

Chapter 12 – Risk Management

In MWR, we are responsible for huge quantities of assets; equipment, money, and most importantly—people! Regardless of the activity, we must always be cognizant of the associated risks or losses. Obviously the risks associated with child development playground use are very different from aero club activity. Many MWR programs, by their very nature, are inherently “risky”: aquatics, outdoor activities, child and youth programs, watercraft use, etc. We could never begin to cover the myriad of risks across a typical MWR or Services operation, but the risk management process is the same for everyone. Risk Management identifies loss exposure by an organization and selects the most appropriate techniques for treating such exposures. Our job is to implement controls to minimize risk to levels that we are willing and able to accept.

There are many resources to assist you in this process; a few key ones are shown below.

- Installation safety office
- Activity-specific guidelines, regulations, and directives
- External oversight and guidance, such as from OSHA or GAO
- Periodic unbiased audits

The more familiar you are with existing guidance, the better parameters you can develop. You, your staff, and your customers need to know and adhere to “safe” practices, whether running a softball league or depositing funds after closing. Once you are familiar with relevant guidelines, follow these steps to assess risk.

Steps in the Risk Management Process

- Identify the risk.
 - ✓ Much of this will have already been done for you via the above mentioned resources. But only you know environmentally specific factors which might affect risk.
- Assess the risk
 - ✓ What is the probability of this occurring?
 - ✓ What is the negative impact of this occurring?
- Prioritize the risk
 - ✓ Those with high impact and high probability are most critical and should receive the most attention/resources.
- Measure and analyze the loss exposure
- Select the appropriate combination of techniques for controlling the risk
- Avoidance
- Loss Prevention
- Loss Reduction
- Implement and monitor the risk management program
 - ✓ Preparation risk management policy and educate employees and customers
 - ✓ Cooperation with other individuals and departments as necessary
 - ✓ Periodically review of the entire risk management program

Following these steps will ensure that you are providing a safe environment for your customers and for your employees. Remember, RISK management is part of RESOURCE management, a critical piece of any manager's job.

If you are in MWR for any amount of time, you will likely end up managing food and beverage on some level. It may be a running full blown dining operation, catering a base picnic, running a fitness center juice bar, or managing the USDA program in a child development center. Food and beverage is integral to many MWR operations, so it is important to have a working knowledge of the *risks* associated as such.

There are several entities that play a part in making sure the food and beverages we serve are safe to eat and drink. Government organizations such as the CDC (Center for Disease Control), FDA (Food & Drug Administration), USDA (United States Department of Agriculture), local Health Departments, ATF (Alcohol, Tobacco & Firearms), local liquor authorities, all the way to suppliers, growers, and the chef, cook, or food handler in your own activity. It should be no surprise that so many play a vital role in controlling food borne illnesses. In the United States alone, the CDC estimates that each year 1 in 6 Americans (or 48 million people) gets sick, 128,000 are hospitalized, and 3,000 die of food borne diseases.

There are several steps a manager can take to minimize risks that include:

1. Understanding the three major hazards that can result in food borne illnesses.
2. Development and implementation of a Hazard Analysis and Critical Control Point system (HACCP).
3. Training and preparing your employees to serve alcohol in a responsible and sensible manner.

The Three Major Hazards to Food

The three major food hazards that exist can be in the form of the Physical, Chemical, and Biological. Each one of these hazards can be minimized based on the behavior of those within the supply chain. To better protect the consumer, it is important that managers are aware of not only the types of hazards but the various examples of contamination that can occur.

Physical Hazards

There is more to food safety than meeting cooking temperatures, avoiding cross-contamination, and personal hygiene; there is also the hazard of physical objects contaminating your food. Examples include such items as jewelry, hair, bone, foil, and string.

The best way to minimize these potential physical hazards is to closely monitor your employees, the equipment they use, and how they store and prep their food. For instance, any type of jewelry, even wedding bands, could pose as a hazard by falling into the food. In addition, rings can create the potential of introducing a biological hazard by not keeping them clean.

Chemical Hazards

These hazards can either be introduced by man-made chemicals or naturally produced by

certain types of foods. Though many kitchen employees are diligent in their cleaning, these very agents could eventually contaminate foods despite the worthy consideration. In addition to the man-made chemicals, there are many naturally occurring toxins that certain kinds of plants, such as poisonous mushrooms or shellfish can produce. With many individuals allergic to certain kinds of foods, it is good to know the major food products that cause most of the allergic reactions we see: milk products, egg products, wheat proteins, peanuts and tree nuts, fish and shellfish.

Biological Hazards

These types of hazards encompass both the visible and invisible. If there are any visible signs such as droppings or eggs found in storage, you may have a larger infestation problem. A good safety program will include periodic inspections of all kitchens and storage facilities by a licensed pest control operator. Visible hazards include flies, ants, moths, roaches, rodents.

GENERAL PRINCIPLES OF FOOD SAFETY RISK MANAGEMENT

Principle 1: Risk management should follow a structured approach.

The elements of a structured approach to risk management are Risk Evaluation, Risk Management Option Assessment, Implementation of Management Decision, and Monitoring and Review. In certain circumstances, not all of these elements will be included in risk management activities (e.g. standard setting by Codex, with implementation of control measures by national governments).

Principle 2: Protection of human health should be the primary consideration in risk management decisions.

Decisions on acceptable levels of risk should be determined primarily by human health considerations, and arbitrary or unjustified differences in the risk levels should be avoided. Consideration of other factors (e.g. economic costs, benefits, technical feasibility, and societal preferences) may be appropriate in some risk management contexts, particularly in the determination of measures to be taken. These considerations should not be arbitrary and should be made explicit.

Principle 3: Risk management decisions and practices should be transparent.

Risk management should include the identification and systematic documentation of all elements of the risk management process including decision-making, so that the rationale is transparent to all interested parties.

Principle 4: Determination of risk assessment policy should be included as a specific component of risk management.

Risk assessment policy sets the guidelines for value judgments and policy choices which may need to be applied at specific decision points in the risk assessment process, and preferably should be determined in advance of risk assessment, in collaboration with risk assessors.

Principle 5: Risk management should ensure the scientific integrity of the risk assessment process by maintaining the functional separation of risk management and risk assessment.

Functional separation of risk management and risk assessment serves to ensure the scientific integrity of the risk assessment process and reduce any conflict of interest between risk assessment and risk management. However, it is recognized that risk analysis is an iterative process, and interactions between risk managers and risk assessors are essential for practical application.

Principle 6: Risk management decisions should take into account the uncertainty in the output of the risk assessment.

The risk estimate should, wherever possible, include a numerical expression of uncertainty and this must be conveyed to risk managers in a readily understandable form so that the full implications of the range of uncertainty can be included in decision-making. For example, if the risk estimate is highly uncertain the risk management decision might be more conservative.

Principle 7: Risk management should include clear, interactive communication with consumers and other interested parties in all aspects of the process.

On-going reciprocal communication among all interested parties is an integral part of the risk management process. Risk communication is more than the dissemination of information, and a major function is the process by which information and opinion essential to effective risk management is incorporated into the decision.

Principle 8: Risk management should be a continuing process that takes into account all newly generated data in the evaluation and review of risk management decisions.

Subsequent to the application of a risk management decision, periodic evaluation of the decision should be made to determine its effectiveness in meeting food safety objectives. Monitoring and other activities will likely be necessary to carry out the review effectively.

Responsible Alcohol Service

As with food, alcohol sales are also regulated at the federal level. The federal agency responsible for this is the Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE), and at the local and state levels, with the Liquor Authorities. To legally sell alcohol, establishments should verify through their local or state agencies to determine if a liquor license is required.

To better train your staff and safeguard the health and well-being of your patrons including the public at large, it is important that the training they receive emphasizes four important points.

1. Aware of local laws that govern your jurisdiction.
2. Recognizing and preventing intoxication.
3. Ability to recognize false identifications (ID).
4. Knowing how to handle difficult situations.

Depending on what state or county you serve alcohol, laws may vary. It is important that your staff be aware of any restrictions that may be in place such as not serving alcohol after certain times of the day, or on certain days such as Sundays. Understanding the difference between criminal and civil liabilities is also important. Making your staff aware of the consequences of violating alcohol related laws could minimize your chances of receiving fines, suspensions of

liquor licenses, or even worse, jail time.

Knowing when an individual is intoxicated as well as understanding the ways of preventing intoxication are examples of being proactive and responsible. There are several ways that your establishment can implement these measures:

- Understanding how alcohol travels through the body.
- Knowing the amount of alcohol in drinks you serve.
- Estimating BAC (Blood Alcohol Content) in an individual.
- Recognizing the physical and behavioral signs of intoxication.
- Identifying ways to prevent individuals from becoming intoxicated.

Since the sale of alcohol to an individual is also based on their age, it is important that your staff be able to identify whether an individual is the legal age to purchase alcohol. When checking identification, there are certain characteristics within the different IDs that you should be looking for.

- Is the ID an acceptable form?
- Does the ID identify the individual as a minor?
- Is the ID genuine?
- Does the ID match the person presenting it?

Whenever alcohol is involved, it could escalate into a serious situation. To avoid or minimize these situations, there are several steps that a trained individual in responsible alcohol service can practice.

- Knowing how to stop service to an intoxicated individual.
- Being able to deal with individuals who try to leave your premises intoxicated.
- Dealing with individuals who arrive intoxicated at your establishment.
- Working with those who are identified as Designated Drivers.
- Handling potential violent situations.

Responsible alcohol service is not a right; it is a privilege. Not only is protecting your guests from intoxication your duty, it is also your responsibility to protect the public. The potential losses in life, money, and reputation should give establishments enough incentive to provide safe alcohol service training for all of their staff.

Summary of Chapter 12

Risk Management identifies loss exposure by an organization and selects the most appropriate techniques for treating such exposures. In MWR/Services, we manage many varied processes, so should continually be aware of potential risks in terms of both loss of assets and employee

and customer safety. The risk management process will help define these risks and also define solutions to minimize risk.

One common component across many MWR/Service functions/organizations is food and beverage service. There are several government entities that play a vital part in protecting our food supply and regulating it. These include the CDC, FDA, USDA, and State and Local Health Departments.

The three major forms of hazards that can contaminate the food you serve are physical, chemical, and biological.

The five major risk factors that exist in all food service establishments include:

- Cooking certain foods to the wrong temperature.
- Storing or holding foods at the wrong temperature.
- Purchasing food products from unsafe sources.
- Failing to practice good personal hygiene.
- Using contaminated equipment.

Responsible alcohol service begins with understanding your local laws that govern the sale of alcohol, continues with recognizing and preventing intoxication, checking ID properly, and ends with knowing how to handle difficult situations.

