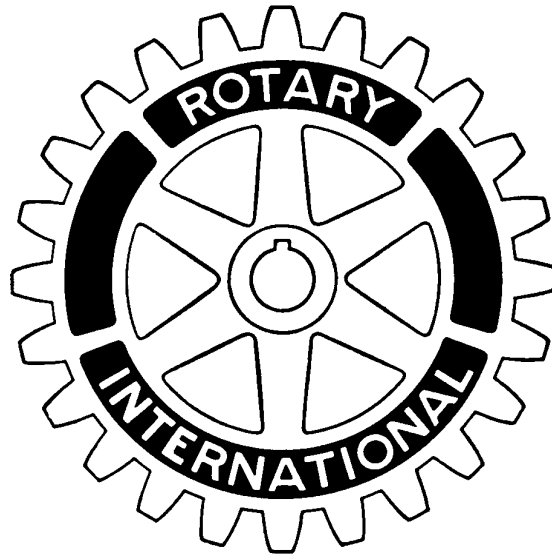


*ROTARY*  
*INTERNATIONAL*  
*DISTRICT 9690 Inc.*



**RISK MANAGEMENT**  
**POLICY and**  
**PROCEDURES**

Approval to establish a District Risk Management Committee was at the Annual Resolutions Session at the March 2003 District 9690 Conference.

Policy and Procedures adopted at a District 9690 Presidents' Meeting at Panthers on Friday 26<sup>th</sup> September 2003.

**PREPARED MAY 2003**

# ROTARY RISK MANAGEMENT PROCEDURES

## Introduction

- 1 There are a number of types or 'risk' associated with Rotary's activities, some of which are:
  - the risk that a particular project does not achieve its desired goal – or worse, that money is actually lost on the venture – sometimes called **business opportunity risk**
  - the risk that Rotary might injure someone, damage property, or incur a liability through actual or perceived negligence (lack of due care) on the part of a Rotary Club, Rotary District or Rotary organisation or its members – generally called **Public Liability**
  - the risk of personal injury or sickness for one or more of its members whilst on Rotary duty either in the home country or overseas
  - the risk of damage to Rotary or a Rotarian's property
- 2 While there is a responsibility to control and properly manage all forms of risk to achieve a successful outcome, this paper is primarily concerned with the risks associated with Public Liability, personal injury to Rotarians and other Rotary participants while on Rotary duties and damage to Rotary and a Rotarian's property.

## Background

- 3 Rotary has a duty of care to its members and, in certain circumstances, to members of the public and must make reasonable endeavours to ensure due diligence with respect to public safety. Statutory obligations and the common law duty of care apply to all Rotarians, Rotary Clubs and Districts and other Rotary organisations in the conduct of any activity undertaken by them. Until recently it was generally accepted that insurance provided the protection against the risk of public liability claims resulting from Rotary's activities.

However, the ability to gain insurance at affordable rates or, in some cases, to insure against legal responsibility necessitates that Rotary must now re-evaluate how we identify, define and manage the risk associated with our activities in order to retain insurance cover. Generally, individual Rotarians are not personally named as defendants in claims for damages as a result of an alleged negligence. Nevertheless a claimant may believe that an individual or group of Rotarians are personally responsible and may name them as the defendant or joint defendants.

Our insurance policy protects individual Rotarians and therefore they are not individually liable for actions against them. It would not be worth having the policy if this was not so.

**Note:** District also has an obligation to notify Workcover of any serious incidents; this includes those incidents where no one is injured. A failure to do so is a breach of the Occupational Health and Safety Act with very heavy penalties for an omission.

# ROTARY RISK MANAGEMENT PROCEDURES cont'd

- 4 To reduce the risk of a negligence claim being lodged against it, a Rotary Club, District or Rotary organisation should examine the health and safety requirements that apply to any specific activity in view of the potential risk of injury to themselves, other participants and members of the public and make an assessment of the risks involved. In all situations, Rotary leaders of the activity should document the factors considered when making the assessment and the documents should be kept on file for legal and insurance purposes in the event of a claim being lodged at a later date. Production of these records may be required before a claim is accepted. In situations assessed as high risk, Rotary leaders must consider whether to cease, continue with some changes or continue and accept the resultant risk of a liability claim.

**Note:** While it would be extremely wise and very prudent to have each activity documented there is currently no such requirement under our insurance policy and no such requirement before a claim is accepted. We must, however, bear in mind that often lawyers are dealing with cases where the insurer refuses insurance on the basis of failure to disclose

- 5 The process of examination and assessment is called **risk management** and this document has been prepared to assist Rotary leaders in Clubs, Districts and other Rotary organisations to apply risk management procedures to all their activities.

## Responsibility

- 6 Rotary leaders at Club, District and organisation level are expected to implement health and safety procedures for all activities undertaken by ensuring that:
- (a) all participants are;
    - \* aware of and comply with all statutory health and safety requirements
    - \* provided with adequate training to discharge their statutory responsibilities
    - \* provided with adequate training and supervision to enable them to carry out their tasks in a safe manner
  - (b) all non-participants are;
    - \* provided with adequate information with regard to health and safety requirements
    - \* kept away from areas of potential hazard
  - (c) all incidents or accidents are investigated promptly and details of the incident, those involved and witness statements are recorded and maintained in the Club, District or organisation files; the necessary corrective action is initiated and, where required, the appropriate action is taken.

## Risk Management

- 7 The principle of **Risk Management** is based on the following procedural steps:
- (a) identify, analyse and prioritise the potential hazard (the possible source of an injury, illness, disease, loss or damage)
  - (b) assess the risk (likelihood of the hazard resulting in an injury, illness, disease, loss or damage)
  - (c) control the risk (determine what action should be taken to remove or reduce the risk)
  - (d) on-going review and evaluation to ensure continued effectiveness of the controls
  - (e) provide adequate insurance protection in the event that a potential hazard does result in an injury, illness, disease, loss or damage

# *ROTARY RISK MANAGEMENT PROCEDURES cont'd*

## **Conducting Risk Management Audits**

- 8** Rotary, at all levels, should appoint a risk management authority within their organisation with the responsibility to appraise, control and monitor risk factors involved in all current and future activities:
- (a) at Club level, this could be a single person or a sub-committee within the Club Service portfolio
  - (b) at District level, it could be a specially designated Committee, a nominated Assistant Governor or the District Insurance Officer
  - (c) Rotary organisations involved in multi-District or National activities should also designate a specific person or a small sub-committee to undertake Risk Management Audits

## **Identification of Hazards**

- 9** All Rotarians should become aware of the sources of possible injury, illness, disease, loss or damage associated with each and every activity which they plan to undertake or are currently undertaking. By identifying the source of the risk, the form that the risk could take, and the priority or seriousness of the risk, they can devise appropriate procedures to minimise the possibility of the injury, illness, disease, loss or damage occurring and, thereby, eliminate or reduce risk.

## **Identification of Hazards continued**

- 10** Methods of identifying the Hazards
- (a) existing activities
    - \* observe the activity being undertaken
    - \* describe each identifiable hazard in detail
    - \* discuss the activity and potential hazards with other participants
    - \* discuss the activity with other Clubs or organisations that undertake similar activities
  - (b) planned activity
    - \* using a 'what if' scenario describe each potential hazard in detail
    - \* discuss the activity with other Clubs or organisations that undertake similar activities

## **Assess the Risk**

- 11** After identifying each potential hazard, produce a detailed analysis of each hazard including:
- (a) the particular form that each hazard takes
  - (b) the environment surrounding each hazard
  - (c) the frequency in which the hazard occurs
  - (d) the personnel potentially affected by the hazard
  - (e) the likely injury, illness, disease, loss or damage caused by the hazard
  - (f) the potential seriousness of the injury, illness, disease, loss or damage
  - (g) the potential long-term result
  - (h) the person responsible for managing the risk

# *ROTARY RISK MANAGEMENT PROCEDURES cont'd*

## **Risk Control**

- 12** Taking each hazard in turn ascertain the impact on the activity or proposed activity if the activity was removed from the activity totally. If total removal can be removed the hazard no longer represents a risk. If it is ascertained that total removal is not a feasible option, identify the actions that need to be taken to control or reduce the risk. The following points need to be considered:
- (a) substitution – ie can a less hazardous item be used?
  - (b) separation – ie can the person be removed away from the hazard or a barrier established
  - (c) redesign - ie can the hazard be enclosed, isolated or re-located?
  - (d) protection – ie can protective equipment or clothing be used?
  - (e) timing – ie can the time of the exposure to the hazard be reduced?
  - (f) control measures – ie can new operating procedures reduce exposure?
- 13** Using the above evaluation procedures the list of potential hazards can be divided into those hazards that can be reduced to an acceptable level by the application of control measures and those that cannot. Those hazards whose risks cannot be reduced to an acceptable level need to be reviewed to ascertain if additional or alternative controls can be applied.
- 14** At this stage each activity needs to be considered in relation to a ‘cost/benefit’ analysis:
- (a) what is the potential benefit to the organisation if the activity is carried out in its present form?
  - (b) what will be the cost to the organisation if the activity is cancelled?
  - (c) what is the potential cost to the organisation and members if the activity continues and the potential hazard occurs?
  - (d) what is the potential benefit to the organisation if the activity is carried out with the hazard existing but controlled?

Unless the benefit greatly outweighs the cost, the activity should not be pursued. The final decision should be based on facts and not on emotion or ‘gut feelings’.

**Note:** Where an activity is covered under the insurance policy and involves more than an acceptable risk then the activity should be abandoned to save claims.

One of the policy conditions is that Clubs take reasonable measures to comply with all statutory obligations and regulations imposed by any statutory or government authority. Therefore if all reasonable measures are taken to comply, the Club/Rotarian would be covered.

## **Review and Evaluation**

- 15** This final step is as important as all the others. Control measures must undergo continuous reviews to ensure that the risks of the potential hazard have been reduced. Furthermore, the evaluation process ensures that the controls are still valid and that the potential hazard has not changed. For activities conducted regularly, the evaluation process should be on-going. For those activities conducted periodically, the evaluation process should occur each time prior to the activity being conducted.

# ROTARY RISK MANAGEMENT PROCEDURES cont'd

## Insurance

- 16** The role of insurance cover is to provide the final level of protection in the event that a potential hazard situation does occur despite all the appropriate precautions and risk reduction procedures having been implemented. Insurance protects the Club, District, organisation or individual Rotarian against potentially devastating liability claims. A Club, District or organisation that does not implement proper risk reduction controls could be held to have been negligent, or contributed to the negligence and could be required to contribute to the settlement of a claim.

**Note:** Refer to the current Insurance documents for the excesses applicable to our District policies.

- 17** Rotarians should not assume that each and every activity they conduct is automatically covered by the Rotary Insurance Scheme.

**No insurer will provide blanket cover. It is imperative that Rotarians, Rotary Clubs, Districts and other Rotary organisations ensure, before they conduct an activity, that it falls within the ambit of cover provided by Rotary's Insurance policy.**

In addition, Rotary cannot provide indemnity under the Rotary Insurance policy to third parties without prior agreement of the insurer. This is particularly so where any sort of commercial arrangement exists.

## Claims Management and Control

- 18** In order for Rotary to maintain control over our insurance cover, it is essential that all claims against the Rotary Insurance are reviewed at District level and 'signed off' by the District Governor before being forwarded to our broker. The review should be conducted by the District Risk Management authority to ensure that the claim is valid, that all the proper procedures have been carried out, and that the complete documentation is attached to the claim.

**It is the District's responsibility to validate the claim, not the insurance broker.**

**NOTE:** *For District 9690, ALL Liability and serious claims MUST be notified to the District Governor and the District Insurance Officer before any other action.*

## District Child Protection Policy

- 19** This Risk Management document is to be read in conjunction with the District Child Protection Policy and the requirements contained therein.

## District Sexual Harassment Policy

- 20** This Risk Management document is to be read in conjunction with the District Sexual Harassment Policy and the requirements contained therein.

# *ROTARY RISK MANAGEMENT PROCEDURES cont'd*

## **Conclusion**

**21** We have a unique and comprehensive Rotary Insurance Scheme that provides adequate cover at affordable premiums to all Rotarians in their role of providing service to the community.

**It is our duty to protect and maintain that insurance cover for future generations of Rotarians.**

Amended in August 2003 by D R Bamford  
District 9690 Club Service Chairman 2003 - 2004

Updated for District 9690 in May 2003 by D R Bamford  
District 9690 Club Service Chairman 2003 - 2004

Prepared by B P Doyle, 15<sup>th</sup> July 2002  
Chairman - Rotary Zone 7A and 8A Insurance Committee

**Attachments** Risk Management Analysis Form  
Hazard Identification, Analysis and Control  
Rotary Incident/Accident Report  
Qualitative Risk Analysis Table

Amended by District 9690 August 2003  
(to include reference to the District's Child  
Protection Policy and Sexual Harassment Policy)  
Updated by District 9690 May 2003

# *RISK MANAGEMENT ANALYSIS FORM*

## **ACTIVITY/PROJECT**

**1 Describe the activity/project being undertaken.**

.....  
.....

**2 Detail the people participating in the activity/project.**

.....  
.....

**3 Does the activity/project involve partners of Rotarians, members of the public?**

.....  
.....

**4 Have you been asked by another organisation or person to indemnify them as a third party for the activity/project under Rotary's insurance. YES / NO**

Details .....

.....

**If YES, refer to the District Insurance Officer for advice before entering into any agreement.**

**5 Have you required any other organisation, group or person who is taking part in the activity/project to provide their own 'Public Liability Insurance'.**

**YES / NO**

**Generally, other organisations or groups should have their own Public Liability Insurance.**

Details .....

.....

**If YES, refer to the District Insurance Officer for advice before proceeding.**

**6 Have you obtained a written indemnity from any other organisation, group or third party involved or associated with the activity?**

**YES / NO**

Details .....

.....

**If YES, refer to the District Insurance Officer for advice before proceeding.**

# HAZARD IDENTIFICATION, ANALYSIS & CONTROL

NOTE: Use a separate sheet for each Hazard

- 1 Describe the potential hazard or danger.  
Details .....
- 2 Who could be affected by the hazard or danger.  
Details .....
- 3 How could they be affected?  
Details .....
- 4 Describe the potential seriousness of the result.  
Details .....
- 5 Has the potential hazard or danger occurred previously? YES / NO  
If YES, detail when, how and the result.  
Details .....
- 6 What is the likelihood of the potential hazard or danger occurring now, or in the future?  
Details .....
- 7 What action/steps can be taken to:
  - (a) remove or eliminate the hazard or danger  
.....
  - (b) isolate the source of the hazard or danger  
.....
  - (c) reduce the likelihood of it happening  
.....
  - (d) reduce the seriousness of the impact if it does happen  
.....
- 8 If the hazard or danger cannot be removed or eliminated, will the steps being taken to reduce the likelihood of occurrence or the seriousness of the result reduce the risk to an acceptable level? YES / NO  
Details .....
- 9 If the risk has not been reduced to an acceptable level and the activity is to continue it is essential that the District Insurance Officer is advised in order to obtain prior agreement from our Insurer. Failure to do so could invalidate our insurance cover for the activity.

# *ROTARY INCIDENT/ACCIDENT REPORT*

**1 Provide full details of the incident/accident including date, time and location.**

**Details** .....  
.....  
.....  
.....

**2 Who was involved? (Provide name, address and contact details)**

**Details** .....  
.....  
.....  
.....

**3 Were there any witnesses? (Provide name, address and contact details)**

**Details** .....  
.....  
.....  
.....

**4 Arrange to take written statements from those involved and the witnesses either at the time or as soon as possible after the incident. These statements are to be attached to this report.**

Number of statements attached .....

**5 Did any person involved require medical treatment at the scene (or after), transportation by ambulance or hospitalisation?**

**Details** .....  
.....  
.....

**6 Has the incident/accident been reported to any outside authority? (Police, Government Department, local Government.**

**Details** .....  
.....  
.....

# RISK MANAGEMENT

## QUALITATIVE RISK ANALYSIS TABLE

### LEVEL OF RISK

### CONSEQUENCES

	Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD	1	2	3	4	5
<b>A (Almost certain)</b>	<b>H</b>	<b>H</b>	<b>E</b>	<b>E</b>	<b>E</b>
<b>B (Likely)</b>	<b>M</b>	<b>H</b>	<b>H</b>	<b>E</b>	<b>E</b>
<b>C (Moderate)</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>E</b>	<b>E</b>
<b>D (Unlikely)</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>E</b>
<b>E (Rare)</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>H</b>

**LEVEL OF RISK**

E: Extreme  
H: High  
M: Moderate  
L: Low

### **E: EXTREME**

Immediate action required

### **H: HIGH**

Management attention required

### **M: MODERATE**

Management responsibility must be specified

### **L: LOW**

Manage by routine procedures

Aust/NZ Management Standard 4360:1999