# RISK ALERT
# Considerations & Information
# Pandemic Risk

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## Good Governance & Risk Management

As the global risk of a pandemic declaration arises, it is timely for organisations to prepare for the governance and risk management response required for this event.

This is particularly important for organisations responsible for services to children and vulnerable people, where disruption and impacts may be most significantly felt.

**In response to this risk, Boards and Senior Managers should take action now to prepare their organisations.**

## Background

With Coronavirus now spreading through countries far from its origin in China, it is now considered by experts to be at pandemic potential. A pandemic is "the worldwide spread of a new disease".

In Australia, the Federal Department of Health's Chief Medical Officer leads the national response to a pandemic. Recently the Federal Government released the *Health Sector Emergency Response Plan for Novel Coronavirus* (Click here to read)

Under the plan, state and territory governments are responsible for:

- The operation of **public health responses**
- Undertaking "**contact tracing**" — that is, identifying people exposed to those who are infected, and following up with them
- Coordinating the **distribution of antiviral drugs**
- Bringing in "**social distancing**" measures (which could include closing schools and workplaces, quarantining people, cancelling events and even shutting down public transport)
- Implementing **infection control guidelines** and healthcare safety and quality standards

**AUSTRALIAN HEALTH SECTOR EMERGENCY RESPONSE PLAN FOR NOVEL CORONAVIRUS (COVID-19)**

The states and territories will establish systems to *promote the safety and security* of people in aged care, schools, child care, community or home based services, public gatherings and other settings responsible for vulnerable people or where large volumes of people attend. They are also responsible for supporting any outbreak investigation and management and organisations and the general public must respond accordingly.
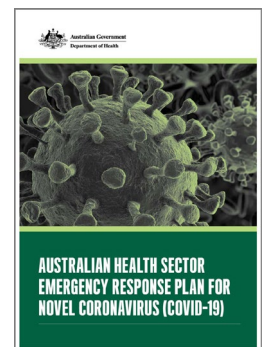
## How does Insurance respond to a Pandemic?

### Business Interruption Insurance Coverage

Business interruption insurance policies generally cover losses incurred as a result of closure of an organisation's business premises by public authorities due to the outbreak of infectious or contagious disease. Typically, business interruption insurance policies exclude cover for any diseases that have been declared to be notifiable or 'quarantinable' diseases under relevant Commonwealth legislation.

As the  COVID 19 (Coronavirus) is a listed human disease under section 42 of the Biosecurity Act 2015, the policy exclusion applies, and as a result, business interruption losses are not covered by insurance.

An integrated Pandemic Response Plan developed within your risk management and governance framework is essential to the prevention of harm and the avoidance of potential legal liabilities. Your insurance broker will help you to understand the circumstances for which your liability insurances may respond to potential claims in the event of harm to those in your care.

**Contact your insurance broker to understand your specific policy cover.**

# Preparation not Panic – Develop a Pandemic Response Plan

Australia's health and emergency response systems are widely recognised as some of the best in the world. Over the last two decades, responses to the SARS epidemic and Influenza A (H1N1) pandemic, have provided significant learnings.

While Federal and State governments oversee major elements of the pandemic planning, organisations play a critical role in preparing locally; ensuring a response that is tailored, meets requirements and protects the community.

A *Pandemic Response Plan,* based on Risk Management Principles, can be a very effective way for governing an organisation's preparation, planning and resilience.

The following principles may assist to guide the design and governance of your plan:

| Design Principles | Develop |
|---|---|
| Proportionate | Tailor a plan fit for purpose for your organisation and your services; that clearly speaks about how your organisation will be ready and respond. |
| Inclusive | Ensure staff (including contractors) and your customers are informed about your plan and contribute to its design. |
| Comprehensive | Take a structured and comprehensive approach based on Government and other relevant advice. |
| Integrated | Integrate the plan with your Risk Management Framework, Business Continuity Plan, Incident and Emergency Responses and OH&S |
| Dynamic | Review the plan regularly and report changes through the organisation including to Board. Stay on top of new or additional information or requirements as they become available. |

| Operating Principles | Implement |
|---|---|
| Best Information | Current and emerging information should be made available to key personnel for decision making and communicated to relevant stakeholders. Ensure information is relayed consistent with Government advice and requirements. |
| Human Factors | Consult on the development and implementation of the plan at all levels. The plan must reflect how people and cultures interact with its functions and address issues and concerns in a timely way. |
| Continual Improvement | Assess the effectiveness and capability of the plan regularly to ensure the approach is at the desired level and understand and act on improvements |

*"In response to this risk, Boards and Senior Managers should take action now to prepare their organisations."*

## Business Resilience: Pandemic Planning Checklist

Ansvar's Pandemic Planning Checklist can assist you to monitor the development of your Pandemic Response Plan.

Please note that this checklist is not exhaustive. It is a guide only and your organisation's specific context should always be taken into account.
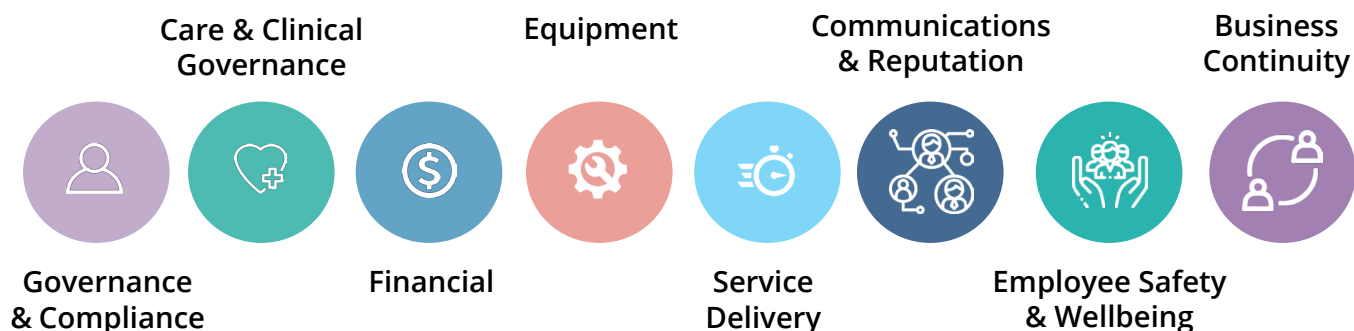
The checklist can be downloaded **here.**



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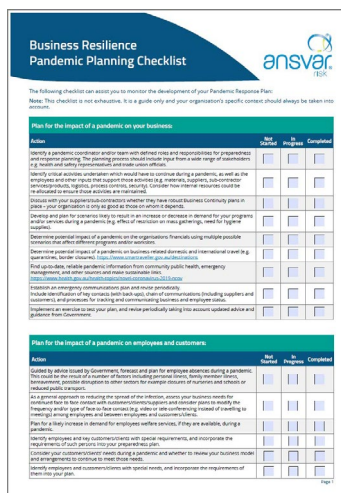
# Assess YOUR Organisation's Pandemic Risks

It is important your organisation's Risk Management Framework is current and effective. Risks can arise from the many associated activities and requirements throughout and after the pandemic event.

Assess your risks against meeting the following key aspects of Pandemic management:

**Care & Clinical Governance**      **Equipment**      **Communications & Reputation**      **Business Continuity**

**Governance & Compliance**      **Financial**      **Service Delivery**      **Employee Safety & Wellbeing**

## Governance & Compliance

- Regulatory and reporting requirements are known and able to be met.
- Board has oversight of the adequacy of the response plan and its implementation and is briefed on the organisation's preparedness and resilience.
- Key personnel to lead preparation and risk control systems are appointed
- Current organisational risks are reviewed in light of the pandemic issue.
- Incident management system is capable of responding to immediate notifications for assessment, decision making and trending.

## Care & Clinical Governance

- Clinical / care governance framework is up to date and responds to infection prevention principles and requirements
- Appropriate clinical / health advice is available and accessible and can respond to the specific care needs of vulnerable people.
- Preventative strategies that minimise transmission are in place and are able to be escalated
- Department of Health policies, advice and guidelines are communicated and followed throughout the organisation

## Financal

- Financial implications are assessed including cash flow, cost increases, funding disruptions and longer term impacts.

## Equipment

- Supply chains are assessed for interruptions and plans are established to source and maintain critical supplies
- Additional equipment and medical supplies are available.

## Service Delivery

- Capacity to surge or wind down services is assessed and implications for both are identified.
- Staffing to accommodate changes in service delivery are planned.

## Communications & Reputation

- A communications strategy for employees, customers and suppliers is developed and implemented, available in formats and languages that meet the needs of your staff and community
- Employees are able to access policies, procedures and the pandemic prevention plan for advice and guidance.
- Feedback from employees and customers is encouraged and responded to in a timely way.

## Employee Safety & Wellbeing

- Measures to ensure the health and safety of employees, including contractors, are incorporated into the pandemic plan and meet relevant OHS regulations and general principles
- Consultation with employees occurs regularly, including when assessing a risk to health and safety and when implementing control measures
- Employees, including contractors, understand their duties to cooperate in implementing risk control measures
- Management systems are in place for managing the situation when people become ill at work, and escalation criteria developed should an employee report or show compatible symptoms.

## Business Continuity

- The Business Continuity Plan is able to respond to multiple disruptions (other issues may arise that add to additional disruption)
- The recovery phase of the pandemic is planned for and managed; a planned process is established to normalise work activities and progressively suspend risk control measures.
- The impact of the pandemic suffered by employees and customers is closely monitored; psychological consequences are considered and counselling support services are available.

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# Resources & Support

*"This is an important call to action; prepare well, take a strong risk management approach and protect the vulnerable"*  Anthony Black, Senior Risk Consultant & National Care Practice Leader

| CoronaVirus (COVID-19) Information | Website Links |
|---|---|
| World Health Organisation: Coronavirus disease (COVID-19) outbreak | https://www.who.int/westernpacific/emergencies/covid-19 |
| Australian Government, Department of Health: Coronavirus (COVID-19) Resources | https://www.health.gov.au/resources/collections/novel-coronavirus-2019-ncov-resources |
| Smartraveller: The latest information and advice for safe travel overseas | https://www.smartraveller.gov.au/destinations |

| Occupational Health and Safety and Workers Compensation | Website Links |
|---|---|
| Safe Work Australia | https://www.safeworkaustralia.gov.au/media-centre/news/businesses-must-have-measures-place-protect-workers-risk-coronavirus |
| Contact your broker to discuss your workplace safety insurance requirements | |

## Useful Posters for your Workplace
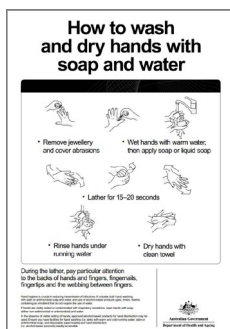




| Posters (pictured) | Website Links |
|---|---|
| Australian Government, Department of Health: How to wash and dry hands with soap & water | https://www1.health.gov.au/internet/main/publishing.nsf/Content/how-to-wash-and-dry-hands |
| WHO: How to handwash | https://www.who.int/gpsc/5may/How_To_HandWash_Poster.pdf?ua=1 |

# Contact

Please contact your broker for all enquiries regarding your insurance coverage and any additional information or support.

If you have any specific risk management queries please contact Ansvar Risk, see below for details.

**Anthony Black**

**SENIOR RISK CONSULTANT - ERM & NATIONAL CARE PRACTICE LEADER**

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As our National Care Sector Leader, Anthony works with organisations throughout Australia to support governance and risk management capability; supporting boards, senior managers and staff to implement effective approaches to support decision making, improve performance, optimise objectives and prevent harm.

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