

## Risk management and insurance

# Things every child welfare organisation should know!

Tim Sparkes

outlines the importance of liability risk management for child welfare organisations

### Where are we now?

Over the past three years organisations in Australia have experienced considerable difficulty in accessing liability insurance. Government, child welfare organisations and the public are demanding access to more affordable liability insurance; however, in response, insurers argue that they are constrained in reducing premiums given the current level of risk and are requesting appropriate risk management practices from organisations.

Risk management solutions enable insurers to move forward by being able to offer premium discounts to their insureds thus meeting Government demands for insurance premium relief.

### What is risk and risk management?

According to the recently revised Risk Management Standard issued by Standards Australia (2004, p. 87), “Risk” and “Risk Management” is defined as follows:

*“Risk is the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood”;*

*“Risk management is the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”.*

### Why is risk management important?

**Risk management is important for child welfare organisations as it can:**

- reduce the likelihood of child injuries/mishaps;
- enable a child welfare organisation to demonstrate due diligence;

#### **How to manage risk:**

Risk management strategies may include training for managers, staff and volunteers of a child welfare organisation in the following areas:

- bullying awareness;
- age appropriate activities;
- protocols for contact with children;
- training & supervision for employees;
- safety education for parents and children;
- protocols for responding to child abuse allegations;
- staff handbook defining child protection policies/guidelines; and
- pre-employment screening – background & reference checks.

## Risks faced by child welfare organisations

Some of the risks that may be faced by Child Welfare Organisations include:

- Allegations of wrongful employment practices;
- Child injuries (e.g., sexual abuse by an employee);
- Recruitment challenges (e.g., screening employees);
- Unfavourable publicity or harm to reputation and credibility;
- Allegations of wrongdoing, including misuse of charitable funds (i.e., fraud); and
- Volunteer/staff/customer injuries - Actual harm versus perception about risk.

## Further information

The following bodies provide services for organisations to assist them in dealing with the risks of child abuse occurring within their organisations:

**Gallagher Solutions**  
61 2 8243 0908  
[tim\\_sparkes@ajg.com](mailto:tim_sparkes@ajg.com)  
[www.cares.org.au](http://www.cares.org.au)

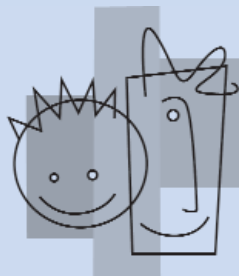
**Child Wise Australia, Choose With Care**  
1800 991 099  
[ecpat@ecpat.org](mailto:ecpat@ecpat.org)  
[www.ecpat.org/projects/choose\\_with\\_care.html](http://www.ecpat.org/projects/choose_with_care.html)

**Cunnart Associates**  
519-451-7603  
[cunnartassociates@sympatico.ca](mailto:cunnartassociates@sympatico.ca)  
[www.cunnart.com](http://www.cunnart.com)

**Australian Council for Children and Youth Organisations**  
61 3 9804 8521  
[info@accyo.org.au](mailto:info@accyo.org.au)  
[www.accyo.org.au/about\\_us.htm](http://www.accyo.org.au/about_us.htm)

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## “Kids’ stats” – an online resource for measuring kids’ wellbeing



nsw commission for  
children & young people

For the first time in Australia, information about the safety, welfare and wellbeing of kids in New South Wales can be accessed from one online location.

The NSW Commission for Children and Young People has developed *Kids' Stats* to monitor information about seven key areas of kids' lives. These areas were selected because children and young people told us they were important to them:

1. Family
2. Child care
3. School and work
4. Community
5. Child health
6. Crime and safety
7. Economic security

The Commission will monitor these areas over time and add new information each year.



**To find out more about kids in NSW, follow the link to Kids' Stats from the Commission's website at: <http://www.kids.nsw.gov.au>**