

Creating a Culture That Cares

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Do you care about safety in your municipality? Do you want to protect residents, visitors, employees, and council? Do you want to avoid spending money and time responding to preventable emergencies, injuries, or mistakes?

If you answered yes to those questions, congratulations: you are interested in risk management! And believe it or not, you can start building that interest into a risk-management culture today. Many hometowns around the province are already building and refining their risk-management culture, and we talked to folks from four of them to show others how to get started and why it makes sense.

What's in a name?

Let's start with an easy first step: define what risk management is. We'll save you from the textbook definitions because this article is not intended to be a sleep aid. But in basic terms, the insurance world looks at risk management as a four-step cycle:

So, what does that mean for municipalities?

As the financial clerk at the Town of White City (and a former insurance broker), Nadine Horvath sees the financial and insurance aspects first. She defines a risk-management culture as 'doing everything possible to prevent losses and injuries and to stay out of court.'

For Barry Elliott, CAO at the Town of Maple Creek, it boils down to one word. "Risk management is just an extension of the word 'safety,' period," he says.

Marlene Hauser, a business analyst with the City of Yorkton who was once the City's insurance broker, sees it in the small steps and actions that add up to an important whole. "Are we doing everything we can to prevent ourselves from becoming negligent?" she asks. "The simple things you do every day? That's risk management."

Shiloh Bronken, St. Walburg CAO, sees risk management in work and in life. "Everybody has had exposure to risk management," she says. "They just might not

have known it was called that." To Bronken, a risk-management culture is 'moving from reacting to a situation to having a more planned, proactive approach.'

Once you start seeing risk management in one place – insurance claims, financial forecasts, workplace safety training, asset management – you might start seeing it everywhere. And that's a good thing! After all, the first step in the risk management process is identifying risks, which might be simpler than you think.

"I use my imagination," says Horvath. "I think of scenarios where something bad could happen, and if we weren't covered, what would the consequences be? And that's all it takes."

Dollars and sense

Identifying those risks can seem overwhelming, especially once you start thinking about what it could cost you to find and fix them. Staff time and tax dollars are at a premium in every municipality, so it's not surprising that the promise of new equipment and expanded services can seem like better – or at least more concrete – ways to spend those resources than building policies and maintaining databases. The payoff for risk management can be harder to see – until something goes wrong.

"Once someone hears that we could be sued for tens of thousands of dollars, they know it's worth the work to do this right," says Horvath.

Even on small problems, risk management can actually save your staff time and save dollars in the budget. Think of it like household maintenance: if you spend a few hours every year refreshing the stain on your fence, you can see problems sooner and save yourself having to rip down all the rotten boards and build a new fence from scratch. The same principle applies in a municipality, not just in your facilities but also in worker safety, financial planning, and staff training.



"It boils down to that financial component," says Bronken. "We don't have the dollars and cents if something major was to happen, so how can we make little strides to get us where we won't be in that situation?"

A policy for responding to water and sewer backups might take time and money to develop. Still, it will save hours of staff time – for the public works staff responding and the administrative staff who won't have to answer the calls of confused and angry residents, or can at least address them faster – and more than a few pennies on insurance claims or lawsuits.

"Risk management is so hard to put a dollar value on," says Hauser. "It's impossible, really. But I do know that we needed to put something into place

to manage liability situations."

You can also find ways to reduce immediate costs and put those savings into your risk-management efforts for long-term benefit. In Yorkton, they have made two changes that show up clearly on their balance sheet.

First, they worked on instances where a third-party damaged city property and times when the other party's insurance should cover the damage instead of the City's. For example, an employee caught the plate number of a vehicle that hit a stop sign, and they sent the bill for the repair to the driver's insurance company.

"It wasn't a lot of money," said Hauser, "but it was one-third of someone's property taxes that [the third party's insurance] paid us. That's how we look at every dollar we spend, even when it comes

to negotiating insurance premiums: how many people's taxes do we have to collect to pay this bill?"

Secondly, they recently decided to double their deductible so they could save on insurance premiums. The change should pay for itself in under three years and gives the City more money for even more internal risk management.

It takes a village – literally

One point all our sources agree on is that risk management is a group responsibility. Every municipal representative has a part in identifying and reducing risks, but each community can have its own story.

In White City, the collaborative approach goes back to a committee made up of community members and employees that specifically looked for safety issues and then brought them to the Town's attention to be fixed. That focus on safety helped build the risk-management culture in the organization and see the connection to other areas, including liability.

"When it comes to risk management from a liability standpoint, everybody here seems to be really on board," says Horvath. "They seem to be willing to put in the work to make sure we're doing our part to make sure we're not named in a lawsuit or what have you."

Sharing knowledge is another important part of the culture in White City. Horvath's experience in insurance helped start many conversations with other employees about how the Town could manage its risks. And communication is key in St. Walburg as well.

Bronken highlights that building a strong team with good communication and a shared vision is what keeps risk management integrated into all their work. "You can't have silos in smaller municipalities," she says. "Because you rely on the input from your team so that you can continually provide the best services."

Hauser also highlighted the importance of breaking down silos and encouraging communications across departments to not only identify the risks but also find

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solutions. “I think it’s important to bring it to an organizational level,” she says. “You have those discussions, and people realize that others are doing it differently or better.”

Elliott brings risk management to every employee during a Monday morning meeting, where they discuss what’s coming up for the week. He says that meeting illustrates that leadership is genuinely interested in reducing risks for everyone. “As long as people can see that those who are setting the tone of the organization are concerned about [others] being affected, them being safe, that goes a very long way to keeping the interest.”

Build on your successes

So far, we’ve talked about what it means to build a risk management culture, how it does and doesn’t show up on a balance sheet, and who needs to be involved [hint: everyone]. But how do you start?

Here’s some good news from Marlene Hauser in Yorkton, “You’re already doing it; you just need to expand on it.” All the interviewees agreed that the basics of risk management are in place in municipalities, even if you haven’t noticed it yet or called it by that name.

“Identify what you already have, because you may not need to reinvent the wheel,” says Bronken. “You may just have to add a couple more spokes to it.”

Awareness of what you’re doing and how to improve or expand is a simple way to build risk management into your everyday operations. As Barry Elliott notes, “If we want to be better with safety, we have to pay better attention to that; spend more time focusing on it.”

You’re not alone

The tools and knowledge it takes to build a risk management culture are out there – in Saskatchewan municipalities and from your insurance company. Look to the experts who already work in and for your municipality: lawyers, occupational health and safety experts, and insurance providers. They should be able to provide tools, checklists,

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bulletins, and training to help you create and strengthen the risk management culture in your municipality. Look to your municipal network, too. They may have resources they can share – and don’t hesitate to share what you have learned with others.

At SUMAssure, risk management is a core part of what we offer. We are a member-owned insurance company and the leading provider of risk management services for Saskatchewan municipalities.

Members don’t need to spend the time and energy creating all the resources because we provide a variety of documents, checklists, and policies that are ready to use and designed specifically for Saskatchewan hometowns. From our risk-management questionnaire to a template for a hot work permit, and checklists of all kinds, SUMAssure wants to help members mitigate their risks, prevent losses, and keep your insurance costs down. ■



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