CHAPTER 10 – RISK MANAGEMENT

Contents

This chapter explains the concept of risk management and describes some practical strategies to assist organisations to manage the risks they face. While the principles discussed are relevant to all community organisations, the strategies will be most appropriate for small to medium agencies. Larger organisations will probably need to go into more detail than that provided here and may go as far as making risk management the sole or prime duty of a staff member.

10.1 WHAT IS RISK MANAGEMENT?

Risk is a reality for all of us. Each day, in the normal course of our lives, we risk:

- Injury to ourselves or others
- Loss or damage to our and others property
- Having legal action taken against us for things we do or fail to do

These risks can be managed in many ways. Think about what most of us do when we enter an unfamiliar setting. We tend to look around where we are to see what, if any, risks we are facing. If we identify a risk, we will generally assess its probability and likely impact. Most of us are prepared to run risks that have a low probability and only minimal consequences. As the likelihood or seriousness of effects increases, we become increasingly concerned. Those risks that concern us most are those that are likely to happen and which would have quite serious effects.

Once we have identified a risk and have an idea of its probability and likely impact, we need to work out our response to the risk. One strategy we use to respond to some risks is to simply avoid them. For example, one good way of reducing or eliminating the risks associated with smoking tobacco is to simply stop smoking.

A second way of dealing with a risk is to transfer it to someone else. For instance, while it might be possible - and cheaper - for most of us to install a television antenna on our own roofs, most of us perceive the risk of falling to be sufficiently great that generally we will get a tradesperson to do it.

Another approach is to control things like the frequency or extent of loss arising from a risk. Loss control measures include seat belts in cars, fire alarms and sprinklers in buildings, and keeping copies of important documents.

Insurance is another common way in which we respond to risk. Life insurance, property insurance and public liability insurance are all ways that we insure ourselves against the risks that we face.

Finally, people may choose to retain risks, eg, there is a risk that you might catch a cold if you get wet from the rain. People whose health is otherwise fine might be prepared to accept that risk, while those whose health is not so fine, or who otherwise wish to avoid catching a cold, will take measures to avoid catching a cold. Risk retention is an acceptable strategy particularly for those risks, which are both unlikely to occur, and of only minimal severity.

10.2 INTRODUCING RISK MANAGEMENT IN YOUR ORGANISATION

The types of strategies outlined above are ways that we manage risks in our own life. They can also be used for managing risks in your organisation. This material will show you how to develop and implement a risk management plan through:

- Identifying the risks your organisation faces
- Assessing the probability and likely severity of those risks
- Developing strategies for managing those risks
- Implementing and monitoring your risk management plan

The ideas provided here will assist your organisation in managing its risks across a range of areas. A risk management plan can be applied to areas such as human resource management, control of your organisation's stock and property or choice of insurance policies. In fact, risk management principles can be applied anywhere that a risk exists.

Your risk management plan will need to be regularly reviewed and updated. Risks, and the strategies available to manage them, change over time. For example, the mass marketing of low cost fire alarms has provided an affordable addition to the range of strategies available to manage the risk of fire in the home. Likewise, new ventures, changed legislation, altered work practices, a change in staffing, and so on, can all affect the range of opportunities and risks you face. Your risk management plan needs to be kept up to date to reflect such changes.

10.2.1 Getting Started

Risk management is a management committee responsibility. The management committee has the ethical, and in most cases, the legal responsibility for what happens within the organisation they govern. As a first step, the management committee can form a small working group to develop a risk management plan. To ensure that the broad ranges of interests within the organisation are considered, the working group should include at least one staff member and one member of the management committee. While the working group will be responsible for developing the risk management plan, the management committee should oversee the process and make the final decisions required to implement the plan.

You will find a number of templates and forms for this process in Useful Resources at the end of this chapter, such as "*Risk Management Introduction – Queensland Government*" and "*Running the Risk? A Risk Management Tool for Volunteers Involving Organisations*" by Volunteering Australia.

10.2.2 Identifying The Risk

The types of risks your organisation could be exposed to include:

- Loss, theft or damage to property
- Loss of life or damage to health
- Breaches of corporate duties by an organisation or its officers
- Breaches of other laws
- Professional negligence
- Loss of your organisation's good name

Listed below are a range of steps which a risk management working group could use to identify the risks your organisation faces. The Risk List (Fig. 1) is a useful way to begin documenting what you find out as part of your risk management plan. As you identify the various risks your organisation faces, write them in the first column of the list. The purpose of the other four columns is explained later in this chapter.

10.2.3 Inspecting The Site

Look around your work place. What potential risks can you find? Look at the workplace from the perspective of the different people who use it. Are there hazards for children, older people or people with impaired sight? What are the fire hazards? Are there loose electrical connections, or damaged furniture? How hot is your hot water, and how accessible is it to children? Take some photos, perhaps even a video if you can, and study it closely. It is a good idea to have a couple of people do the site inspection, so that you can compare notes.

10.2.4 Reviewing Your Organisation's Work Practices

The activities carried out in your organisation will have varying degrees of risk. Do staff members work with potentially dangerous clients? Is staff required to perform physical activity which may result in injury (for example, lifting clients)? Is your organisation's work particularly stressful? Is staff required to do a lot of driving, and if so, are they using their own cars, your organisation's cars or both?

Review your work practices from the perspective of other people who use your service. Are clients exposed to risks from other clients, people off the street, or from other sources? What about volunteers and management committee members?

10.2.5 Explore Your Legal Exposures

Your organisation may be exposed to a number of legal risks associated with issues such as workplace health and safety, liability to clients, judiciary duty or anti-discrimination legislation. Other chapters in this manual explore a number of these issues in more detail.

10.2.6 Do A "What If" Analysis

For example, what if:

- Your organisation's coordinator or manager had a serious accident tomorrow?
- Your organisation's files were burnt or stolen?
- You discovered someone had embezzled several thousand dollars?
- There was a major industrial accident?
- Industrial action was taken?

- Racial discrimination occurred in the workplace?
- Your organisation was sued?

10.2.7 Talk To Staff

The people who do the work often have the best idea of the risks the organisation faces. Talking to the staff can occur through individual interviews, raising the issue of risk at a staff meeting, or having specially structured sessions.

10.2.8 Brainstorm

Get as many staff, volunteers, and management committee members along for a brainstorming session. Write up every suggested risk.

Fig. 1 *Sample Risk List and Examples of Risks*

Risk	Likelihood	Severity	Category	Actions
Theft of office equipment				
Loss of hard disk data				
Damage to vehicles				
Injury to volunteers				
Fire in the office				
Breach of *Anti-Discrimination Act*				

10.3 ASSESSING RISK

Assuming the working group has done its job, you will have generated a long list of risks covering everything from someone stealing the petty cash, through to what would happen if your organisation were sued by one of its clients. The task now is to assess those risks according to how likely they are to occur, and how severe the consequences would be if they did occur. A useful approach is to use four categories of severity and four categories of likelihood. The four categories of severity are:

- Disastrous risks
- Very serious risks
- Serious risks
- Minor risks

The four categories of likelihood are:

- Almost certain
- Very likely
- Likely
- Unlikely

The following section explains in some detail what each of the categories of risk severity entails.

10.3.1 Disastrous Risks

The most serious risks include those that would result in death or serious physical injury. For example, while the likelihood of a staff member being killed by a client is low, it could happen and it is a risk which organisations should take into account.

Other very serious risks are those that would put your organisation's future survival in jeopardy. Organisations which rely heavily on public donations or volunteers would probably suffer a serious financial setback if their reputation were harmed for some reason. Similarly, poor financial controls can lead to situations where an organisation goes into liquidation.

Finally, people within your organisation face a range of personal liabilities by virtue of their involvement in the organisation. Staff providing professional advice, and board or management committee members, can potentially be sued for negligence if they are derelict in their duties. As well, under a number of laws, directors can be held liable for the actions of their organisations.

10.3.2 Very Serious Risks

Next we have those risks that would result in a major reduction in the level of service your organisation can provide, or which would require a very significant use of your organisation's resources to recover from. Loss of premises, destruction or theft of essential files or vital equipment might all be included under this heading. For organisations which have responsibility for the care of at-risk groups of people, very serious risks might include the risk of repetitive abuse of clients by one or more staff members.

10.3.3 Serious Risks

Serious risks include those that would result in a noticeable impact on your organisation, and which would require a significant use of your organisation's resources to recover from. Examples of serious risks include theft or damage to non-essential equipment, or the unanticipated long term absence of a senior member of staff. (For a small organisation, such an absence might even be an example of a very serious or disastrous risk.) Another serious risk could be the risk of staff or others breaching the confidentiality of a client.

10.3.4 Minor Risks

These are risks which are easily covered in the day-to-day running of the organisation. Examples include minor theft of petty cash, accidental breakage of cheap office equipment, and so forth.

Use the categories outlined above (or create your own if you like) to go through the Risk List and fill in the columns `Severity' and `Likelihood'. Use the following code when filling out the columns.

D for Disastrous	1 for Almost certain
V for Very serious	2 for Very likely
S for Serious	3 for Likely
M for Minor	4 for Unlikely

10.4 RANKING THE RISKS

Having assessed the severity of risk and their likelihood, the next task is to begin putting them in some order. This section describes a way to rank and compare the various risks you have identified.

Using the following matrix, go through each of the risks you have identified and determine its category (A, B, C or D). Then enter these categories onto your Risk List.

Likelihood/ Severity	Almost Certain	Very Likely	Likely	Not Likely
Disastrous	A	A	A	B
Very Serious	A	A	B	C
Serious	A	B	C	D
Minor	B	C	D	D

Categories of Risk

After filling out the Risk List, you might find it easier to redo the list, grouping together each category of risk. You might also find it easier to visualise the list if you use a highlighting pen to indicate the different categories of risk - say, red for category A, yellow for category B and blue for category C.

Risk List with Examples of Likelihood, Severity and Categories

The chart below illustrates this process. It is not intended to be an exhaustive list; rather it gives a few examples of some common risks faced by organisations, the category they might fall into and their possible severity.

Risks	Likelihood	Severity	Category	Actions
Theft of office equipment	B	C	B	
Loss of hard disk data	B	B	A	
Damage to vehicles	C	C	C	
Injury to volunteers	D	A	D	
Fire in the office	C	A	A	
Breach of *Anti-Discrimination Act*	B	C	B	

10.5 RESPONDING TO RISKS

The final step in preparing your risk management plan is to develop a response for each of the risks you have identified. This section explains how this can be done. Starting with category A risks, go through the Risk List and develop responses to each of the risks that you have identified. (Note: each risk in categories A, B, and C should have at least one response, but may have more!)

In working out your responses, think about the following approaches to dealing with risk:

- Avoiding The Risk

- Transferring The Risk
- Controlling The Risk
- Insuring Against The Risk

These four approaches are discussed in more detail below.

10.5.1 Avoiding The Risk

One way to reduce risk is to stop doing whatever it is that creates the risk. For example, many organisations use cheques or direct deposits to avoid risks associated with having large amounts of cash on the premises. Some organisations have informal practices where blank cheques are signed by one co-signatory, with the other co-signatory filling out the details at a later stage. Sensible organisations, and people who countersign cheques, invariably avoid this practice.

10.5.2 Transferring The Risk

Risk transfer occurs when you get someone else to bear the risk for a particular activity. For example, a child care centre might seek to transfer the risks associated with an outing by having parents sign a form waiving their rights to sue if their child is injured. Similarly, if you are purchasing a new computer, you will probably want a warranty.

Warranties are a means of spreading risks from one party (the person buying the equipment) to another party (the organisation selling the equipment). Remember however that there is often a cost in transferring risks to another party. For example, extended warranties can be purchased for office equipment, vehicles, and so forth. These warranties transfer certain risks to another party, but clearly at a price.

10.5.3 Controlling The Risk

Work though each of the risks you have identified and see if there are ways that you can reduce the likelihood of the risk occurring or of lessening the consequences of the risk. Some common strategies which can be used both to decrease the likelihood of risk, and lessen the consequences, include:

- Make sure that there are clear procedures in place for areas with identified high risks. These procedures might include what to do in the event of fire, procedures for dealing with hostile clients or financial management procedures.
- Provide adequate supervision for high risk areas. For example, where inexperienced staff is dealing with potentially hostile clients, it is important that adequate supervision be provided.
- Provide information - people need to know what to do if they are exposed to a risk. Consider “fire exit” signs, “warning” signs near hazardous materials and so forth. Information on how to use equipment and what to do in the event of accidents should be readily available.
- Keep things in order - prompt repairs, removal of rubbish, and generally maintaining a clean and tidy work environment does a lot to lessen the frequency and impact of risks. An added benefit of keeping things in order is that it makes for a more pleasant environment.
- Provide training - the likelihood of risk will be greatly reduced when staff and volunteers have received proper training, for example in managing difficult clients.

- Look for technological solutions - many risks can be reduced this way. Fire alarms and extinguishers, personal alarms, and burglar alarms each serve to lessen risks. Technical solutions should be used on a case by case basis, and should generally be used where the cost of the risk being covered exceeds the cost of technology.
- Make backups - the impact of the loss, theft or damage of files can be reduced if paper and computer copies or backups of important files are kept. It is good practice to store copies in a separate place to the original documents, and to back up files regularly on the computer.
- Assign responsibilities and be clear about who can represent your organisation in different settings, sign cheques, enter into contracts, make media releases or represent your organisation's policy position at public events.

10.6 INSURING AGAINST THE RISKS

Insurance is the last resort in risk management, and should only be used when the other approaches outlined above have not been able to reduce a risk to a level your organisation is prepared to tolerate. Having said that, insurance remains an important part of most risk management plans.

There are two main types of insurance:

- General insurance
- Life insurance

Life insurance protects against death or disability for the person insured, while general insurance provides cover for property damage, loss or theft, public liability, workers' compensation and so on.

Your organisation may be legally required to purchase certain types of insurance such as workers' compensation insurance if it employs staff or compulsory third party motor vehicle insurance if it owns motor vehicles.

In taking out insurance you have to decide on three things:

- What to insure
- Which broker or insurance company to deal with
- The type of policy or level of insurance required

10.6.1 What To Insure

As pointed out above, insurance is the last resort in risk management and should only be used to cover risks which you feel are not adequately covered in other ways. Even then, not all uncovered risks are worth insuring against. For example, risks that have high frequency but low impact are often not worth insuring against, if only because you would not generally make claims for losses incurred under those risks.

10.6.2 Which Broker Or Insurance Company To Deal With

Your organisation can get insurance either by dealing directly with an insurance company or through an insurance broker. The advantage of using an insurance broker is that they should be able to get you the best available deal for your insurance needs. Whatever you decide on, make sure that the broker or company you are dealing with is reputable. If you are not dealing with a well known insurance company or broker, you should check to see that they are registered with the Australian Prudential Regulation Authority (formerly the Insurance and Superannuation Commission) who can be contacted on 1 300 131 060.

10.6.3 Choosing A Policy

There are a diverse range of policies available and prices for what is essentially the same package can vary to a surprising degree, so the message is `shop around'. Some questions to consider in deciding between policies are:

- Have you read the policy carefully? Do you know exactly what you are covered for and what is excluded?
- What insurance do you need? Compare policies based on your requirements, not based on added extras that you don't need.
- Under what conditions, if any, would you have to pay some proportion of a claim?
- Are there limits to how much can be paid under each individual claim, or limits to what can be paid out under the policy in any single period?
- Does the insurance company have the option of replacing goods rather than paying cash?
- Does the policy provide for a “new for old” replacement, or does it only insure the present market value of the property?
- Have you insured for enough value? Note that if you insure for less that the full value of the property, then your insurer will most likely only pay a proportion of the value of the property.
- Have you provided all the necessary information? Policies invariably require you to provide a range of information to the insurer - failure to do so could leave you with no cover.
- Are any discounts available to you?
- Are you over-insured? Insuring your $500 typewriter for $2,000 is simply a waste of money - you'll only be entitled to the $500 that the typewriter's worth.
- Is your insurance coverage adequate, and have you updated it regularly?
- Have you done everything required in the policy? A policy may require you to do certain things to maintain coverage, such as installing security systems.

If your insurance needs are unusual, particularly large, or if you don't feel confident about any aspect of taking out insurance, you should consider getting further advice. There are a range of useful publications available on insurance, and you should be able to find someone who can advise you.

10.6.4 Types Of Insurance

There are many types of insurance which should be considered to reduce risks to your organisation, and in the case of unincorporated associations, risks to the committee members personally. Various forms of insurance which could apply to your organisation are described below.

10.6.5 Workers’ Compensation

This is compulsory insurance required by all employers to cover injury, sickness, or death of their employees regardless of whether the employer is negligent. Failure to take out workers' compensation insurance will leave the organisation open to any claims for compensation by employees and subject to a fine. In addition, if your employee or contractor claims and received payment from Workcover when you don't have a policy, Workcover has the right to recover double your usual premium and one and a half times the amount paid to your employee.

If your organisation employs a self employed contractor to perform work which does not involve the supply of materials to you (such as a gardener or cleaner), it is compulsory for your organisation to take out Workcover insurance to cover that contractor. The premiums are inexpensive, but the penalties for failure to comply are severe. Committee members are not employees and are therefore not covered by Workcover.

10.6.6 Motor Vehicle Comprehensive

This insurance covers damage to your organisation's vehicle and damage to other people's property of any type, including vehicles. It covers theft, fire, legal costs and may cover towing costs. These types of policies usually require the claimant to pay an excess on any claim. In some circumstances the insurer will remove the excess in return for payment of a higher premium.

Motor vehicle third party property, fire and theft - this is a cheaper type of insurance which covers damage to other people's property, but only covers the insured's vehicle for fire and theft. No cover is provided for damage to the insured's vehicle. If the insured's vehicle is stolen and then later found in a damaged state, this type of insurance will not cover the cost of repairs.

10.6.7 Building Insurance

This covers damage to structures owned by your organisation. Policies may cover damage caused by fire, storm, tempest, rainwater, lightning, and explosion, impact by vehicles, animals or aircraft, earthquakes, riots, malicious acts and, if agreed, flood.

A policy usually covers only the depreciated value of the building insured at the time of loss. This type of "indemnity" insurance will not cover the cost of replacement of the building and for this reason, reinstatement or replacement insurance is recommended. Consider also extending your building insurance policy to cover "extra costs of reinstatement", such as costs of complying with the requirements of public authorities and "removal of debris" which can be a costly exercise.

If your organisation is underinsured, the "co-insurance" or "averaging" clause found in some policies may operate to leave the insurer liable to compensate you for only a proportion of your loss which may be a lesser figure than the underinsured figure contained in the policy. Premium discounts can often be negotiated where fire fighting equipment is installed in the premiums and more generous discounts will usually apply where an automatic sprinkler system is installed.

10.6.8 Contents Insurance

If your organisation is leasing premises the landlord will usually be responsible for building insurance, but this will not cover contents owned by your organisation. Fixtures which have been installed by your organisation in the landlord's building and which remain the property of your organisation to remove when the premises are vacated, are not covered by the landlord's building insurance. Contents should be insured against damage or destruction by the same causes set out above in building insurance. The contents policy will also cover theft and your organisation should take care to identify whether the policy provides for indemnity, in which case only the depreciated value of insured items will be paid, or for reinstatement or replacement, in which case the new replacement cost will be paid.

10.6.9 Consequential Loss

This insurance covers profits lost following the occurrence of a specified incident (such as fire) until you are able to resume business. This type of insurance needs to be reviewed regularly so that the figure insured can be updated to take account of projected profits and inflation. The indemnity period during which payments are made should be long enough to allow for re-establishment of your business.

10.6.10 Public Risk

Covers your organisation's liability to pay compensation to persons other than employees who suffer injury, damage to property, death on your premises or as a result of your organisation's operations. If your organisation is leasing premises there will usually be a term of your lease requiring you to maintain public liability insurance in both the name of your organisation and the name of the landlord for a certain amount (a common figure is $5 million). In every case the claimant has to show that the injury, damage or death was caused through your organisation's negligence.

This type of insurance is relatively inexpensive and is essential given the potential damages and legal costs that could be incurred in any case. It is especially important in the case of unincorporated associations because every member of the unincorporated association can become personally liable to pay the compensation and legal costs of an injured party if negligence is proved on the part of the unincorporated association.

In the case of any association, whether incorporated or unincorporated, compensation will not be paid to a member or volunteer for injuries suffered in an accident if negligence cannot be proved. This type of risk can be covered by a separate accident policy. Employees and employed directors who are injured are covered by Workcover which does not require negligence to be proved.

If your organisation is running a function (such as a fete, fundraising function or lecture) at premises owned by another party, it is advisable to arrange public liability insurance to cover that particular function. Any insurance held by the owner of the premises would not usually cover your organisation.

10.6.11 Professional Indemnity And Manufacturer’s Liability

If your organisation manufactures any item which is sold to the public, even to benefit charity, it must be fit for the purpose for which it is sold. Consumer protection laws such as the Commonwealth *Trade Practices Act* and the State *Sale of Goods Act* impose certain obligations on manufacturers that cannot be excluded, restricted or modified. Manufacturers and retailers may decide to take out a products liability policy to insure against claims arising from defective products.

If your organisation claims to provide reliable advice to the public, which proves to the detriment of the person receiving the advice, you may consider a professional indemnity policy to cover legal liability arising from professional negligence.

10.7 IMPLEMENTING YOUR RISK MANAGEMENT PLAN

Having done all the work outlined above (and kept the management committee informed during the process), it's now time for the working group to bring the risk management plan to a full meeting of the management committee. The management committee will need to consider the plan, clarify any questions it has, and after making any necessary adjustments, endorse the plan.

Once endorsed, the next step is to implement the plan. This will involve:

- Issuing a risk management statement
- Training
- Establishing and documenting procedures
- Allocating specific responsibilities.

10.7.1 Issuing A Risk Management System

A good starting point is to let everyone in the organisation know that your organisation is serious about risk management and to outline the key risk management strategies. The risk management statement should also outline the proposed timetable and key contact people, and procedures for contributing to the risk management process.

10.7.2 Training

It is most likely that training was identified as one of your risk management strategies. As well, the introduction of new practices will often require training. Training for risk management needs to be carried out in the context of your organisation's overall training activities.

10.7.3 Establishing And Documenting Procedures

Your risk management plan will have identified areas where written procedures need to be developed and/or documented. In implementing the plan it will be necessary for staff, volunteers and management committee members to work together to develop these procedures. Existing procedures should be reviewed to ensure that they are consistent with new procedures.

10.7.4 Allocating Specific Responsibilities

A risk management plan does not just implement itself - different people within your organisation should be given responsibility for implementing different parts of the plan. It should be clear to everyone who is responsible for each aspect of implementing the risk management plan.

10.8 ONGOING RISK MANAGEMENT

Once your risk management plan is in place, it is necessary to ensure that it remains effective. There are four elements to maintaining the effectiveness of your risk management practices:

- Identify one person who will be responsible for risk management
- Keep procedures up to date
- Re-assess risks

- Report on risk management.

These are discussed in more detail below.

10.8.1 Person Responsible For Risk Management

There is an old adage which goes "if it's everybody's responsibility, then it's nobody's responsibility". It is essential that one person be given responsibility for risk management within your organisation. In this manual we refer to this person as the "risk manager".

In smaller to medium sized organisations, the risk manager will no doubt have many other responsibilities. Very large organisations may have someone whose sole or main responsibility is risk management.

The risk manager should have a number of characteristics:

- Because they will be providing ongoing advice to the management committee and staff on organisational procedures, equipment purchase and so on, it is vital that they are a well respected person within your organisation.
- They should have a sound knowledge of all facets of your organisation and its environment
- Some skills in accountancy, law or management might be helpful.

As a rule when selecting a risk manager, `quality is better than quantity'. A skilled and experienced member of staff or management committee member who can only do the work on a part time basis is generally a better choice than a less skilled and experienced person able to devote more time to the work.
Finally, the organisation will need to decide whether the risk manager should be a senior employee or management committee member. Staff members generally have a better knowledge of the day to day functioning of the workplace than do management committee members. The management committee however carry the legal and ethical responsibility for most risks within the organisation (though remember, staff members also carry risks). Considerations of availability, interests, and practicalities need to be taken into account.

Whether your organisation chooses a member of the committee or staff, that person should report on risk management issues directly to the management committee in small to medium organisations, and at least to a senior member of staff in larger organisations.

10.8.2 Keeping Procedures Up To Date

Over time, circumstances change and your risk management plan may become inappropriate. Experience gained from implementing risk management procedures can be used to further refine those procedures. Also, better procedures might emerge which can be used to replace less effective procedures.

10.8.3 Reassessing The Risks

The risks you identified in your risk management plan, and your assessment of them, were probably fairly accurate at the time you did the plan. Twelve months later it is more than likely that some of those risks will have changed. What's worse, it's Murphy's Law that the one risk you've missed will be the risk that happens.

There are two ways that you can ensure that your risk management plan is up to date.

Firstly, it should be reviewed on a regular basis. The more volatile and changeable your organisation and its environment, and the higher the level of risk you face, the greater the need to keep your risk management plan up to date. At a minimum, your risk management plan should be reviewed at least once a year.

Secondly, you should evaluate changes within your organisation, or within your organisation's environment, in terms of their implications for risk within your organisation. New legislation relevant to your organisation, taking on new roles, acquisition of new equipment, or creation of new positions should all be considered for their implications for risk management.

As well as protecting you against new risks, keeping your risk management plan up to date could well save you a significant amount of money. Routine replacement of old equipment, for instance, can lead to reduced risk exposures.

10.8.4 Reporting On Risk Management

The final step in keeping your risk management practice up to date is to report on risks. Reporting on risk should include:

- Description of any new risks
- The effectiveness of existing risk management practice
- The occurrence of risks (accidents, theft, and so forth) during the reporting period

Reporting on risk will normally be done by the person who has the responsibility for risk management. Risk reports should be filed and used in regular reviews of risks and procedures.

10.9 USEFUL RESOURCES

"*Running the Risk? A risk management tool for volunteer involving organisation*". This practical tool was developed for Volunteering Australia by QUT's Centre for Philanthropy and Nonprofit Studies. It includes tools and forms used in the risk management process together with a number of case studies and Frequently Asked Questions.

Visit: http://www.volunteeringaustralia.org/publications/risk_man.html.

Volunteering Queensland Information sheet on volunteer insurance and details of policies available through Volunteering Queensland:
http://www.volunteeringqueensland.org.au/insurance1.html.

"*Effectively Managing Risks and Liabilities of Nonprofit Associations, in Legal Issues for Nonprofit Associations*" Myles McGregor-Lowndes, Keith Fletcher & A S Sievers, LBC Information Services, 1996, http://www.thomson.com.au/legal/p_index.asp. This chapter in the book examines risk management for non-profit organisations with a checklist of risks. It also examines responses in other overseas jurisdictions to such issues.

Insurance Chapter in "*The Associations Incorporation Manual*", edited by Myles McGregor-Lowndes, Caxton Legal Service Inc, loose-leaf, ISBN 0949477303.
http://www.caxton.org.au/publications.html.

Aon Insurance for Associations.
www.aon.com.au/associations/association_members.asp.

Insurance update for Not-for-Profit Community Groups. Treasury Department, Queensland Government. http://www.treasury.qld.gov.au/subsites/groupinsurance/.

Risk Management Introduction, Queensland Government.
http://www.riskmanagement.qld.gov.au.

Report on Liability Insurance Taskforce. Queensland Government, Feb 2002.
http://www.premiers.qld.gov.au/library/pdf/default/insurancetaskforce.pdf.

Risk Management – A Standards Australia Portal (Australian Standard AS4360 Risk Management).
http://www.riskmanagement.com.au/.

Risk Management for Directors and Board Members of National Sporting Organisations, Australian Sports Commission.
http://www.ausport.gov.au/fulltext/2002/ascpub/riskmanage.pdf.

Risk Management Help Sheet. Our Community website.
http://www.ourcommunity.com.au/insurance/view_help_sheet.do?articleid=88.

The Risk Management Document, Queensland Outdoor Recreation Federation.
http://www.qorf.org.au.

Workplace Health and Safety Guides. Queensland Government, Department of Industrial Relations.
http://www.dir.qld.gov.au/workplace/publications/guides/index.htm