Risk Assessment & Management

Session 2 – Governance and Finance

October 25, 2021
What is Risk?

The threat or possibility that a future event or action may be substantially different from what the leaders of an organization expect, and may adversely or beneficially affect an organization’s ability to achieve its mission and objectives.
Risk Management – Coping with Uncertainty

A thoughtful, ongoing program that provides practical steps to
• reduce the likelihood of negative downside risks and
• position the organization to seize mission-advancing opportunities

DIMENSIONS OF RISK
• Likelihood (More or Less Likely, Frequency)
• Magnitude (More or Less Impactful)
• Direction (Good or Bad)
## Risk Categorization

<table>
<thead>
<tr>
<th>Impact of Risk</th>
<th>Likelihood of Risk Occurring</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Impact</td>
<td>High Likelihood</td>
</tr>
<tr>
<td>Low Impact</td>
<td>Low Likelihood</td>
</tr>
<tr>
<td>Low Impact</td>
<td>High Likelihood</td>
</tr>
<tr>
<td>High Impact</td>
<td>Low Likelihood</td>
</tr>
</tbody>
</table>

- **A**: Immediate action—extensive control activity essential. Management effort worthwhile.
- **B**: Manage and monitor, consider contingency planning.
- **C**: Accept but monitor.
- **D**:
Governance
Governance Risks — Corporate Compliance
Governance Risks – Board Composition

- Insufficient recruitment
- Insufficient diversity
- Insufficient capacity
Governance Risks – Shared Leadership
Governance Risks
– Reputational
Governance Risks – Employees and Contract Personnel
Governance Risks - Volunteers
Questions?
Finance
Organizational Sustainability

Insufficient fundraising and financial reserves for operating
Funds for the Future
Investments
Questions?
Training Sessions

- October 18th: Introduction to risk management
- October 25th: Governance and finance
- November 1st: Land transactions
- November 8th: Stewardship and programming
- November 15th: Risk assessment

Please share your burning questions!

Jen Plowden
New England Program Manager
Land Trust Alliance
(978) 595-3871 or jplowden@lta.org

Rebecca Dahl
Program Manager
Connecticut Land Conservation Council
(908) 421-1801 or rdahl@ctconservation.org

Connie Manes
Manes Consulting LLC
(860) 488-6320 or connie@manes-consulting.com