

## Pandemic Preparation and Response - questions for directors to ask

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### Introduction

A pandemic such as the H1N1 influenza virus could seriously affect Canada's not-for-profit organizations (NPOs). Not-for-profit organizations provide support and services to millions of people across the country, including members of our most vulnerable populations. At the same time, many NPOs operate with limited staff and resources, which makes it critical that they are prepared for the potential impacts of a flu pandemic.

Pandemics raise difficult questions for not-for-profits:

1. How might an outbreak affect staffing capacity, the safety of clients, the viability of programs and services and the stability of funding?
2. How can organizations make decisions and communicate to stakeholders in an environment of changing or conflicting information while dealing with high rates of management absenteeism?
3. How can organizations match their response to the severity of the situation? <sup>1</sup>

The threat of an H1N1 pandemic is a powerful reminder of the need for proactive and ongoing risk management and crisis planning – not just for health-related problems, but for the many risks that threaten the smooth running and even the survival of not-for-profit organizations.

The responsibilities of the directors of not-for-profit organizations include the oversight of risk and crisis management. This document provides some key questions that directors can ask to help them anticipate and respond to risks and crises. CEOs may also find it helpful to bring these questions to their boards to stimulate discussion on the issue. In organizations with a CEO and professional staff, the role of the directors is to make sure that the CEO has plans for managing crises and responds to crises promptly, decisively and effectively. In smaller organizations, the directors may need to play a more active role.

This Director Alert draws on two other CICA publications that address the topics of risk and crisis management in greater detail: *20 Questions Directors of Not-For-Profit Organizations Should Ask about Risk* and *20 Questions Directors Should Ask about Crisis Management*. The H1N1 pandemic is used to illustrate how an organization can identify, assess and plan for a risk, and what it might do if the risk becomes imminent or escalates into a real crisis.

The questions are presented in three sections: Risk Assessment, Business Continuity Planning and Crisis Response. Organizations that have not yet been affected should consider all three sections. Those for whom H1N1 – or another crisis – is imminent or a reality may prefer to start at the third section. A final section provides links to additional information.

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<sup>1</sup> Manitoba Federation of Non-Profits: *Non-Profit Sector Mitigation, Preparedness, Relief and Recovery Planning for Pandemics and Disasters*: <http://voluntarysector.mb.ca/resource/planning-for-disasters/>

The Maytree Foundation: *Dealing with an Influenza Pandemic*, Tom Appleyard, 2009: <http://www.maytree.com/fqi/2009/dealing-with-an-influenza-pandemic.html>

## A. Risk Assessment

The first step in managing risk is to assess:

- What could happen that would affect the organization's ability to meet its objectives?
- How likely is it to occur?
- How serious might it be?
- What can be done to reduce the risk?

In larger NPOs, this assessment may be carried out by management and reviewed by the board. In smaller organizations, the board may be involved in conducting the risk assessment.

The purpose of the assessment is to establish the priority that should be given to a specific risk or risks. In the fall or winter of 2009-2010 a flu pandemic is regarded as likely to occur and could potentially be very serious. Not-for-profit organizations should treat it as a threat that requires urgent attention because it could significantly affect an organization's ability to meet its objectives. The impact of a flu pandemic may vary widely depending on the type and size of the organization and its activities.

Questions for directors to ask about identifying and assessing the risks of a pandemic:

1. Is the demand for the organization's services likely to increase or decrease?
2. How could the organization's human resources be affected?  
– There may be shortages due to staff and volunteers being ill or unwilling to work.
3. What additional costs might be necessary?
4. How might a pandemic affect revenues?
5. How will the situation affect the organization's access to facilities and technology?
6. How will the situation affect the organization's suppliers of essential goods and services?  
– Many NPOs depend on a network of other agencies and / or government or corporate supporters which may also be affected by a pandemic.
7. How might the organization's handling of the situation affect its reputation?

Questions for directors to ask about ways in which risks can be reduced or mitigated:

1. What health and safety procedures can be implemented to protect staff and volunteers?
2. Would it be appropriate to limit services with high client contact?
3. Should the organization postpone major fundraising events?
4. Has the organization developed lists of alternative resources? (volunteers, other organizations, etc)

## B. Business Continuity Planning

Once the areas of risk have been identified and assessed, one of the next steps is the development of a business continuity plan (BCP) for responding to the immediate and longer-term consequences of crises. Individual BCPs vary according to the needs of the organization, and the details of implementation will depend on the type of crisis faced. Organizations with an existing business continuity plan should review it in light of the expected impacts of a pandemic, and revise the plan as necessary. Those without a plan would be well advised to see that one is developed. Three key areas which should be addressed in any BCP are:

### Crisis response

- Take immediate action to protect lives and property.
- Find out what's going on and identify what the organization knows and doesn't know.
- Appoint a core team (which may include board members) to manage the crisis and free team members from their regular responsibilities.
- Make contact with the necessary professional advisors: legal counsel, insurers, etc.
- Make sure that day-to-day operations continue as far as possible.

### Communications

- Designate a single individual to handle crisis-related communications. This will generally be the CEO or a public relations person, or occasionally a board member. It is important that board members and staff understand that they should pass inquiries and information along to the designated person.
- Communicate directly and frequently to the organization's stakeholders including employees, volunteers, members, clients, program users, funders and regulators – both during the crisis and subsequently.
- Give the full board regular briefings.

### Business resumption

- Implement or develop a plan to resume normal operations.
- Continue to communicate with the organization's stakeholders as the plan unfolds.<sup>2</sup>

Questions for directors to ask about the business continuity plan:

1. What are the essential services that must continue and which ones could be put on hold?
2. How will the organization (CEO and board) stay informed on the current status of the crisis?
3. How will the organization communicate with directors, staff, volunteers, members, clients and other stakeholders?
4. What is the plan for operating with a skeleton crew?  
– Consider who would take on leadership roles if the CEO or others are out of commission. If no staff member is appropriate, this may need to be a board member.
5. How will policies for sick time and for paid and unpaid leave be applied?
6. Does the plan address alternative computer and communication systems, off-site back up of vital records, contact information and other operational requirements, including remote access?
7. How will the organization fund extra costs or reduced revenues during the crisis?
8. Has the BCP been recently tested?
9. Has the BCP been communicated to staff, volunteers and key stakeholders?

<sup>2</sup> 20 Questions Directors Should Ask about Crisis Management

### C. Crisis Response

Organizations that have survived crises were best able to recover if they:

- had a well-tested business continuity plan;
- had a leader who could rise to the occasion and take prompt, decisive action to deal with the immediate crisis;
- communicated promptly and frankly with stakeholders and the news media;
- demonstrated practical compassion for the injured, frightened and bereaved;
- were prepared for the mundane and predictable problems of business continuity: alternative computer and communication systems, off-site back up of vital records, contact information and more; and
- had the financial and other resources to absorb the effects of the crisis and return to normal.

Members of “hands-on” or operational boards (usually of smaller organizations) will likely be directly involved in crisis response. Directors of not-for-profit organizations that use “policy” or “governance” board models also have an important role to play, and should not hesitate to intervene actively if management is unable to cope with a crisis.

Questions for directors to ask during the crisis:

1. Is the board staying calm, getting the facts and letting the CEO and staff manage the crisis?
2. Is the CEO reacting decisively and effectively?
3. Is the organization communicating effectively to the public and its stakeholders?
4. Is the CEO communicating frankly and openly to the board the information the board needs to have?
5. Is the board balancing its need to know with staff’s responsibility for dealing promptly with many urgent issues?
6. Does the organization have sufficient funds to continue operations?
7. Do the CEO and staff need help from the board or outside experts?
8. Does the board need to take control of the situation and appoint someone to replace the CEO?

### D. Conclusion and Additional Information

The H1N1 pandemic poses a significant challenge for not-for-profit organizations but, unlike many crises, has occurred in a way that allows for advance warning and preparation. As a result, there is a wealth of information and resources that organizations can use to prepare themselves. The following websites have excellent material on risk and crisis management that is specific to the H1N1 Pandemic:

Imagine Canada: Insurance and Liability Resource Centre for Non profits:

*Crisis Management* (Item 19): and Item 20: *Service Continuity & H1N1 (Swine Flu)* (Item 20) are particularly relevant to planning for H1N1. <http://nonprofitrisk.imaginecanada.ca/node/678>

Manitoba Federation of Non-Profits: *Non-Profit Sector Mitigation, Preparedness, Relief and Recovery Planning for Pandemics and Disasters*

<http://voluntarysector.mb.ca/resource/planning-for-disasters/>

In addition, the Canadian Institute of Chartered Accountants has two publications on risk and crisis management that are relevant to not-for-profit organizations.

*20 Questions Directors of Not-For-Profit Organizations Should Ask about Risk*

*20 Questions Directors Should Ask about Crisis Management*

[www.rmgb.ca](http://www.rmgb.ca)