

RUNNING THE RISK?

RISK MANAGEMENT TOOL FOR
VOLUNTEER INVOLVING ORGANISATIONS

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 **facs** making a difference


volunteering australia

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Disclaimer

This risk management booklet is intended to provide general and useful information. However, it is not proposed to be comprehensive legal advice. Readers are advised that before acting on any matters arising in this risk management booklet, they should seek specific legal advice about their situation.

Glossary

Avoidance

A method of lowering risk exposure by not doing the risky activity.

Consequence

The outcome of an event expressed as a figure (10%), bringing a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event.

Defamation

Generally a defamatory statement may be described as one which exposes the defamed person to hatred, contempt, ridicule, or which tends to lower the aggrieved person in the estimation of other people or which injures him or her in their profession or calling or which causes him or her to be shunned or avoided.

Defendant

Individual or organisation against whom a legal action has been brought. In a civil action the defendant may be called the respondent.

Evaluation of risk

The term for estimating level of risk and/or for setting priorities on the ways in which future risk can be managed.

Indemnify

A promise to reimburse another for a loss suffered.

Insurance

A contract whereby an organisation agrees to indemnify another and to pay a specified amount upon determinable contingencies in exchange for a premium (price paid). An example of risk transfer.

Legal compliance plan

A legal compliance plan manages the organisation's, individual board member's and management's exposure to breaching the law. A compliance plan differs from a risk management plan in that the system is designed to completely eliminate breaches of the law. Measures to prevent a breach occurring cannot be compromised on the basis of cost.

Liability

Any enforceable legal obligation.

Likelihood

The term used as a qualitative description of probability or frequency of an event/risk happening.

Negligence

Falling below the duty of care owed to another resulting in their injury. For example, failure to keep visitors to your offices safe from harm by tripping over unsafe floor coverings or giving incorrect advice to clients who suffer injury through reliance on such information. The duty of care of an individual or an organisation is decided by the Courts and involves taking reasonable care not to cause harm to other persons.

Officer

Individual who has a management position within an organisation. Depending on the context it may include board or committee members and senior managers (paid or volunteer).

Plaintiff

An individual or organisation that initiates a lawsuit to obtain a remedy for an injury.

Probability

The likelihood of a specific event or outcome, measured as the ratio of specific events or outcomes to the total number of possible events or outcomes.

Risk

Risk is a measure of the possibility that the future may be different from what is expected.

Risk management

The strategic planning process of managing an organisation's potential exposure to liabilities, by preventing or minimising them, and/or by providing for funds to meet the liability if it occurs. The process has 4 steps: identify risks; evaluate risks; design a management program; and implement and review the program.

Tort

The area of law dealing with civil, as opposed to criminal, wrongs, arising outside the field of contract. For example, the type of legal action an elderly citizen would bring against the driver of a car that ran them down on a well-lit pedestrian crossing.

Vicarious liability

Liability imposed on a person or organisation for the acts, defaults or omissions of persons serving on its behalf. Vicarious liability can be imposed even if the individual or organisation is not directly involved. The liability of one party is imposed on another.

Volunteering

An activity that takes place in not-for-profit organisations or projects and is undertaken to be: of benefit to the community and the volunteer; of the volunteer's own free will and without coercion; for no financial payment; and in designated volunteer positions only.