

*ignite*  
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## **RISK MANAGEMENT**

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# What is Risk Management ?

Any ideas ?

*A process to avoid, reduce or control risks. It is a balance between the costs of managing the risk and results of that risk.*

**If you go on holidays in your car you try to minimize the risks – How?**

**Check the fuel, tyres to avoid problems  
This is Risk Management**



# Why manage the risks ?

## It could impact on:-

- Health & safety of staff, members, volunteers.
- Financial (legal liability – sue), minimise injuries & claims
- Insurance Premiums, assists in negotiating insurance
- Reputation, publicity, credibility
- Plant, equipment, environment costs
- Confidence by members etc in the organisation

# A risk management system is a procedure, a written procedure showing:-

- What
- How
- When
- Who

Will be taking action to treat or manage the risks and carry out activities.

It may not be possible to eliminate all the risks but they can be managed.

# Examples of Risks/Results

- Reduction in volunteers – too few to do too much
- Lack of funds (cut backs)
- Too many participants to manage safety
- Discrimination/harassment
- Injuries to people, staff, volunteers, spectators and participants
- Plant/equipment failure
- Bad and ongoing publicity
- Environmental damage
- Damage of/loss to property

# Steps to Risk Management

## Making a commitment to Risk Management

Understand the context. What are we trying to achieve – the concerns.

Consider:-

- What are the outcomes
- The environment in which you operate
- The stakeholders (internal/external) (Staff/parents)?
- A risk evaluation system

# Identify the Risks

- Best methods to identify risks
- Possible sources.
- Potential risks, random, internal, external
- Examine each risk

# No risk is too small i.e. selling a cup of coffee

- Burns to staff, volunteers
- Burns to customer
- Law suit

What is the impact of risk on your client base?

# Types of Risk

## Physical

- Injuries, assets, weather, equipment, vehicles

## Financial

- Theft, damage claims, fraud, membership fees

## Legal

- Common Law (precedent), Federal, State, Local Government

## Moral

- Harm of reputation of the person or the organisation

# How to identify risks

- Carry out own research
  - Internet
  - Publications
  - Newspapers
  - Insurers
- Previous records/activities
- Experience, local or overseas
- Discussions with people/members etc
- Survey/questionnaires
- Look – physical inspection
- Observe activity
- Employ professionals/specialists
- Consult associations/organisations
- Look at worse case scenarios

# Evaluating the risks

- What is the importance of the activity
- Do you have a degree of control
- What is the potential for loss/injury
- Are there benefits (is it worthwhile)

## Is the risk acceptable ?

- Low risk, not worth the money, time and effort.
- Low risk the benefits are minimal
- What is the chance of it happening  
(Will the risk increase over time, if more people involved, etc)

## Controlling/treating the Risks

- What options are available to treat the risk
- What is the best option – feasible, cost effective
- Prepare a plan
- If necessary implement the plan

# Treating the risks options

- Avoid
- Control
- Transfer
- Retain

# Avoid

Not proceed with an activity or do it another way, however this could be detrimental.

i.e. Age limits on a fun run. Could be viewed as age discrimination result in legal action, bad publicity.

Look for potential hazards

# Control the Risk

Reduce the likelihood by:-

- Having a process
- Training people
- Supervision
- Testing (product or systems)
- Inspecting and control as a process
- Preventative maintenance : plant/equipment
- Signage

## Control the Risk (cont.)

- Training volunteers on Hepatitis B & C transmission will assist in reducing exposure.
- Plan for emergencies
- Reduce exposure
- Physical barriers
- Relocation to less hazardous environment.

# Implement your treatment plan

- Contract out some or all of the activity.
- Add an exemption of liability clause in documents, seek legal advise
- Arrange insurance if possible

# Retain the Risk

Where the risk can't be avoided, controlled or transferred; e.g. trained ambulance volunteers and Hep B & C - a small risk you may decide to accept this risk.

But you will still need to monitor and maybe set aside funds.

Try to plan in advance on how to deal with unavoidable workplace risk

# Formalise Risk Management Plan

The structure of the organisation i.e..  
Someone as part of their job to monitor  
the risks.

Resources available, physical, equipment,  
financial, plant etc.; i.e. First aid kits to  
reduce or manage injury

## 8. Let everyone know

- Let people know their role and responsibilities
- Have policies in place
- Get team feedback on the plan

## 9. Review the Risk Management Plan after 6 months

Monitor the way risks are being managed  
as risk, environment may change

Are more resources needed ?

What is the impact of environment  
change?

# 10. Review the Risk Management Plan

Over time:

- New risks occur
- Existing risks increase/decrease
- Risk no longer exists
- Priority changes
- Existing risk treatment process no longer effective

With all that risk  
management as a final  
resort - where do I get  
Insurance?

[www.localcommunityinsurance.com.au](http://www.localcommunityinsurance.com.au)

An easy to use site!