PRIMA'S 2016 RISK MANAGEMENT
WEBINAR SERIES

ERM: Mandate & Commitment in 60 Minutes

November 2 – 12:00 pm – 1:30 pm EST

Robin Flint, ARM, ASP, CEAS 1
Senior Risk Management Consultant
ACWA JPIA

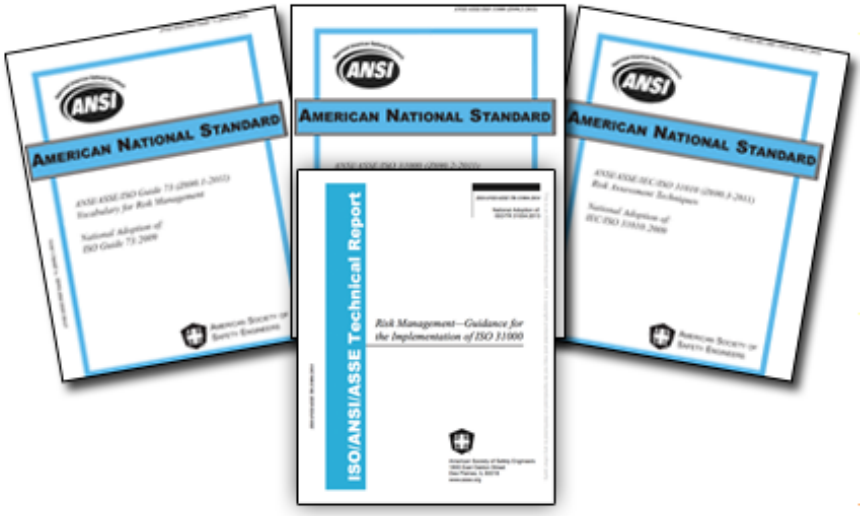
Wendell Bosen, CPCU, ARM-P
Senior Account Executive
Moreton & Company

ERM: Mandate & Commitment

THE ROLE OF CULTURE

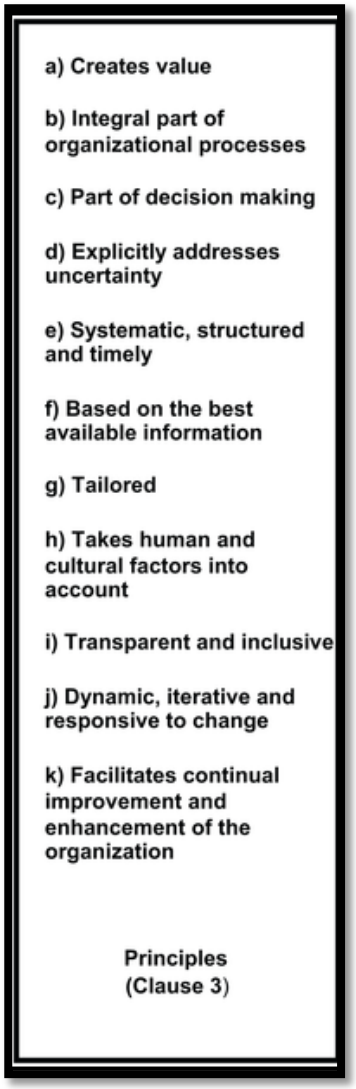
ISO 31000 and ERM Hinge on Mandate & Commitment

- ISO 31000 - 4.2:
- Strong and sustained commitment … at all levels



- Endorse RM policy
- Culture & RM aligned
- KPI
  - Aligned to objectives
- Risk Owners
  - Accountable
  - Responsible
- Communicate
  - Benefits

Understand Your Public Entity's Business



- **Culture**
  - Shapes how the management of risk will be integrated across your Agency
  - Assures agency-wide process is supported, iterative and effective
  - Details how risk management will be an active component in governance, strategy and planning, management, reporting processes, policies and values

The Role of Culture

a) Creates value

b) Integral part of organizational processes

c) Part of decision making

d) Explicitly addresses uncertainty

e) Systematic, structured and timely

f) Based on the best available information

g) Tailored

h) Takes human and cultural factors into account

i) Transparent and inclusive

j) Dynamic, iterative and responsive to change

k) Facilitates continual improvement and enhancement of the organization

Principles
(Clause 3)

- Provides clarity to your Agency's operating style
- Is a factor in your Agency's strategic/business plan
- Explains internal constraints which may limit risk taking or risk reduction actions

The Role of Culture

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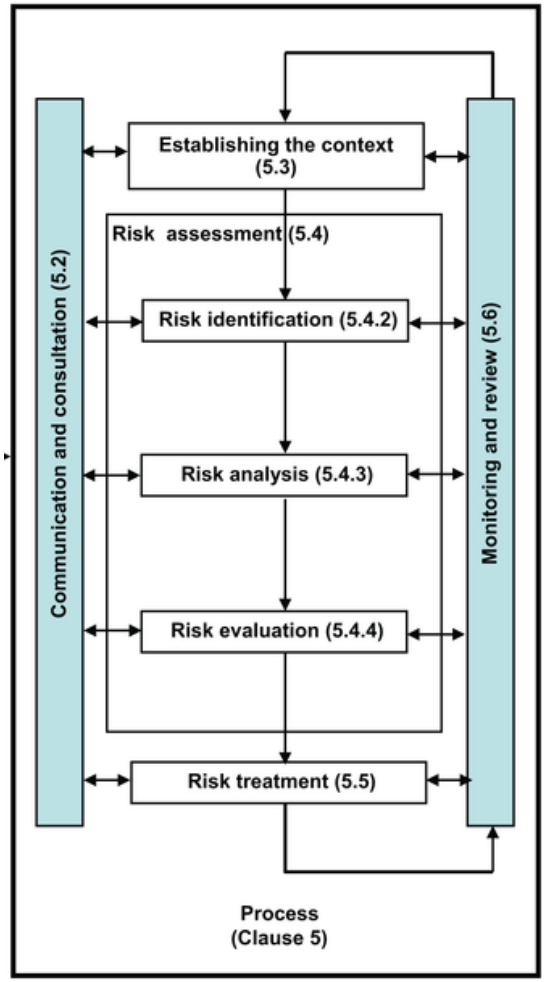
j) Dynamic, iterative and responsive to change

k) Facilitates continual improvement and enhancement of the organization

Principles
(Clause 3)

- Workplace culture is always a work in progress
- It can and will change and evolve over time
- Make culture as important of an objective as your business strategy

Culture Complexities

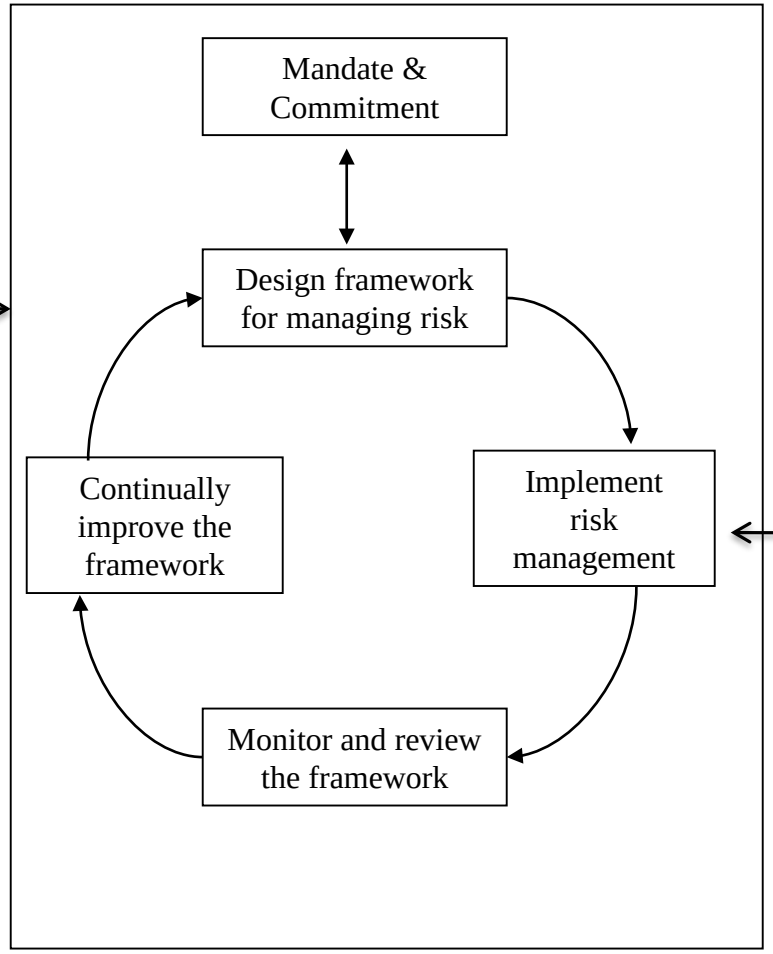


- Risk Management Department Responsibilities
  - The safety & risk management department is responsible for the Public Entity's environmental, health, safety, and security programs
  - The Division administers risk fund, insurance plans, reviews insurance contracts, investigate & evaluate claims, provides loss control services and S&H training
- Some departments may handle workers' compensation, purchasing, employee health benefits, and more
- Public agency risk management departments are often understaffed
- Daily RM daily duties (Process) often become the overall safety culture

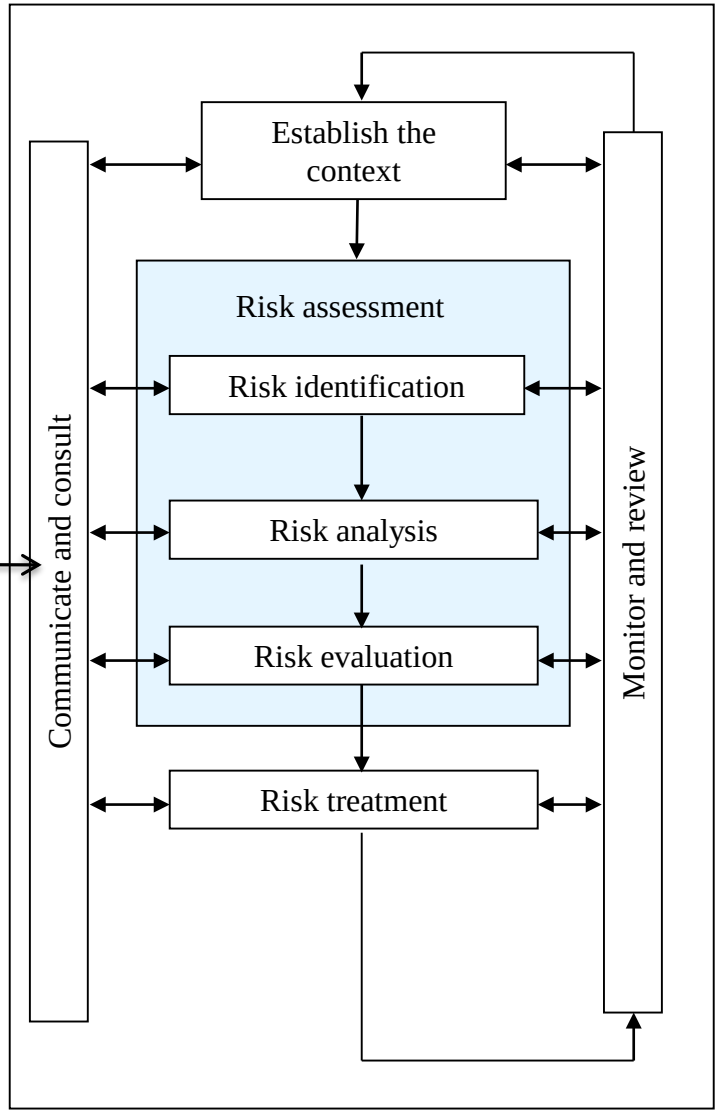
Principles

- Creates & protects value
- Integral part of organizational processes
- Part of decision making
- Explicitly addresses uncertainty
- Systematic, structured & timely
- Based on best available info
- Tailored
- Takes human & cultural factors into account
- Transparent & inclusive
- Dynamic, iterative & responsive to change
- Facilitates continual improvement & enhancement of the org

Framework



RM Process



ISO/ANSI/ASSE 31000
Figure 1



a) Creates value

b) Integral part of organizational processes

c) Part of decision making

d) Explicitly addresses uncertainty

e) Systematic, structured and timely

f) Based on the best available information

g) Tailored

h) Takes human and cultural factors into account

i) Transparent and inclusive

j) Dynamic, iterative and responsive to change

k) Facilitates continual improvement and enhancement of the organization

Principles
(Clause 3)

MANDATE, COMMITMENT & CULTURE

Pole Question

What is Your Agency's Culture

a) Well defined in my Agency's mission statement and core values

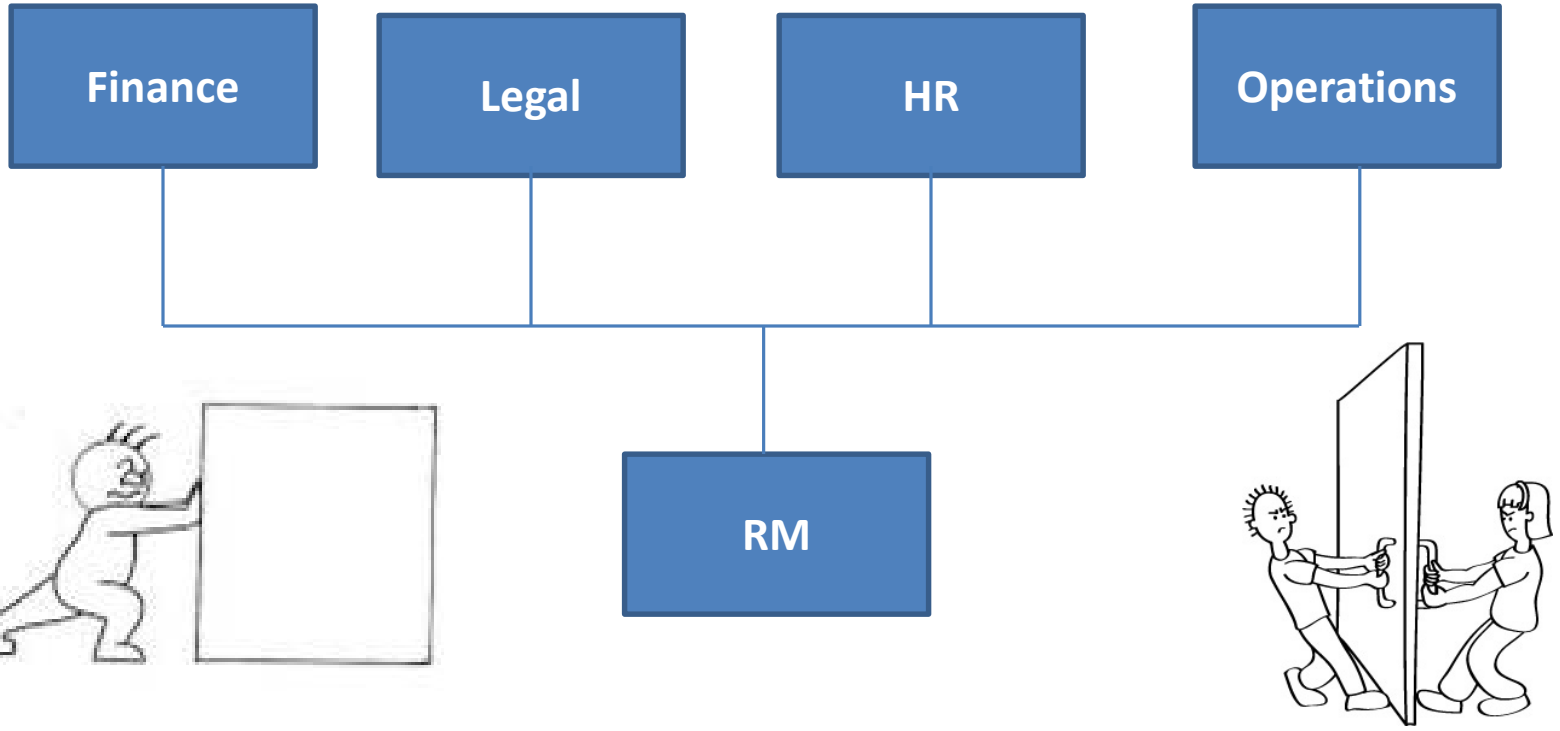
b) Elusive in my agency's mission statement and core values

c) Compartmentalized by each department

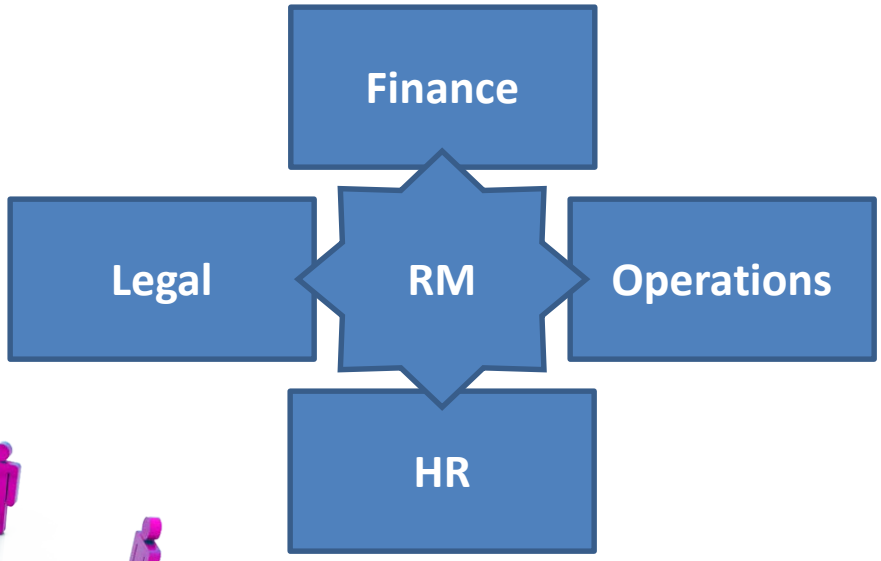
ERM: Mandate & Commitment

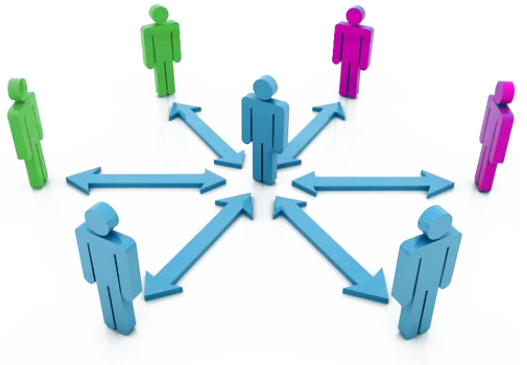
IMPORTANCE OF M&C TO YOUR RISK MANAGEMENT PROGRAM

Traditional Risk Management



Enterprise Risk Management





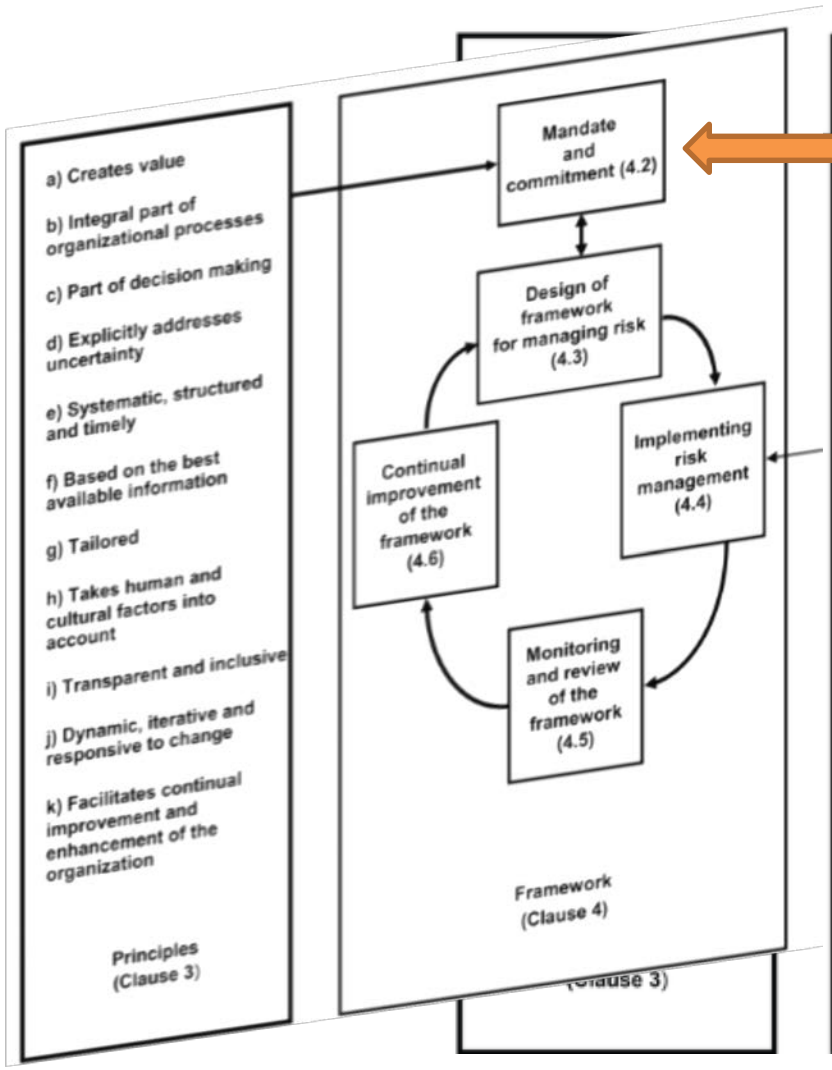


Pole Question

Can you right now, repeat your mission or vision statement?

a. Yes
b. No
c. Partially
d. Do not have one

Mandate & Commitment



JPIA Risk Management Core Values

ACWA JPIA Mission Statement

The ACWA /Joint Powers Insurance Authority is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverage and related services to its member agencies.

- **Professionalism**

  (We are professionals who take pride in providing timely, accurate, and exemplary support for our customers. We value our role as loss prevention advisors and continually strive to provide the highest quality service needed by each unique entity.)

  We:

  1. Exhibit integrity, excellence, responsibility, and teamwork in the services provided all.
  2. Value ethics, diversity, collaboration, honesty, dependability, and trustworthiness.
  3. Respect the relationship between governance, risk management, and compliance.

- **Expertise**

  (We are each committed to the pursuit of excellence and believe that innovation, learning, and growth are critical to that endeavor. We are personally invested in the performance, image, and success of ACWA JPIA and dedicate our talents to that end.)

  We:

  1. Maintain our reputation through continuing professional education and certifications.
  2. Develop and promote best practices and industry standards.
  3. Actively seek new ways to improve efficiency, productivity, processes and tasks.

- **Teamwork/Collaboration**

  (We put team success first and work to promote cooperation and commitment within the ACWA JPIA to fulfill our mission and serve our membership. We believe that together we achieve more.)

  We:

  1. Network with peers, members, agencies, and organizations to establish and foster lasting relationships.
  2. Recognize, consider, and support the ideas, achievements, and contributions of others.
  3. Facilitate idea sharing within and between JPIA departments and member districts.

What's Your Risk Management Value



RM Program M&C



- Assess where your RM program lies on the value fulcrum
  - Does your RM program preserve or create value
  - Is there a need to adjust the fulcrum

Pole Question

Where Does Your RM Program Fit?

a. Mostly Preserves Value
b. Mostly Creates Value
c. Balanced (Preserves/Creates Value)

RM Program Assessment

- Does your Agency's risk management program
  - Maintains or creates policies based on 'reaction' to a loss versus fitting a policy or procedure to our work environment
  - Establish and communicate risk management goals and objectives based on the Agency's mission, vision, and values
  - Contribute to a desired workplace culture

ERM: Mandate & Commitment

TECHNIQUES TO CREATE M&C AT ALL ORGANIZATIONAL LEVELS

Tim Wiseman, MBA, ARM-E
Asst Vice Chancellor for Enterprise Risk Management & Military Programs
East Carolina University



- Confusion as to what constitutes basic risk mgt and insurance; mature risk mgt; and enterprise (or enterprise-wide) risk mgt.
- Adherence to a basic framework and road map is helpful and constructive, but every organization starts at different points, proceeds at different paces, has different level of participation or buy-in, has different levels of resources available, and may reach different culminating points as to how far they can mature an ERM program.
- Successful ERM implementation in a P.E. or H.E. institution requires additional tailoring and adjustment to implementation strategies as compared to a for-profit/corporate organization.
- Building a firm foundation, based on ISO 31000 principles and other best practices from peer institutions/organizations, really pays dividends in the long run and gives an ERM program resiliency.



Robin Flint, ARM, ASP, CEAS I
Senior Risk Management Consultant
Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA)



- ERM like any other system must evolve
- If ISO 31000 is new to your entity consider talking points to educate colleagues on a work practice(s) that aligns to the technical standard but also highlight the benefits of the application concept
- *Crawl, Walk, Run*



Wendell Bosen, ARM-E, CPCU, RF
Senior Account Executive
Moreton & Company

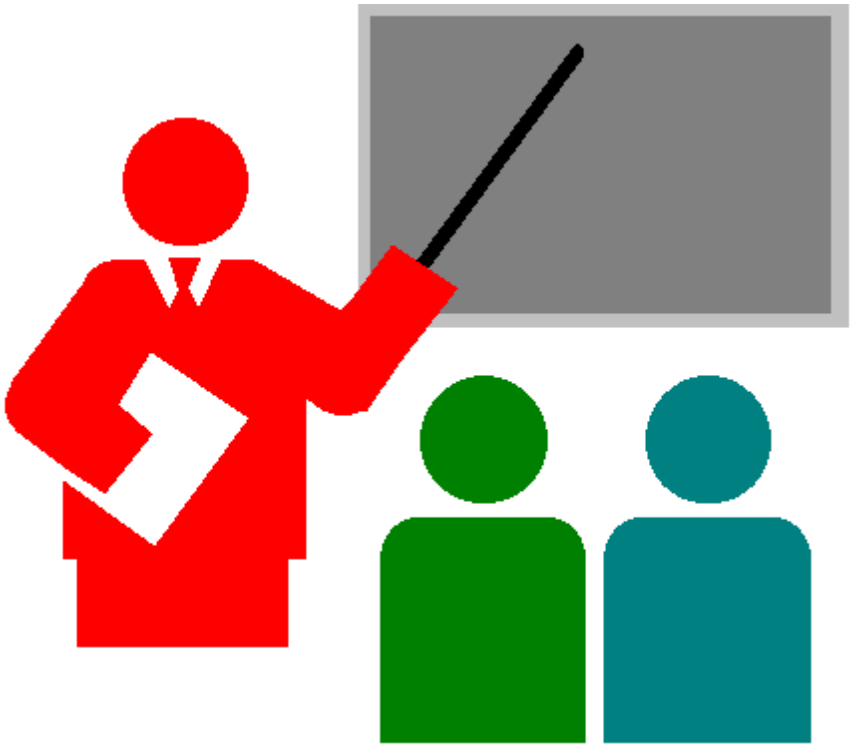


- A large diversity in ERM maturity among participants
  - Some participants are new to risk management and some are seasoned veterans
  - As a general rule higher education participants have more mature programs
- Pool participants have been a significant percent of participants (25-30% estimated)



Incorporate Mission Statement Into All Training

- Always start with mission
- Put on meeting agendas
- Start at new hire orientation



Accountability & Incentives

Tie RM Into Performance

- Safety
- IT Security
- Financial Risk Transfer
- Reputation

Keep It Simple and Fresh

- Balance
  - Consistent
  - New
- Balance
  - Results
  - Behaviors

Build or Realign Culture

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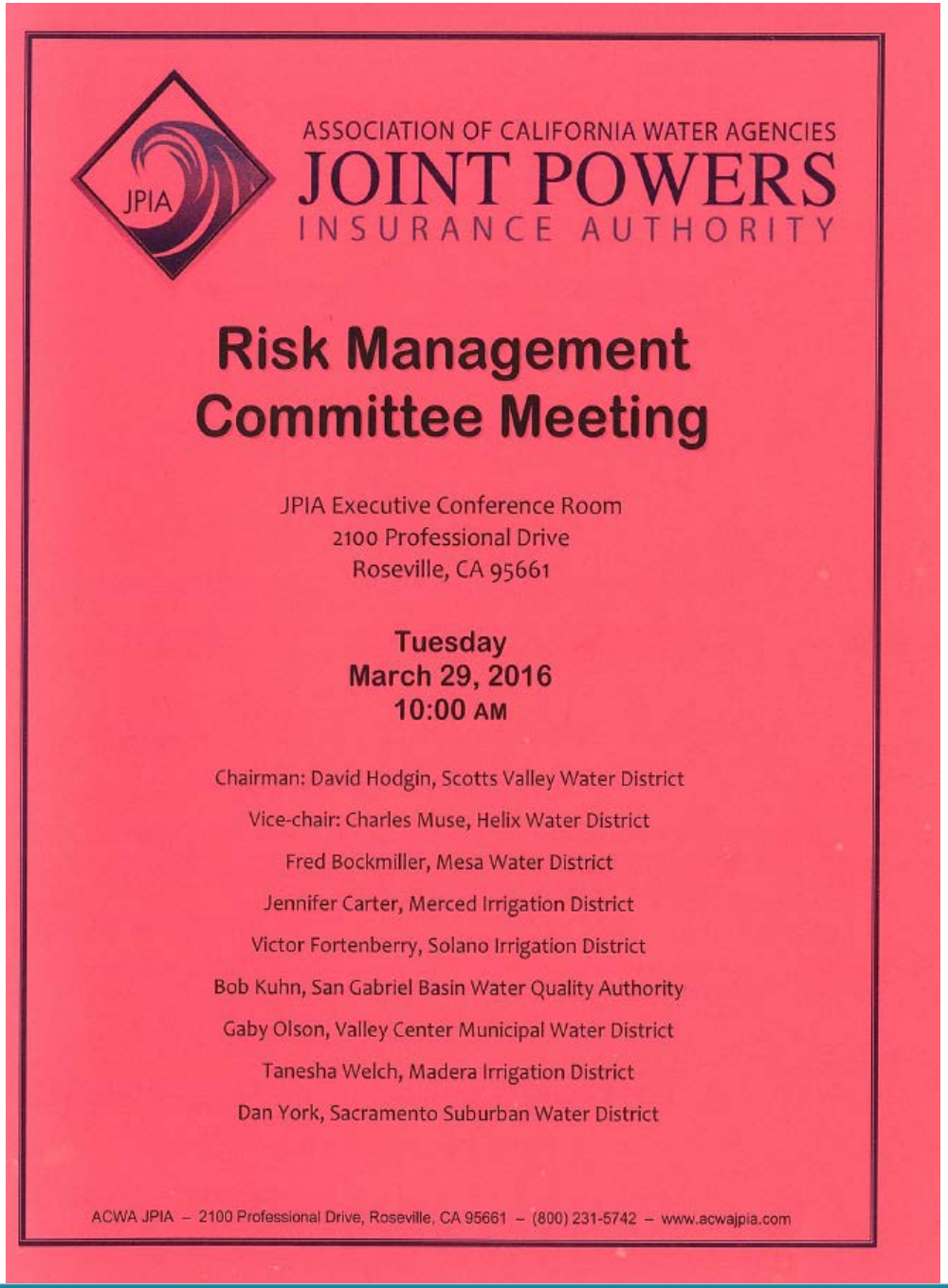
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JPIA
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS
INSURANCE AUTHORITY
Risk Management
Committee Meeting
JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661
Tuesday
March 29, 2016
10:00 AM
Chairman: David Hodgin, Scotts Valley Water District
Vice-chair: Charles Muse, Helix Water District
Fred Bockmiller, Mesa Water District
Jennifer Carter, Merced Irrigation District
Victor Fortenberry, Solano Irrigation District
Bob Kuhn, San Gabriel Basin Water Quality Authority
Gaby Olson, Valley Center Municipal Water District
Tanesha Welch, Madera Irrigation District
Dan York, Sacramento Suburban Water District
ACWA JPIA – 2100 Professional Drive, Roseville, CA 95661 – (800) 231-5742 – www.acwajpia.com

Helix Water District



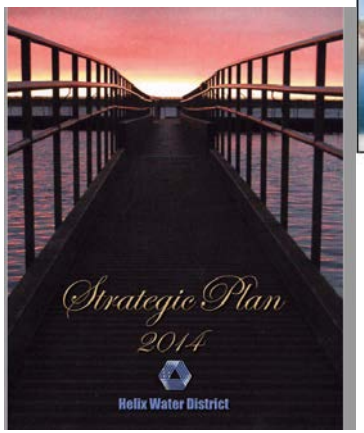
VISION STATEMENT

Helix Water District – Setting standards of excellence in public service

MISSION STATEMENT

Helix Water District is a progressive industry leader, providing high quality water, through an efficient and reliable system. Our innovative and dedicated employees and board members maximize human and technological resources, while providing superior service to our customers and supporting the environment for a sustainable future.





VALUES OF HELIX WATER DISTRICT

lonesty, Trust and Integrity

sty, trust and integrity are the rstone of everything we do. We e that organizational integrity is the of individual integrity.

mmitment to our Employees

value each employee's unique bution to the success of the district. support our employees through ıg, development and recognition of strengths and individual talents.

Customer Service

ılue excellent service and those who de it by listening, anticipating, ing and responding to our internal cternal customer needs.

Teamwork

cognize the power of teamwork. We mmitted to helping each other in the of cooperation to be the best.

ponsibility and Accountability

e responsible for accomplishing the vision and mission of the district and are accountable to ourselves and each other.

Open Communication

We value two-way communication that is timely, open and honest. We support an environment where people express ideas, listen with respect and provide and receive constructive feedback.

Continuous Improvement

We are committed to continuous improvement. Creativity, innovation and growth assure a dynamic future. We challenge ourselves to improve personally, professionally and organizationally.

Leadership

We value leadership demonstrated by employees who, by example, set standards, inspire coworkers and serve as role models in supporting the vision and mission of the district.

Cost-Effective Quality

We achieve excellence through programs that emphasize cost-effective quality.



ERM: Mandate & Commitment

QUESTIONS?

