene and we are still confirming information. There will be a news conference at the town hall at 4:30 and we will provide you with as much information as we can at that time.

For a more in depth look at how to deal with the media, refer to *How to Handle the Public, The Media and Your Staff* by Peter Gill of the British Columbia Municipal Insurance Association. This article can be found in *Municipal Liability Risk Management* Volume 1, Number 4.

3. By-law enforcement

Government at all levels should presume they are under a legal duty of care to perform their statutory functions responsibly. Canadian courts are clearly ready to find a duty of care to exist in almost any regulatory area where persons who are intended to be protected by the regulatory

Inspections and enforcement

scheme suffer physical or economic damages which may be reasonably foreseeable as a result of careless enforcement.

Legislation and bylaws should be carefully reviewed to identify which impose a duty to conduct inspections. Be particularly aware of legislation which imposes specific duties to regulate or supervise. Review bylaws to see if the words imply a higher level of duty than necessary. Consider things like:

- the likelihood that careless enforcement may cause harm to the person for whose benefit the regulatory program was established,
- the potential for serious harm due to lack of enforcement,
- the degree of public reliance on the program;
- the accepted enforcement practices in other municipalities and jurisdictions.

Inform staff that the municipality may be liable for any inspection or investigation conducted in a negligent manner. Explain that if during an inspection, an inspector fails to discover a failure to comply with the regulations which ought to have been able to be discovered, the municipality may be liable for loss suffered by a person.

Be aware that as a result of the Just decision, governments may be liable for failing to institute a system of inspection or an adequate system of inspection which would disclose failures to comply and not only for failure to discover a breach and subsequent failure to enforce.

Review enforcement methods. Consider things such as:

- Is it reasonably foreseeable that a particular individual or group of persons may be adversely affected as a result of failure to enforce?
- Are the intervals between inspections so lengthy that the program is ineffective?
- Do officials routinely negotiate with significant non-compliers without taking formal enforcement action?
- Do officials routinely escalate enforcement responses in cases of persistent non-compliers?

The importance of documentation

- Are public complaints responded to?
- Is staff trained?
- Do officials routinely permit informal variations of the rules?
- Are there regulations which are never enforced?

After the review, prioritize responsibilities. The budget preparations should include a request for sufficient funding to properly inspect and enforce. If, as a result of the budget process, inadequate resources are allocated, re-evaluate priorities.

Record the decision making process to provide documentation that:

- senior officials had responsibility for the review,
- that the decisions made by council, and were based on the allocation of limited resources in the way best designed to protect both the public interest, and any persons who may be most adversely affected by a failure to inspect or enforce.

The courts will not lightly interfere with true policy decisions, especially when taken at a high level, which involve financial, economic, social or political factors or constraints. But a government must now be ready to demonstrate that balanced against the nature and quantity of the risk involved, its system of inspection and enforcement was reasonable in light of all the circumstances, including budgetary limits, the personnel and equipment available, and that it has met the standard of care imposed on it.

Liability for poor management practices may depend on whether there is a comprehensive compliance and enforcement policy in effect for each regulatory program. Management should designate an officer in charge of compliance, allow for regular reporting, provide for training and the development of manuals and procedures, a system to deal with persistent or emergency situations, and a periodic evaluation of the program with response to the recommendations arising from it.

While the focus is on minimum enforcement responsibilities, governments must also take care not to over enforce by prematurely ordering, for example, the seizure or destruction of property. Civil damages for careless enforcement could arise. The courts will consider whether the officials, on an objective re-assessment of their

actions in all the circumstances, had reasonable grounds to believe the action was necessary. The fact that an official sought legal advice before acting may reinforce the conclusion that there were reasonable grounds to believe the actions were necessary and proportionate.

4. Proactive Safety Program

Nova Scotia's *Occupational Health and Safety Act* states:

“The foundation of this Act is the Internal Responsibility System which

(a) is based on the principle that

(i) employers, contractors, constructors, employees and self-employed persons at a workplace, and

(ii) the owner of a workplace, a supplier of goods or provider of an occupational health or safety service to a workplace or an architect or professional engineer, all of whom can affect the health and safety of persons at the workplace, share the responsibility for the health and safety of persons at the workplace;”

A safety program is an important first step

In light of this legislation, and in the interest of both the employer and the employee, establishing and carrying through a proactive safety program to identify possible risk factors and eliminate or reduce the opportunity for accidents or mishaps to occur is a vital part of any successful risk management program. There are a number of risk management areas that can be addressed by a comprehensive safety program including:

- site safety,
- vehicle safety,
- driver safety,
- emergency situations, and
- human resources.

A proactive safety program begins with a study of the physical surroundings. A walk through survey of the physical environment is a good beginning in identifying possible exposure to risk. On site inspections held at regular intervals can reveal where conditions can be improved, or risks eliminated.

**Municipal buildings
and grounds****4.1 Inspections**

Some considerations to note while doing a walk through site evaluation include:

- Install adequate security equipment - ensure locks, lights, alarms, etc. are maintained in proper working order and are sufficient for the job.
- Control building access and keys - policies for storing, signing out, and returning keys should be developed and followed rigorously. Keys hanging on the wall in plain view are an open invitation to trouble. Be aware of threats from within - Staff, visitors and others who legitimately visit your premises may be a source of risk that can be addressed before a problem arises.
- Check the lighting in all municipal structures. Light fixtures should provide adequate light levels for the work being performed. Well-lit hallways, doorways, stairways, and exits provide for a comfortable work environment and help to prevent accidents. Shadow areas must be kept to a minimum especially in areas that are accessible to the general public. Emergency lighting should be installed and in proper working order. Adequate exterior lighting will help to reduce the possibility of accident or injury in public areas including parking lots, and walkways.
- Outside walkways and parking lots should be well maintained and kept free of obstacles or debris in all seasons. Loose pavers or damaged pavement should be repaired immediately. Snow and ice should be cleared as soon as possible.
- The flooring in buildings should be in good repair. Part of the regular building maintenance routine involves identifying and repairing any damaged areas of flooring such as bunched or loose carpet, loose or missing tiles. If tread mats are used at entrances, they should lie flat without sliding. Stair treads must be in good condition and hand rails must be in place where necessary and firmly secure.
- Emergency exits ought to be clearly marked and accessible, and should be clear of debris both inside and out. Exits should never be chained or bolted and must open easily from the inside even when locked. Hallways and doorways should be clear of any obstacles. Any overflow storage should be

removed to an off site location.

- Fire extinguishers should be available and appropriate for the site and the type of fire which could occur. With the proliferation of computers and electronic equipment, the extinguishing agent should be appropriate for electrical fires, paper, wood, and so on.
- Employee lounge areas ought to be kept free of combustibles. If microwave ovens, toasters, coffee pots etc. are available, someone should be responsible for checking that all appliances are left unplugged unless someone is in the room. Any electrical cord that is frayed, loose or in any kind of disrepair can present a fire hazard and should be discarded. Overloading a circuit can lead to a fire and it may be advisable to consult a professional electrician to ensure that the wiring in an employee lounge area is sufficient to the task.

This is not by any means an exhaustive list of the possible sources of risk on municipal property, however it is a place to begin to assess your own location.

Walk through inspections will not eliminate the possibility of accident or liability, but can be a simple and cost-effective way for municipal administrators to address this aspect of risk management.

See also safety audits in Part III, number 14, and Appendix A2 for further information on doing a walk through assessment of the community.

4.2 Motor Vehicles

Municipal vehicle operation

Municipal Vehicle operation is a good example of how your community can easily avoid risk situations. Taking the time to understand the cause and effect relationship in accident prevention provides an opportunity to avoid losses in the future.

The first priority is to ensure you have adequate insurance coverage for all vehicles owned and operated by the municipality. Coverage should include liability, collision as well as vehicle replacement costs.

Accident prevention measures are an important part of a vehicle risk management program. The three areas to address in such a plan are:

- The *vehicles*;

Regular vehicle maintenance is essential

- The *people* who operate them; and
- The *organization*.

4.2.1. The vehicle:

A good vehicle maintenance program is of prime importance and includes well organized, written records of all maintenance and repairs undertaken on each municipal vehicle. Maintenance schedules outlined in your program ideally will conform or exceed the guidelines and schedule in the vehicle’s owner’s manual. A regular part of a vehicle’s maintenance includes keeping the vehicle clean, and in good repair. Establishing procedures for daily ‘walk about’ checks to examine tires, lights, etc. prior to starting a vehicle may serve to avoid expensive repairs later and may even prevent avoidable mishaps. Such procedures have the added benefit of promoting a sense of pride and confidence not only in your employee/operator, but in the community as well, when your vehicles are looking and performing at their optimum.

If your municipality employs mechanics to work on municipal vehicles, it is also a good idea to ensure that their certification is kept current.

DOT safety inspections are mandatory and should be kept up to date

Vehicle safety is an important responsibility of local government administration. Employees and citizens rely upon their municipal government to ensure that the vehicles and equipment used by municipal staff are well maintained, in good repair and equipped with all the necessary features that are required for safe operation.

4.2.2. The people who operate them:

Another important aspect of this responsibility is ensuring that equipment, machinery and vehicles are operated by reliable, safety-conscious, even-tempered and cautious drivers who acknowledge that safe vehicle operation is an important function of their job.

Reliable, safety conscious vehicle operation

A valid operator’s license is not sufficient to prevent accidents. The people you select to operate a vehicle on behalf of the municipality must have good driving records. Putting a poor driver behind the wheel can be an expensive mistake. Reviewing a driver’s past driving record and experience is essential. The best indication of how a driver

will perform in the future is how they performed in the past. If a driver has a record of minor traffic accidents, chances are that trend will continue, at the expense of the municipality. The municipality should have a policy regarding the use of municipal vehicles.

In order to reduce the opportunity for risk, professional risk managers may recommend:

- Regular review of the motor vehicle records of municipal employees who are operating vehicles. An applicant's good driving record should be a prerequisite for employment.
- Prospective employees can be questioned on their previous driving experience, and have their driving record verified with the Registry of Motor Vehicles. Employees who operate municipal vehicles on a regular basis should have their driving record reviewed periodically.
- Provide a positive incentive for employees to develop courteous driving habits. This can be one of the best ways to encourage safe driving. There are simple and inexpensive ways to encourage courteous driving such as safe driving commendations, certificates and perhaps even awards such as t-shirts etc. for commendable driving habits. Small investments such as these can boost employee morale while encouraging good driving habits, and may even lead to gains in productivity, lower operating costs and good relations with the community.

4.2.3. The organization:

Accidents do happen. The remedial action a municipality chooses to respond to an accident depends upon the circumstances. When an employee is involved in an accident while operating a municipal vehicle consideration must be given to the factors leading up to the accident. If, following a careful review of the incident, the municipal vehicle is found to have been properly maintained, the driver is practicing safe driving, and the accident can be attributed to other contributing factors such as adverse weather conditions, then remedial action would involve no disciplinary action against the employee. If on the other hand, the incident is a result of negligence on the part of the vehicle operator, then reprimand, suspension, dismissal, or even criminal charges might be a more appropriate response. Check with your solicitor prior to taking these actions. Employees should be made aware of municipal policy in the event of any such incident.

Vehicle Safety Program

A municipality can help to prevent accidents by establishing a program of vehicle safety. All incidents involving municipal vehicles should be reviewed with staff as soon as possible after the incident. Invite feedback from all employees on how they feel the incident could have been prevented or minimized. Establishing a routine safety program which includes employees as stakeholders helps to make them part of the solution rather than part of the problem.

A proactive, preventive program of risk management in operation of municipal motor vehicles is an inexpensive way to increase efficiency and managing costs. Keep in mind that all hazards and risks cannot be predicted, this is not intended to be an exhaustive check list for addressing the risks involved with municipal vehicle operations.

4.3. Emergency Measures Organization

The Emergency Measures Organization is the coordinating agency of the Nova Scotia Government responsible for assisting municipalities to plan and prepare for emergencies and for the administration of the province-wide emergency reporting 911 service. Under the Emergency Measures Act, each municipality is required to have emergency measures by-law, an emergency measures organization, a coordinator, committee and emergency measures plan. Municipal units may agree to have a common organization, plan or program. EMO NS may be of assistance in advising municipalities on implementing these requirements.

See Section 10 of the Emergency Measures Act.

Emergency situations

In an emergency, EMO coordinates the efforts of provincial and federal departments and agencies, as well as emergency health and social services to provide assistance to the disaster areas. EMO Nova Scotia maintains a staff of professional planners at the head office in Halifax and at zone offices located in Truro, Kentville, and Sydney.

EMO coordinates all emergency preparedness training for Nova Scotia federal, municipal, and provincial staff at the Canadian Emergency Preparedness College, Arnprior, Ontario, and for regional training within Nova Scotia. EMO manages the Joint Emergency Preparedness Program, which provides a federal cost-sharing formula for emergency equipment for some first-response agencies and EMO (NS) sponsors the Ground Search and Rescue Program.

Mandate and Functions

EMO's mission is to ensure the safety and security of Nova Scotians

by enabling the most prompt and coordinated response to an emergency.

The Emergency Measures Organization's objectives are to:

- minimize the frequency and significance of emergencies;
- mitigate the effects of emergencies through timely and effective response and appropriate preplanning;
- provide for recovery from emergencies to pre-emergency conditions; and
- maintain cost-effectiveness and consistency with the financial and administrative frameworks and policies of government.

Nova Scotia's Emergency Measures Organization can be accessed via the internet at: <http://www.gov.ns.ca/emo/> and by email at:

E-mail: emo@gov.ns.ca

4.4. Employee CPR training

Although the 911 emergency service is available across the province, it is still a good idea to ensure that municipal employees are certified in first aid and/or CPR. According to the *Occupational Health and Safety Act* there must always be at least one person at a worksite with a valid first aid certificate. The type of first aid certificate required depends on the type of worksite and the number of employees working there. You can find out what is required at individual worksites by checking the First Aid Regulations or by contacting the Occupational Health and Safety Division of the Department of Labour.

- Employees with such training should be identified and other employees made aware of whom in each workplace has had such training.
- Employees should also be briefed on procedures for handling emergency situations.
- A well stocked first aid kit is a necessity in any office, workplace, or site, and there should be a designated person responsible for ensuring that these kits are regularly checked and well stocked with fresh supplies.

For further information on first aid in the workplace, check the provincial Occupational Health and Safety internet site at

<http://www.gov.ns.ca/labr/ohs/legislat.htm>.

CPR, first line of treatment

How to respond to fire emergencies

4.5. Fire emergencies

Advance planning is essential for proper response to a fire emergency.

- Every building should have an evacuation plan in the event of fire.
- All staff should be made aware of the evacuation plan, the location of fire extinguishers, as well as emergency exits, and be familiar with which routes they need to follow in order to quickly and orderly evacuate from any part of the building.
- In an event of an evacuation, staff should be instructed to gather in a particular place so that it can be determined whether everyone has left the building, or site.
- Depending on the size of the building, an adequate number of persons need to be designated with the responsibility of taking roll call to ensure that everyone is accounted for in the event of an evacuation.
- Anyone requiring assistance during an evacuation should be identified during the planning stages, and someone assigned to assist in their evacuation in an emergency. The person requiring assistance should be made aware of who will be assisting them, and a backup plan put in place in the event that the designated helper is not on site during an emergency.
- Regular fire drills are an important way of ensuring that employees are familiar with the procedures to follow. Local fire departments are usually happy to be consulted to review the plan, observe fire drills and make suggestions as to how the plan can be improved.

Dealing with weather emergencies

4.6. Weather emergencies

Weather emergencies are a rare occurrence in Nova Scotia but can include windstorms, snowstorms, flood or severe electrical storms. While procedures may differ from one type of weather emergency to another, the need for advance preparation and good communication is the same for all emergencies.

- The first priority for any weather emergency is to ensure that municipal employees and their equipment are adequately

prepared to keep roads clear and municipal services functioning.

Some general guidelines for dealing with emergency weather situations include:

- Employee manuals should clearly outline the procedures to follow in the event of any emergency. Employees need to be informed of their responsibilities and exactly what is expected of them during an emergency situation.
- Periodic safety exercises, and hands on orientation improve the likelihood that safety procedures will be followed.
- Safety training begins when a new employee is introduced to the workplace. Appropriate sections of the employee manual may be reviewed during the orientation process. Instruction on safety procedures and location of emergency exits may be addressed while introducing the new employee to their new colleagues. This may also be the appropriate time to identify which employees are trained to handle emergency situations.

5. HUMAN RESOURCES RISK MANAGEMENT:

In addition to the human resource risks that immediately jump to mind such as discrimination, violence in the workplace, sexual harassment and wrongful termination there are also potential losses due to losing the employees themselves. It is estimated by some experts that the cost of replacing any employee in today's market is roughly half of that person's annual salary.

- When new employees are introduced around the office conduct a *safety orientation*, showing where fire extinguishers are located, how they operate, where exits and fire doors are located and which employees are trained in CPR or first aid.
- If you haven't yet conducted safety orientations for existing staff, schedule a brief tour and make sure everyone is aware of safety procedures.
- *Safety exercises* enable employees to be prepared for emergency situations. Ask the local fire marshal to attend a fire drill and offer suggestions for improvement.

Human resources and risk management

- Employees need and want a sense of accomplishment, as well as the opportunity to learn and gain new experiences on the job.
- Establishing open two way lines of *communication* between management and employees improves staff morale, promotes a sense of teamwork, and is essential to reducing losses due to employees leaving their jobs.
- Instituting effective mechanisms to investigate and address employee concerns and complaints in a timely manner may limit liability in the event of subsequent legal action.
- *Conflict intervention* training is an effective way to enable your employees to deal with threatening situations and can help to keep people calm and save during a crisis.
- Establish written *policies and procedures* that document how transactions are to be carried out. It is essential that policies and written procedures are clearly communicated to staff. Employees that know what is expected are better equipped to provide what is required of them.

While in fact, the majority of employees are excellent workers and entirely trustworthy, there is another category of risk involving loss due to employee misconduct or dishonesty, and liability resulting from the actions of an employee in the performance of their job.

- Adoption of an *ethics statement* by Council lets your employees and your community know up front that misconduct will not be tolerated in your municipality.

See Local Government Resource Handbook, Section 4.2 Code of Ethics.

A number of measures may be taken to reduce the financial risks resulting from employee misconduct. Prevention begins with the hiring process.

- When a new employee is being considered, it is advisable to prepare in advance a list of questions to ask an applicant's references. Prior consultation with the municipal solicitor will ensure that employment and privacy laws are not compromised.

Preventing opportunities for employee misconduct

- Most frauds require daily attention in order to avoid detection. The same employee should not be responsible for authorizing transactions, collecting or paying bills and maintaining financial records. While this may prove difficult in a small municipality, your municipal auditor may advise on adequate internal controls.
- In the same vein, it may also be advisable to have alternate employees assume the duties of individuals dealing with financial functions periodically during the year. This could be arranged during scheduled vacations or other leave, or could be a part of a cross training arrangement.
- Exposure to employee theft can be prevented to a certain extent but not eliminated completely. Insurance coverage and limits should be reviewed on a regular basis to confirm that coverage is adequate for the needs of the municipality.

6. SPORT AND RECREATION LIABILITY

Principles of risk management may be applied to the municipal sport and recreation department much like any other department. Municipalities have a responsibility to provide the safest programs or events possible for participants as well as spectators.

Ronald L. Baron provides helpful advice for risk managers in the area of sport and recreation in his article *Risk and Litigation Management for Municipal Sports and Recreation Liability*. Mr. Baron offers a number of suggestions for addressing risk in the area of sport and recreation including:

- Develop procedures for inspection and maintenance of sports and recreation facilities and equipment;
- Post adequate warnings about the dangers of events and activities from the perspective of the participant as well as the spectator;
- Ensure adequate supervision of all activities;
- Provide proper training for personnel involved in sport and recreation programs;
- Supply detailed instructions for the use of equipment and facilities;
- Ensure supervisors are made aware of any physical condition that may impair a participant in an activity or event;

Warn people of the risks involved in sport and recreation programs!

- Establish guidelines for safe access, security, crowd control, and emergency situations;
- Develop procedures for documenting and reporting accidents or mishaps and conduct followup investigations.

Spectators and participants need to be informed of inherent risks associated with any recreation activity or event in order to make an informed decision to participate. Failure to warn about the safe use of sport and recreation facilities can result in liability. The degree and detail of the warning, and the informed consent depend upon the type of activity and the level of participation.

Clearly written, well designed signs are vital. A number of points should be considered when placing signs on recreation facilities, or at special events:

- **Appropriate language:** In areas where there are significant non-English speaking communities, signs should be bilingual (in both English and the predominant language of the surrounding community).
- **Age appropriate:** Signs in play areas should be worded so that children can recognize and understand the message. Use of standard symbols may enhance the readability of signs for children or non-English speaking people.
- **Conspicuous:** Signs should be strategically placed in areas where they are most visible, and most likely to attract attention. The higher the level or likelihood of risk involved, the more attention should be paid to making the signs conspicuous.
- **Size appropriate:** The size and style of the lettering used on the sign should be selected for readability. Lettering should be simple yet bold and in a colour chosen for high contrast and visibility.

Use signs that are appropriate for the audience and sufficient for the purpose

In addition, the number of signs erected should be sufficient to warn spectators and participants as they approach all entrances to a facility in addition to be strategically placed throughout. Announcing warnings over the public address system should also be considered prior to the event, and during any breaks in the activities. Publishing any warning announcements in printed programs is another way of ensuring that the public is well informed of any risks.

For a more in-depth look at recreation programs and facilities and how they impact on municipal risk management see *Parks and Playgrounds: A Minefield of Occupiers' Liability* by David G Boghosian, J. Murray Davison, and M. Rick O'Connor, in *Municipal Liability Risk Management* Volume 1, Number 6.

7. E-COMMERCE RISK MANAGEMENT

“My government believes that we increase our opportunities for success when different levels of government come together with communities, our Regional Development Authorities and the private sector to support a common objective. This year, we will bring these partnerships together to implement an aggressive plan for advancing Nova Scotia’s digital economy, from broadband connectivity to e-government.”

Lieutenant Governor for Nova Scotia, April 2001

The opportunity exists now for local government to consult with its citizens inexpensively and regularly on issues facing the municipality. This will undoubtedly lead to improved transparency, increased accountability, and more citizen involvement in the community. This increased transparency and improved access to government also raises new concerns.

E-government means more than just publishing information on the internet however, it enables governments to interact and conduct transactions with citizens and residents via computer.

As the world moves from the industrial society of the past to the information society of the future, the concept of security becomes even more critical. Security, particularly as it relates to computer technology, is a major concern to any business or government that is considering developing an electronic service delivery program.

Computer security involves the developing, implementing, and deploying of new technologies, mechanisms and services that will be used to store, process, and transmit your clients personal information in a safe and secure manner.

Moving toward offering online and internet service involves a number of security risk factors that deserve careful consideration. Some of the risks involved in communicating information over a network or on the Internet include:

Computer and network security

- **Confidentiality** - Information of a confidential nature must be kept confidential.
- **Integrity** - Information must be kept intact and free from tampering.
- **Authenticity** - Information must be authoritative and genuine. Parties accessing the system must be assured of the integrity of the information exchange.
- **Non-repudiating** - Parties involved in the information exchange must not be able to deny having participated in the exchange.
- **Access** - Access control services, commonly known as firewall protection, can include a configuration of static packet filtering, dynamic packet filtering, circuit level gateways, and application level gateways (or proxy servers). Contact your professional IT representative to discuss the risks of unauthorized access to your database or network.
- **Anonymity** - When appropriate, the identity of the parties involved must remain confidential, and;
- **Availability** - Information must be available when and where it is needed and to those parties who require access.

Although a great deal of publicity has been given to the threat from unauthorized persons gaining access to your network and data, hackers in other words, the greatest threat to your system is less likely to come from outside than from inside the walls of your municipal office. The media's obsession with the image of young hackers prowling the internet for opportunities to disrupt government and private business is a distortion of the real problem with network security.

A 1998 survey commissioned by the Computer Security Institute, found that some 70 percent of the organizations polled said that their network defences had been breached. Surprisingly, nearly two-thirds of the attacks reported came from the inside the organization. When you are evaluating the possibility of facing threats to your network, perhaps you would be better off to pay less attention to media hype and focus on the likeliest perpetrators - embittered or careless employees.

Some guidelines recommended by experts to address security issues with a network include:

Network security guidelines

- Make sure there is no one person in control of the whole system;
- Require every person who is logging on to the system uses a password;
- Assign supervisory rights and access to as few people as possible;
- Ensure that backups are done on a regular basis;
- Have a strict sign-in/sign-out system for backup tapes;
- Keep a current copy of the backup tape stored away from the site in case of catastrophic events such as fire;
- Do backups of desktops and laptops routinely as well as servers;
- Rotate backup tapes - don't keep using the same tape over and over again;
- Change passwords on a regular basis and remind staff of selecting passwords that are not easily identifiable such as pets names, telephone numbers etc.;
- Remind staff that when the system prompts for a password to be changed, do not enter an existing password;
- Don't use the same password for everything such as network access, online email programs, database access. Use various passwords so that if one password is compromised a hacker cannot gain access to all systems with one password;
- Keep your server in a secure area under lock and key with limited physical access;
- Keep your virus protection software updated on a regular basis;
- Use firewalls and other intrusion-detection software that will alert you when you are being threatened;
- Be alert for any employee who is in an information-critical position who may be showing signs of trouble. Disgruntled or careless employees represent the greatest threat to network security;

Be Prepared!

- At times of particular stress, increase your security. If there are pressures from layoffs, budget cuts etc. pay close attention to network security;
- Have clearly defined policies in place for what you consider appropriate and inappropriate behavior on the network, email system, or internet usage;

Perhaps most important,

- Prepare and test a recovery plan for system failure or disaster.

When an employee is departing for one reason or another there are certain precautions that should be taken immediately to protect your system.

When an employee leaves

- Change the passwords so that the departing employee no longer has access to the system;
- Verify that the system has not been tampered with and that files are left intact, passwords have not been changed without your permission and knowledge.

Educate staff as to their responsibilities with regard to their use of computers, networks, email and internet usage. People tend to underestimate the impact their actions have on others. Responsibility lies with each staff person to ensure that safe practices will prevent losses due to computer failure or attack from virus or other hazards. Ensure that every employee has a copy of the policy governing how computers are used in the workplace, with particular reference to email and internet use.

*See Appendix A5 for an excerpt from **The ePolicy Handbook** by Nancy Flynn, (c2001) outlining ePolicy do's and don'ts.*

8. FINANCIAL

Transferring the risk

Insurance

Unquestionably a well thought out plan for insurance coverage is one of the most important risk management tools available to a municipality. In addition, insurance may offer protection against catastrophic losses, help to keep municipal finances stable, preserve

Property versus liability insurance

revenue and resources, and provide reserves in order to prevent small claims from growing into big claims.

Probably the most important step you can take in preparing your risk management plan is to develop a rapport with your insurance underwriter and to discuss your needs in detail so that he or she has a complete understanding of what your specific requirements are.

There are numerous types of insurance coverage that a municipal unit can consider purchasing but there are two basic categories.

- **Property insurance** protects the municipality's own property; while
- **Liability insurance** protects against financial loss arising from damage done to someone else's person or property.

*See Sections 300 and 301 of the **Municipal Government Act** with regard to municipal and fire department liability and the municipal role in fire and emergency services.*

Property insurance or casualty insurance covers municipal owned buildings and their contents. The policy should list the current value of all municipal owned buildings and their contents and should include an up to date inventory.

Special coverages to consider when discussing your needs with your insurance company may include:

- **Boiler and machinery coverage** which insures against loss to a building and its contents due to the explosion of boilers or other pressure vessels and machinery. This type of policy would require an inspection which would ultimately be of benefit to the municipality.
- **Extra expense coverage** would cover additional expenses resulting from the necessity of using alternative premises because of loss or damage to municipal buildings.
- **Inflation guard coverage** provides an automatic increase of limits to your insurance to cover periods of inflation.
- **Valuable papers coverage** provides for the cost of reproducing papers lost or destroyed in an emergency.

- **Flood insurance** provides coverage for municipalities in event of flood. Flood plain management measures may be required

Insurance risk management

There are a number of considerations to keep in mind when it comes to risk management regarding insurance coverage for municipal units.

- **Regularly and routinely review** and analyze your existing insurance:
 - know your deductibles,
 - know what is excluded,
 - know the limits of your policy,
 - does your coverage match the value of your assets?
- **Compile a history:**
 - keep a file for a minimum of five years of all claims;
 - identify any recurring accidents or claims;
 - develop a plan to address or prevent recurrences.
- **Do an inventory** of all property and assets:
 - take a physical inventory of all municipal buildings;
 - use a video camera or take photos of equipment etc.;
 - keep a copy of the inventory file off-site in case it is needed.
- **Document**
 - establish a complaint process;
 - assign one employee to handle and deal with complaints;
 - document all complaints completely with dates times and identities.

Some guidelines for purchasing insurance offered by the Nonprofit Risk Management Centre include:

- **Talk to your insurance underwriter.** Each underwriter has basic underwriting guidelines but these guidelines may or may not cover all situations. Taking the time to review your insurance needs with your underwriter on a regular basis may

prevent unexpected financial losses due to insufficient or inappropriate coverage.

- ***Solicit quotes*** from a number insurance providers to be confident that yours is the best coverage, at the best available price. However, let your underwriter know that you have been getting quotes from other agencies and give them the opportunity to match the quote or to discuss the quote with you.
- ***Plan ahead.*** Providing adequate lead time to your insurer gives the underwriter an opportunity to review your insurance needs and to ask questions. It also gives your organization an opportunity to understand the features of your insurance product, to obtain competitive quotes, and to compare terms.
- ***Complete then review the application.*** Every question on an application form is important to the insurance company. An incomplete application may be declined or returned for completion. Taking a few extra minutes to ensure the application is complete and clearly worded before you submit it to the underwriter may save you valuable time later.
- ***Attach all supporting documentation.*** When an insurer requests information it is important to include that information with your application. List enclosed items in the cover letter and check to ensure that each item is in the package when it is sent.
- ***Verify the accuracy of your information.*** An insurer may deny coverage if the information contained in the initial application turns out to be inaccurate.
- ***Anticipate questions*** your insurance agent may have. In consultation with your insurance agent, provide any necessary explanation for the answers on the application form and any unique exposures your organization may have.
- ***Promptly respond*** to requests for further information. Prompt responses may not only save time later, but highlights your professionalism.
- ***Negotiate with respect.*** Sometimes an honest mistake either in filling out an application, or a misunderstanding in discussing your requirements with the underwriter may result in a quote

Making the community a safer place to live

that is unacceptable or unreasonable. While it is good to question the basis for a quotation to try to alter the terms, do so in a respectful way and allow him or her the opportunity to be reasonable.

- **Offer alternatives.** If an insurance quotation is unacceptable, offer suggestions that may improve the terms. If your insurer refuses to cover an activity, ask if there are ways that you can work with the insurer to come to a mutually satisfactory agreement. In some instances offering to institute an insurer-approved risk management plan as a condition of coverage may be an option.

9. SAFE COMMUNITIES

A number of initiatives have been undertaken in communities all over North America designed to enhance the safety of residents and visitors to the area. The **METRAC** organization, of Toronto, has developed a Women’s Safety Audit Guide to help communities of all sizes carry out a program to enhance women’s safety in their neighborhoods. This safety audit guide provides extensive information on how to carry out such a program in a municipality. The following section outlines briefly the recommendations of the guide, however, anyone interested in carrying out this program would be advised to read the guide and contact the authors for further details.

9.1 Safety Audit Program

A “Safety Audit Program” is an important tool used in crime prevention to recognize, appraise and anticipate personal safety and loss potential concerns. A safety audit is an in-depth on-site examination of a physical facility and its surrounding property (other buildings, etc). The audit is conducted to identify deficiencies or security risks, and to outline and define the protection needed. Finally, a safety audit can make recommendations to eliminate the opportunity for crime to occur.

Audits don’t have to involve a lot of people or cost a lot of money to carry out. Students employed in the community for the summer doing recreational programs, or neighborhood volunteers could be called upon to carry out the audit with a little direction and assistance from the local police force. The best size for an audit team is 3 to 7 people.

The audit team

This allows for differing points of view but is still small enough for lots of discussion. The team should reflect the needs of the community at large. While carrying out the safety audit, your audit team should consider the special needs of people who are using a wheel chair, hard of hearing, blind, mentally challenged, very young, elderly, or persons unable to read.

How to prepare for a safety audit.

The first step is to define how big an area you want to cover in your safety audit. You may want to concentrate on just the downtown area or even one or two neighborhoods where you may feel a safety audit would be most beneficial. This is a program that can be carried out over time and eventually cover all areas of the community that may benefit from this kind of program. If you want to cover a large space, you may need several teams.

The time required to carry out a “first audit” depending upon the size of the area selected for study would be approximately 2 to 3 hours. You will need about ½ to 1 hour to discuss the audit and brief the team on the location and the size of the area they are to cover. At the end of the audit, you may want to take ½ hour to 1 hour to discuss the findings and finish taking notes.

Carrying out the actual audit requires a minimum amount of equipment including:

- flashlights;
- notepad and clipboard;
- black marker or pen;
- camera with a high speed film (400 or 800 ASA) to document problem areas or to document positive features;
- reflective vests or clothing so that team members can be visible at night.

The time of day the audit is carried out is most important. The only way to know if an area has adequate lighting is to be there at night. Night time is also when people are most isolated and feel least safe in their communities.

The audit team is trying to find out how people feel in the community at night, where and when and why they feel uncomfortable. To learn these things it is most helpful to talk to the people in the area during the audit, and to pay attention to how they feel themselves when they are in the area. The audit team should be asking questions such as:

The equipment a safety audit team will require

Questions the safety audit team will ask themselves

- Why don't I like this place?
- When and why do I feel uncomfortable here?
- What changes would make me feel safer?

When the team is looking at an area, they should take their time and consider the circumstances that they find themselves in:

What the safety audit team are looking for

- What if you were walking alone here at night?
- What if you were waiting for someone to come pick you up?
- Is there a possible entrapment site nearby?
- Would it feel safe in the rain? In wind?
- Are there fewer people around at a different time of day, week, year?

A suggested check list for carrying out a community safety audit is included in Appendix A2. You may want to add to this list or modify it to suit your individual needs.

After the Audit: Organizing the findings:

When the safety audit is completed there will be a lot of information available about problem areas in the community. There may also be a number of ideas for changes suggested in the audit sheets.

One way of organizing the information is to group together all the points on one factor such as lighting. Comments about how far a person has to go to get help, whether there are enough telephones near by, or how likely it is that other people might see an assault take place, can all be brought together under the category of isolation factors.

Another way of organizing the information from the checklist is by type of space. For example, safety factors common to all parking lots could be grouped together.

When you've finished organizing the findings, you should check to see if any part of the area has been overlooked. If it has, consider collecting more information with a mini-audit, or by asking people in the area.

Sharing the Results:

Whether they were part of the audit or not, you might want to get support, information, ideas, and feedback from people living or working in the area.

Now is the time to include people in the community who were not directly involved in the safety audit process to date. Consider holding small meetings where people can talk about their concerns and help with the recommendations. The members of the community will welcome the initiative to make their neighbourhood a safer place to live or visit. Also, residents may be aware of problems that might have been overlooked by the audit team. This type of neighbourhood meeting will provide more information on the problems, and will also illicit ideas about what could be done to improve things. Last but not least, community meetings can build support for the changes you want to see and promote community spirit.

The safety audit is the easy part, changing problem areas to safe areas is a little more difficult, but well worth the effort both from a risk management point of view and a community point of view.

Conclusion:

Developing, implementing and maintaining a municipal risk management program can provide immediate and long term benefits to the municipality. Although it may seem to be an overwhelming task in the beginning, especially if the resources are not available for hiring a professional risk manager, it is a program that can be initiated one step at a time with minimum investment of personnel and resources. A number of quick and easy tasks such as mentioned in Section III may provide a significant return on investment in a relatively short time span.

In summary, a municipal risk management program begins with the decision makers. Basic guidelines need to be developed, a risk manager designated, and adequate resources dedicated to support the program. List the tasks that can be accomplished within the budgetary restraints of your municipal unit and get started. Make the program a priority for all staff members and the benefits will soon become apparent.

Risk management for municipalities encompasses a large number of topics, and space limitations prevent covering all the possibilities in an

article of this nature. A great number of electronic and print sources were reviewed in writing this article, and a number of experts were consulted for their advice on particular aspects of risk management.

For more detailed information on specific topics, there are numerous resources available both in print and through electronic media. Municipal risk managers are advised to consult the many sources listed in the suggested reading section for a more thorough treatment of specific situations.

Risk managers are reminded however, that it is always advisable to consult with your municipal solicitor for information pertaining to particular situations.

Suggested Reading:

The following is a listing of some of the more useful resources consulted in the preparation of this document.

Anne Adams and Martina Angela Sasse. Users are not the enemy: Why users compromise security mechanisms and how to take remedial measures. Communications of the ACM, 42 (12), pp.40-46 Dec. 99

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Beaulieu, Paul, and Jean-François Marchand. Strategic Planning Guide for the Evacuation of a Highly Urbanized Environment. 1996. 19 July 2001.
http://www.epc-pcc.gc.ca/research/scie_tech/en_evacam/index.html

Canadian Risk Management Council
<http://www.infoinc.com/rims/canada/crmc.html>

Chubb Electronic Insurance Library <http://www.chubb.com/library/>

Civil Liability in Canada
http://www.fraserinstitute.ca/publications/books/laws_markets/civil_liability_in_canada_no_tip.html

Community Risk Management & Insurance: A Publication of the Nonprofit Risk Management Center. 19 July 2001.
<http://www.nonprofitrisk.org/newsltr/newsltr.htm#newtop>

Crooks, Frederick P. and M. Rick O'Connor. Municipal Liability Risk Management: Cumulative Article Index - Volume 1. Butterworths Canada Ltd. Markham ON, 1999.

Driving Safety <http://web.uvic.ca/ohs/driving.html>

E-Business: A Matter of Trust. Price Waterhouse Coopers 1999. 19 July 2001.
<http://www.pwcglobal.com/extweb/pwcpublishings.nsf/docid/FACACEBE4B3D74D68525687E006A019B?OpenDocument>

Government of Canada. Integrated Risk Management Framework
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rmf-cgr01-1_e.html#ACommonProcess

Greifer, Nicholas and Brennan L. Schwarz. An Elected Official's Guide to Risk Management. Gov. Finance Officers Association of the US and Canada. 2001

Guidelines for Managing Risk in the Western Australian Public Sector
<http://www.mpc.wa.gov.au/psmd/pubs/psrd/governance/risk.html>

Guidelines for managing risk in the Australian and New Zealand public sector.
<http://riskmanagement.com.au/RISKMAN/INFO/PUBSECTOR/PUBSECTOR.HTM>

Hillel, David. Thomson Rogers on municipal liability. Ontario, 1996

How to Make Your Job Healthier: NJDHSS, Occupational Disease Epidemiology and Surveillance Program 1998. 19 July 2001.
<http://www.state.nj.us/health/eoh/survweb/howto.pdf>

Intrusion Prevention: a Comprehensive Risk Management Guide
<http://enterprisesecurity.symantec.com/article.cfm?articleid=120&PID=na>

Jones, Radford W. Critical Incident Protocol - A Public and Private Partnership. Michigan State University. Michigan, 2000.

Michigan Municipal League Liability and Property Pool. Risk Management Tips. 19 July 2001. <http://www.mmlpool.org/risktips.htm>

Municipal Liability Risk Management. Frederick P. Crooks, ed.
<http://www.butterworths.ca/municipalliabilityriskmanagement.htm>

Mandel, Lawrence H. & Wilker, Jeffrey J. Municipalities: the defendants of the 90s. : Parts 1-6. 1993.

Hoehn, Felix, Municipalities and Canadian law: defining the authority of local governments.
SK, 1996

Nonprofit Risk Management Center <http://www.nonprofitrisk.org/>

O'Brien, L.E. and Duane E. Wilcox. Risk Management: An Introduction for New York State Local Officials. Cornell University, 1981.

Public Entity Risk Institute <http://www.riskinstitute.org/>

Recovery: An Emergency Management Guide. Home Office UK 19 July 2001.
<http://www.fire.org.uk/papers/tecindex.htm#3>

Review of Canadian Best Practices in Risk Management
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/RiskManagement/rm-rcbp1_e.html

Risk Management Program Guidance for Offsite Consequence Analysis Chemical Emergency Preparedness and Prevention Office, US EPA 1999. 19 July 2001.
<http://www.epa.gov/ceppo/pubs/oca/oca-chps.pdf>

Washington Municipal Clerks Association: Municipal Clerks Handbook
<http://www.mrsc.org/associations/clerk/title-5.htm>

Women's Safety Audit Guide
<http://www.dhgender.org/cdrom98/ccg97/3/050201.htm>

Wong, Kwok-Sze Richard and Kathleen M. Rakestraw. The A,B,C's of Risk Management. MIS Report Vol 23/No.9. Sept 1991.

Safety Inspection Checklist

Department: _____

Date: _____

This list is intended only as a reminder, watch for other unsafe acts or conditions.
Turn one copy in to Personnel with Safety Committee minutes.
Keep one copy for your department's records.

- ✓ **Indicates Satisfactory - no hazards exist**
- Indicates Unsatisfactory - hazards exist**
- S **Indicates Not Applicable to your operations**

FIRE PROTECTION:

- G 1. Fire extinguisher accessible and inspected.
- G 2. Fire extinguisher recharged in last 12 months.
- G 3. Exits unobstructed.
- G 4. Exit signs lighted.
- G 5. Proper electrical fuses.
- G 6. Storage near hot or electrical equipment.
- G 7. Proper storage of flammable material.
- G 8. _____

HOUSEKEEPING:

- G 9. Wet or slippery floors.
- G 10. Holes, splinters, uneven places in floors.
- G 11. Loose objects on floors.
- G 12. Wet or slippery stairs.
- G 13. Holes, splinters, uneven places on stairs.
- G 14. Loose objects or obstructed stairs.
- G 15. Improper storage of overhead items.
- G 16. Improper lighting or ventilation.
- G 17. Materials piled in walkways.
- G 18. Waste improperly disposed of.

- G 19. Hazards in wash or locker rooms.
- G 20. _____

HAND TOOLS AND MATERIALS:

- G 21. Safety devices defective or missing.
- G 22. Other defects in tools.
- G 23. Unprotected sharp edges.
- G 24. Unsafe carrying of tools, nails, etc.
- G 25. Tools and materials left lying around.
- G 26. Improperly placed or stored materials.
- G 27. Improper use of tools and materials.
- G 28. Dangerous materials improperly marked.
- G 29. _____

MACHINERY:

- G 30. Defective wiring.
- G 31. Defective safety devices.
- G 32. Defective belts, pulleys, gears, shafts.
- G 33. Defective cables, ropes, chains, slings.

Community Safety Audit

Safety Audit Questionnaire

LOCATION: _____

DATE: _____

TIME: _____

AUDITED BY: _____

1. GENERAL IMPRESSIONS

Your gut reactions: _____

What 5 words best describe the place? _____

2. LIGHTING

Impression of lighting:

- very poor
- poor satisfactory
- good
- very good
- too dark
- too bright

Is the lighting even?

- yes
- no

How many lights are outs? _____

What proportion of lights are out?

- most
- some
- few

E.g. Maybe only two bulbs in a particular location are burned out, but if there are only three bulbs to start with, then a more powerful way to say this is that two-thirds of the lights are out.

Are you able to identify a face 25 metres (75 feet) away?

- yes
- no

Outdoors:

Do you know where/whom to call if lights are out, broken, not yet turned on, etc.?

- yes
- no

Is the lighting obscured by trees or bushes?

- yes
- no

How well does the lighting illuminate pedestrian walkways and sidewalks?

- very poorly
- poorly
- satisfactorily
- well
- very well

How clearly does the lighting illuminate directional signs or maps?

- very poorly
- poorly
- satisfactorily
- well
- very well

3. SIGNAGE

Is there a sign (i.e. room no., building name) identifying where you are?

- yes
- no

Impression of overall signage:

- very poor
- poor
- satisfactory
- good
- very good

If no, are there directional signs or maps nearby which can help you identify where you are?

- yes
- no

Do exit doors identify where they exit to?

- yes
- no

Are there signs which show you where to get emergency assistance if needed?

- yes
- no

What signs should be added? _____

Are there signs which direct you to wheelchair access?

- yes
- no

Is there information posted describing the hours the building is legitimately open?

- yes
- no

4. SIGHTLINES

Can you clearly see what's up ahead?

- yes
- no

If no, why not?

Are there places someone could be hiding?

- yes
- no

If yes, where? _____

Indoors:

- sharp corners
- walls

Outdoors:

- pillars bushes
- fences
- hill
- other

What would make it easier to see?

E.g.: - transparent materials like glass - angled corners - security mirrors - trimmed bushes - snow cleared - vehicles moved

Other comments? _____

5. ISOLATION -- EYE DISTANCE

At the time of your audit, does the area feel isolated?

- yes
- no

How many people are likely to be around? _____

In the early morning:

- none
- a few
- several
- many

During the day:

- none
- a few
- several
- many

In the evening:

- none
- a few
- several
- many

Late at night (after 10 pm):

- none
- a few
- several
- many

Is there a monitor or surveillance system?

- yes
- no
- don't know

Is it easy to predict when people will be around?

- yes
- no

Other comments?

6. ISOLATION -- EAR DISTANCE

How far away is the nearest person to hear a call for help?

- don't know

Can you see a telephone, or a sign directing you to emergency assistance?

- yes
- no

How far away is the nearest emergency service such as an alarm, security personnel, crisis telephone?

- don't know

Is the area patrolled?

- yes
- no
- don't know

Other comments?

If yes, how frequently?

- every hour
- once per afternoon/evening
- don't know

7. Movement Predictors (a predictable or unchangeable route or path)

How easy is it to predict a woman's movements? (e.g. her route)?

- very easy
- somewhat obvious
- no way of knowing

Are there corners, alcoves, or bushes where someone could hide and wait for you? • yes • no

Other comments?

Is there an alternative well-lit and frequently travelled route or path available?

- yes
- no
- don't know

Can you tell what is at the other end of the path, tunnel, or walkway?

- yes
- no

8. POSSIBLE ENTRAPMENT SITES

Indoors:

Are there empty rooms that should be locked?

- yes
- no

Are there small, well-defined areas? (E.g.: - stairwells - recessed doorways or lockers - unlocked closets - elevators)

- yes
- no

Details: _____

Outdoors:

Are there small, confined areas where you would be hidden from view? (E.g.: - between garbage bins, unlocked equipment or utility shed, alley or laneway, recessed doorway, construction site)

- yes
- no

Other? _____

9. ESCAPE ROUTES

How easy would it be for an offender to disappear?

- very easy
- quite easy
- not very easy

Is there more than one exit?

- yes
- no
- don't know

10. NEARBY LAND USE

What is the surrounding or nearby land used for?

- stores
- offices
- restaurants
- factories
- residential houses and streets

- busy traffic
- heavily treed/wooded area
- river bank
- parking lots
- campus buildings
- don't know
- Other: _____

Can you identify who owns or maintains nearby land?

- yes
- no

Impressions of nearby land use from the standpoint of personal safety:

- very poor
- poor
- satisfactory
- good
- very good

11 . MAINTENANCE

Impressions of maintenance:

- very poor
- poor
- satisfactory
- good
- very good

Is there litter lying around?

- yes
- no

Do you know to whom maintenance concerns should be reported?

- yes
- no

From your experience, how long do repairs generally take?

- one day
- within one week
- from 1-3 weeks
- more than 3 weeks
- don't know

12. Factors That Make the Place More Human

Does the place feel cared for?

- yes
- no

Are there graffiti on the walls?

- yes
- no

Does the place feel abandoned?

- yes
- no

Would other materials, tones, textures or colours improve your sense of safety?

- yes
- no

Are there signs of vandalism?

- yes
- no

In your opinion are there racist or sexist slogans/signs/images on the walls?

- yes
- no

Why? _____

Other comments? _____

13. OVERALL DESIGN

Impressions of overall design:

- very poor
- poor
- satisfactory
- good
- very good

If you weren't familiar with the place, would it be easy to find your way around?

- yes
- no

Does the place "make sense"?

- yes
- no

Is the place too spread out?

- yes
- no

Are there a confusing number of levels?

- yes
- no

Other comments?

14. IMPROVEMENTS

What improvements would you like to see?

Do you have any specific recommendations?

Please send any in-progress or completed documentation or reports to:

Source: Metropolitan Action Committee on Violence Against Women and Children

Brainstorming

How to hold a brainstorming session

Structured or unstructured

Brainstorming sessions assist a group to generate a variety of innovative ideas on how to identify and address risk factors. This method of problem solving encourages people to think creatively, and enables participants to build on ideas and move beyond the “same old ways”. All team members should have an opportunity to get involved and offer suggestions, not just the same few people who tend to dominate meetings. Some of the most innovative suggestion may come from totally unexpected sources.

Structured

1. Be certain that everyone understands the issue and verify this by asking several people in the group to paraphrase or define the problem. When the question or problem is stated and agreed upon, then it can be written down on a flipchart or blackboard for everyone to see.
2. In rotation around the table everyone in the group gives an idea or solution to the problem. It is essential that everyone feel free to offer a suggestion and no idea should ever be criticized, or derided. Any suggestion, no matter how ludicrous it may appear at first glance should be accepted and recorded. You never know where the innovative solutions are going to come from. The most ridiculous idea at first glance may be just the solution you're looking for with a little tinkering.
3. As each suggestion is offered, write it down on the flip chart in large clear bold letters on the flipchart or blackboard. Use the speakers own words, don't interpret or abbreviate. To ensure that it is written down accurately, always ask the speaker if their suggestion has been recorded accurately.
4. In turn go around the table and have everyone contribute ideas until everyone feels that they have exhausted their ideas. Keep the process moving and keep it relatively short. Five to twenty minutes

usually works well depending upon the number of participants and the complexity of the problem.

5. Review the written list of ideas and be sure that each is stated clearly and eliminate duplications. Discard only ideas that are virtually identical. Sometimes subtle differences can be extremely important so be sure that you aren't throwing out an idea that may prove valuable.

Unstructured:

Follow the same basic procedures as in the structured session except that ideas are tossed out in a random manner. In an unstructured session anyone can contribute at any time and there is no need to “pass” since you aren't following a rotation.

6-3-5 Or, How to Stimulate Creative Thinking in a Team Environment

Helmut Schlicksupp in his book *Creativity Workshop* offers a very handy tool for stimulating creative team thinking. His method called the “6-3-5 Method” involves dividing up the group into teams of six people. Each person in the team of six has five minutes to write down three ideas on a sheet of paper. Then each person passes his or her sheet of paper to the next person, who has five more minutes to add three more ideas that build upon the first three ideas. This rotation is repeated as many times as there are team member, e.g., 6 team members = 6 rotations, 6 sheets of paper, 18 ideas per sheet. This method of generating creative thinking forces participants to consciously build on each others ideas and offer suggestions to proceed.

When organizing a brainstorming session it may be helpful to plan for a full day. Plan to hold a separate session for each of the first three steps involved in the risk management process. The first session would cover identifying the risk, the second session can cover analyzing the risk. Finally, take each of the risks identified and analyzed in the earlier sessions and focus on what responses would be appropriate for addressing each one.

Source: The Memory Jogger II (GOAL/QPC)

E-Policy Handbook

What Every Employer Needs to Know

E-risks are as prevalent in the modern electronic office as eMail is indispensable. For responsible organizations operating in the age of electronic communication and commerce, a written ePolicy is an essential business tool.

EPolicy DO's

1. Establish comprehensive, written ePolicies that address employee use of eMail, the Internet, and software.
2. Educate employees about software piracy. Ensure compliance with all software licenses.
3. Communicate the fact that the organization's eMail and Internet systems are to be used strictly as business communications tools. But don't stop there. Provide clear guidance on what is, and is not, considered appropriate electronic business communication.
4. Bear in mind that some personal use of your organization's eMail may be warranted. Workers today put in more on-the-job hours than at any time in history. For employees who leave the house before dawn and don't return until well past dark, eMail may be the most efficient and effective way to stay in touch with family members. For the sake of employee morale and retention, savvy employers generally are willing to accommodate their employees' need to check in electronically with children and spouses. Let your employees know where you stand on this issue, and how much personal use (if any) is acceptable.
5. Incorporate an overview of your organization's discrimination and sexual harassment policies in your eMail policy. Because of the relaxed, informal nature of eMail, some employees will put in writing comments they never would say aloud. Make sure employees understand that regardless of how it is transmitted, an inappropriate comment is an inappropriate comment. And all it takes is one inappropriate comment to land you on the wrong side of an expensive, protracted lawsuit.
6. Review your written ePolicies with every employee. New hires and long-time employees, managers and supervisors, full-time professionals and part-time staff, telecommuters and temporary employees, independent contractors and freelancers –everyone should be informed of your eMail, Internet, and software usage policies. Have all employees sign and date copies of each policy to confirm that they have read and understand each document.
7. Incorporate your written ePolicies into your organization's employee handbook and new-hire orientation materials. Have the organization's human resources director review ePolicies with every new employee.
8. Address ownership issues and privacy expectations. Let employees know that the contents of the eMail system belong to the organization not the individual user. If management monitors and reads employee eMail, say so. Make sure employees understand that their eMail can, and will, be read at any time without notice to or permission of the employee. If there is any chance you may want to monitor employees' home computers, make that clear as well.
9. Support your eMail and Internet policies with eWriting and cyberlanguage policies designed to reduce risks by controlling content.
10. Establish netiquette policies for eMail senders and receivers, managers and staff.
11. Implement a risk management policy that incorporates retention and deletion policies, password policies, and monitoring and filtering software.
12. Establish a computer security policy. Put into place procedures and tools designed to keep unscrupulous hackers and internal saboteurs out of your system.
13. Install software to monitor and filter eMail and Internet use.

14. Purchase cyberinsurance policies to help mitigate electronic risk.
15. Develop an eCrisis communication policy for dealing with the media and public should an eDisaster occur.

EPolicy DON'T's

- 1 Rely solely on eMail to communicate your ePolicies. Require each employee to read, sign, and date a hard copy of each policy. Do use eMail messages, along with the company's Intranet system, to remind employees of your policies and management's commitment to enforcing them.
- 2 Expect employees to train themselves. Educate employees about the what's, why's, and how's of your ePolicies. Make employees aware of their eRisks, eRights, eResponsibilities, and the repercussions they will face for violating eMail, Internet, and software usage policies.
- 3 Create separate policies for management. Establish corporate eMail, Internet, and software policies, and insist that officers, managers, supervisors, and staff all adhere to them. A supervisor who turns a blind eye to an employee's online gambling addiction, a manager who winks at software piracy, a board member who sends risqué jokes to senior executives—all are putting the organization at risk.

- 4 Forget your international associates. If you do business or operate facilities abroad, incorporate a discussion about effective international eCommunication in your eMail policy.
- 5 Assign one individual the responsibility of single-handedly enforcing your organization's ePolicies. Make all managers and supervisors aware of the important role they play when it comes to monitoring employee behaviour. Assign specific monitoring and enforcement roles to HR and information management professionals.
- 6 Allow employees to dismiss the organization's ePolicies as insignificant or unenforceable. Make sure employees understand that their computer activity will be monitored. Stress the fact that ePolicy violators will face disciplinary action that may include termination. Let employees know you mean business by enforcing your ePolicies consistently.

Excerpted from the ePolicy Handbook by Nancy Flynn, c2001. Permission to reprint granted, provided the material is reproduced in its entirety and www.ePolicyInstitute.com is cited as the source.
 <[Http://www.epolicyinstitute.cm/d&d.html](http://www.epolicyinstitute.com/d&d.html)>