TRAVELERS

Restaurant Risk Management Guide

FOR THE HOSPITALITY INDUSTRY

The hospitality industry is a major employer in Ireland, representing about seven percent of the working population. The majority of jobs in this industry are held in the restaurant market, one of several markets comprising this industry and one of three markets comprising the European hotel, restaurant and catering sector, known as HORECA. As large as this market is, running a dining establishment is not easy. The ability to deliver high quality food and service, maintain a happy customer base, and provide employees with a safe environment in which to work are critical to the restaurateurs' financial well-being and reputation. It is what keeps customers and employees coming back and new customers lining up at the front door.

To help their success, restaurateurs must identify and manage the risks of doing business. Strains and sprains (from lifting, repetitive motions, slips and falls), fractures, burns and scalds, and cuts/lacerations/punctures (from knives/cutting equipment and broken glassware/ dinnerware) are the foremost injuries among restaurant employees.

Food contamination and slips, trips and falls also present the potential for harm to patrons and loss of profit and reputation to the restaurateur. Additionally, kitchen operations can present significant fire exposure, particularly those associated with grease cooking, multiple flame and heat sources, and electrical malfunctions. Theft, including credit card "skimming", has put greater emphasis on employee selection and electronic data management.

Business continuity planning can also help restaurants be prepared to respond to adverse events such as severe weather, power outages, cyber attacks, and critical equipment breakdown, which might otherwise cause an interruption in business operations.

The Safety, Health and Welfare Act requires all employers to conduct risk assessments of the workplace routinely to help reduce the risk of harm to employees and others. Risk

assessments can help provide a foundation for risk management/safety programmes and safety training.

This guide outlines a number of risks that have the potential to cause critical downtime and business loss and offers strategies and safety tips to address a number of hazards associated with restaurant operations.

Section I. Property protection

The combination of commercial cooking operations, heavy fire load (furniture, décor, linens) and the congregating of many people, poses a unique risk of fire loss in the restaurant business. Whilst cooking is the leading cause of restaurant structure fires, most cooking fires are small, confined fires with limited damage. Oil and grease, including build-up in vent ducts, are the most frequent source of fire, followed by electrical wiring. Electrical malfunction [which may include malfunctions related to heating, ventilation, air conditioning (HVAC) systems] is the leading cause of larger, non-confined restaurant building fires. Other major sources of fires include electrical distribution and appliances, especially clothes dryers. Fire suppression systems can play an important role in containing fires.

Additionally proper maintenance of HVAC and other building systems play an important role in the quality of food and a comfortable environment.

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Facility equipment and building systems

Cooking and processing equipment, electrical and HVAC systems and other power-generating and production equipment are the lifeline of a restaurant. Equipment inspection and maintenance programmes can help restaurants avoid breakdowns, malfunctions, outages and property damage. Optimum maintenance and servicing of cooking, processing and refrigeration systems is critical not just to operations, but to food inventory and the avoidance of food spoilage and contamination. Loss control considerations include but are not limited to:

- using trained and qualified operators to inspect, test and maintain equipment, including heating, ventilation, air conditioning (HVAC) and refrigeration systems;

- inspecting, cleaning, testing and maintaining equipment and components daily, per manufacturer's instructions. This can help identify potential causes of failure, such as cracks, fatigue and wear;

- verifying that controls and safety devices are installed and tested according to the manufacturers' requirements;

- operating, inspecting and maintaining boilers, chillers and refrigeration equipment in kitchens, according to manufacturers' and local requirements to ensure safe operation and proper temperature and humidity; and

- maintaining operating log sheets for equipment, such as boilers and chillers.

Fire detection and protection systems and devices

Suppression systems can help reduce or prevent significant damage from kitchen fires by controlling and extinguishing the initial fire before it can spread to other parts of the building. These systems can also help reduce the potential for additional smoke and water damage.

Automatic and manual fire suppression systems

- Have an approved automatic fire extinguishing system, with a central station alarm set-up, to protect 100 percent of the cooking area, including grills, deep fat fryers, broilers, range tops, hood and duct system.

- Have the extinguishing system equipped with an automatic fuel cutoff that shuts off all fuel supplies (gas/electric) when the extinguishing system activates and an easily accessible manual release located away from the cooking area, preferably along the path of exit travel.

- Provide an approved sprinkler system in accordance with the LPC Sprinkler Rules incorporating EN12845.

- Keep appropriate portable fire extinguishers (including Wet Chemical extinguishers for grease fires) in the kitchen areas. Check them monthly and have them serviced annually by a certified extinguisher technician.

- Train all employees on the proper use of fire suppression systems, especially manual releases.

- Have a properly trained person inspect and service the fire extinguishing system every six months.

Fire and smoke detection and alarm devices

Automatic and manual fire detection and alarm devices are essential to employee and guest safety as well as your property. These devices are also important when your establishment is left unattended. While most fires occur during operating hours, the peak period of suspicious fires/arson is between midnight and 2 a.m.

- Provide appropriate detection (fire, smoke, heat) devices and maintain them.

- Connect all fire detection and alarm devices, including sprinkler waterflow alarms, to a central-station alarm company for monitoring.

- Contract with a reliable contractor to establish a testing and maintenance programme for fire detection and alarm devices.

- Train on the applicability and use of portable fire extinguishers. Also train on the prudence of leaving the facility if the fire appears out of control and call 999.

Fire life safety – emergency evacuation

Tragic fires, explosions and other disasters remind us of the importance of fire life safety. They underscore the importance of building construction, protection and occupancy features, including occupancy limits, proper exits and emergency evacuation procedures, to help protect employees, patrons and the public at large. Loss control considerations include, but are not limited to:

- adopting an emergency response plan;

- communicating the plan, exit locations and common meeting areas to all employees, contractors and vendors;

- training staff on sounding and responding to a fire alarm;

- conducting and auditing drills to make sure everyone knows what to do in an emergency;

- providing an adequate number of exits, with adequate lighting and signage;

- providing sufficiently wide aisles, in accordance with building and fire regulations, based on occupant load;

- keeping exits and aisles to exits free of clutter; and

- providing a trained crowd control manager(s) on duty to help with exiting in the event of an emergency.

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Fire prevention

Clothes dryers

- Remove lint after every load and clean dryer vents and filters daily. Lint is highly combustible.

- Clean under and around the dryer routinely, where dust and debris can collect.

- Vacuum dryer vents/hoses monthly and document.

- Check the dryer every 30 minutes while it is operating.

- Never start or leave a dryer running when a restaurant is closing.

- See also under Soiled Fabrics for additional considerations and guidance.

Electrical fires

- Have a competent electrical inspection agency (e.g. REIC or ECCSA Approved Contractor) carry out a full inspection and test of the electrical system of all areas at intervals not to exceed 5 years. Establish a programme for test schedules.

- Have portable electrical appliances PAT-tested and a register of appliances maintained. The United Kingdom publication HSE Publication HS(G) 107, Maintaining Portable and Transportable Electrical Equipment, provides guidance on testing frequency.

- Have a competent contractor inspect refrigeration and air conditioning systems bi-annually.

- Replace cracked/broken switch or receptacle plates.

- Do not use extension cords or other temporary wiring.

- Use grounded plugs or outlets.

- Do not overload electrical outlets.

- Use only CE marked electrical appliances.

Flammable/combustible liquids

- Store cooking oil and other flammable/ combustible liquid and gel containers, including cleaners and solvents, in a well-ventilated area away from supplies, food, food preparation areas or any source of spark, ignition or heat. Make sure the area is well ventilated.

- Store cleaning liquids and other chemicals in the manufacturers' original containers or in clearly labelled puncture-resistant, tightly sealed containers, with hazard warnings.

- Follow technical data sheets provided with products, including protections and handling instructions listed on the Material Safety Data Sheets (MSDS).

- Clean up spills immediately.

- Properly dispose of soiled rags immediately. Provide metal bins with tight fitting lids for disposal and, where possible, remove to a remote, secure location.

Grease fires

On a regular/routine basis:

- Provide deep fat fryers with a separate high-temperature control to cut off the fuel supply when the temperature exceeds 246 Celsius.

- Clean grease from equipment and ensure proper working order.

- Keep walls, work surfaces and floors clean.

- Clean ranges, fryers, broilers and convection ovens.

- Use only appropriately rated extinguishers for a grease fire; never throw water at a grease fire.

- Maintain a 40cm clearance between open flames and deep fat fryers.

Hoods, vents and filters

Hoods, vents and filters are serious fire hazards but often are overlooked when it comes to installation and cleaning. First and foremost, adequate clearance from these to combustible construction is critical to fire prevention. Additional loss control considerations include, but are not limited to:

- Have hood and ducts inspected and cleaned routinely, in accordance with the manufacturers recommended schedule.

- Clean frontline filters at least once a week.

- Place all cooking equipment generating grease vapours under the hood system.

- Regularly inspect roof covering surrounding kitchen vents. A build up of grease indicates the need for more frequent cleaning schedule and a reassessment of current procedures.

- Use hardwood in wood-burning pizza ovens to reduce creosote build-up which contributes to fire.

- Situate the emergency shut down facility on the escape route. This should be designed to isolate the gas supply and turn off extraction fans simultaneously.

Soiled cooking fabrics

Edible cooking oils and animal fats can become trapped in fabric and build up over time. The oils and fats can generate heat as they react with oxygen in the air. Additionally, when heated in a dryer and left in the dryer or in a pile, fabric is susceptible to spontaneous combustion. Loss control strategies include, but are not limited to:

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- using dedicated, colour-coded dedicated cloths for cleaning up oils/fats/ grease;

- placing soiled cloths in a closed metal container until ready for laundering; and

- running a cool down cycle on the dryer after cloths are dry. Remove cloths immediately.

Tableside cooking

Tableside cooking poses a high risk from a fire protection standpoint. Unlike the kitchen where hoods, vents and special extinguishing systems are available to minimize cooking fire hazards, tableside cooking does not have these same protections. Tableside cooking trolleys should be equipped with a portable fire extinguisher of appropriate type and size for the hazard [BS7937 compliant, for frying exposure]. Staff should be trained in its use.

Water damage

Water damage, including from freezing and bursting pipes, can cause loss to property, equipment, food and paper products. Pipes and plumbing that may be subject to cold areas should be insulated. Additionally, pipes and plumbing under and around toilets, sinks, dishwashers and washing machines should be routinely inspected to address any leaks. Gutters, downpipes and drains should be cleaned at least twice a year as part of a maintenance programme to prevent water ingress. Proper grading of soil away from the foundation can help deflect water from the building base. After a storm, the building should be inspected for water intrusion. Standing water should be removed to avoid water damage and/or mould.

Section II. Employer liability – health and safety

According to 2011 statistics from the Injuries Board, slips, trips and falls are the most common cause of major workplace injury in Ireland. Every year, hundreds of major accidents in the restaurant industry are caused by slips and trips. The occupations most affected are kitchen assistants, chefs and waiting staff. Many tasks in the kitchen can cause back pain or upper limb injuries, including to the hands, wrists, shoulders and neck. Other injuries include cuts and lacerations from knives and other cutting equipment, and contact dermatitis.

Safety programmes

The Health and Safety Executive [HSE] requires all employers to conduct risk assessments to help identify hazards and establish controls, including training and personal protective equipment, to help minimise employee injury and illness. In this light, restaurants should have a written safety programme that starts with a commitment from the proprietor and is embraced by all staff. An effective safety programme includes, but is not limited to:

- management and employee accountability and safety programme evaluation;

- a formal selection and hiring programme;

- employee involvement and participation in safety decisions, hazard analysis and accident investigation;

- communication and enforcement of a drug-free workplace;

- new employee induction safety training and refresher training for full-time, part-time and temporary employees;

- employee training on the hazards and safe work practices specific to their jobs;

- regular monthly employee health and safety meetings

- recordkeeping of all training and safety meetings, including names and dates of those attending;

- use of temporary employees only in the capacity for which they are trained;

- safe work agreements with contractors for on-site contracted services; and

- hazard awareness training. Safety Data Sheets should be readily accessible.

Contact dermatitis

Contact dermatitis is an inflammation of the skin that occurs when certain substances cause irritation or an allergic reaction to the skin. It can result in dry, itchy and uncomfortable skin. It is one of the main causes of ill health for chefs and cooks. Loss prevention considerations include:

- wearing gloves when handling cleaners, soaps, foods, spices and other substances that can contribute to dermatitis;

- avoiding manual washing of dinnerware and cookware by using a dishwasher;

- checking hands regularly for early stages of dermatitis [itchy, dry or red skin];

- reporting symptoms to a supervisor; and

- using physician-recommended ointments and creams to help reduce the symptoms. Treatment is generally more effective if dermatitis is caught early.

Ergonomics and musculoskeletal disorders

Overexertion from lifting, prolonged standing, reaching and repetitive motions (chopping, stirring, scooping and dicing during food preparation) can result in muscle sprains and strains, including to the back, wrists and shoulders. Sprains and strains are a major injury category for employees in the restaurant business, including contributing to back and knee injuries.

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Food preparation

To help reduce the sprain and strain exposure during food preparation activities, loss control considerations include, but are not limited to:

- placing counters at a reasonable height;

- rearranging tasks or rotating assignments to avoid overreaching, repeated motions, prolonged bending;

- using mechanical aids for chopping, dicing, mixing;

- purchasing pre-sliced foods; and

- selecting ergonomically designed tools.

Lifting/manual material handling

Moving, lifting or carrying containers, such as boxes and cartons, kitchen equipment, furniture and bulk inventory can contribute to overexertion of the body, resulting in strains and sprains, including to the back. Improper lifting also can contribute to trips and falls. Providing lift-aid equipment and teaching proper lifting techniques to all employees can help reduce the hazard.

- Lift with the legs, not the back, keeping the load close to the centre of one's body.

- Avoid twisting the back.

- Lighten a heavy load or lift with a team/buddy, including when moving or lifting furniture.

- Balance the load before lifting. An imbalanced load can put force on the body, contributing to falling.

- Use tilt containers or get help when lifting or pouring fluid.

- Provide small dinner trays to lighten loads and make them easier to handle.

- Use trolleys to move heavy products from storage coolers and freezers.

- Store heavier and frequently used supplies, linens and dinnerware at a reasonable height so they are easy to reach without inducing awkward postures.

Fall management

Ladders

Ladders are often used to store and reach for stock. They also may be used against the outside of the building for roof and gutter maintenance. Falls from ladders can result in sprains, strains and fractures. Restaurants should have a written ladder policy to help ensure correct use by authorised employees. Ladder safety training for employees should include, but not be limited to determining the appropriate ladder for the task, ladder inspection before each use, ladder placement, safe body positions while on a ladder, and tagging a ladder for out-of-service. Employees should also wear appropriate shoes with good footing.

Slips, trips and falls

Slips, trips and falls to the same level are among the most frequent event or exposure leading to injury in food services. Lifting or carrying heavy items or moving bulk inventory has been identified as the major workplace activity being performed prior to a slip and fall injury. Other factors associated with slips, trips and falls include poor or greasy/slippery walking surface conditions, cluttered work areas and inappropriate footwear. Slips and falls can result in muscle sprains, strains and fractures, including to the back.

Floor surfaces should have a good level of slip resistance. If a surface coating is applied, it should ensure a high level of slip resistance is retained. Carpet and tile should be well maintained and secured. Spills and other wet surfaces should be spot dried or mopped immediately. "Caution signs" should be used on wet areas. Ensure adequate lighting in all dining areas, pathways and public areas. Implement good housekeeping practices. See additional information on slips, trips and falls under the Public Liability section latter in this guide.

Food preparation

Hand injuries primarily from cuts/lacerations, burns or scalds are among top occupational injuries for restaurant employees. Common causes of cuts and lacerations include working with cutting tools such as knives, box openers, slicers, and peelers. Handling broken glass can also contribute to these injuries. Amputations to the fingers related to misuse of cutting equipment, such as slicers, choppers and band saws, can also be a hazard.

Common causes of burn and scalding injuries include working around hot grease/oil/fat, hot water/steam, hot cooking equipment (fryers, ovens, grills, stoves), hot plates and when performing table-side cooking.

Employees who work in the kitchen area should be trained in food preparation and cooking safety, including wearing hand protection, safe use of powered and non-powered cutting, grinding, mixing and blending equipment, de-energising powered equipment before cleaning or repairing, and safe work practices around hot cooking.

Workplace violence

Acts of violence, including assaults without a weapon, contribute to both injuries and deaths. Perpetrators include robbers, customers, coworkers/former coworkers, and personal acquaintances/ relatives. Some assaults may be the result of an employee trying to break up a fight between customers. The HSE requires all employers to conduct risk assessments to determine the exposure to violence. The HSE offers both a guide and tools to retail to help in this assessment and in establishing controls. Access the HSE

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web site for *"Managing work-related violence in licensed and retail premises."*

Young worker considerations

Many young people under the age of 18 years of age enter part time or seasonal employment with little to no experience or knowledge of safety hazards or safe work practices in the restaurant business. Young workers under 18 should be trained in job-related hazards and safe work practices before beginning their job assignments. Training includes, but is not limited to:

- hazard awareness training;

- safety practices related to their job assignments;

- mentoring and observation by supervisors and co-workers to confirm that young workers recognise hazards and are using safe work practices;

- injury reporting procedure.

The Health and Safety Authority offers a guide entitled *Young people and workplace accidents*.

Section III. Public liability

Poorly maintained floors, stairs and parking lots, hot foods and hot beverages, contaminated food, fire, violence, and over-consumption of alcohol by the public can each raise public safety and liability issues for restaurateurs. Servers of alcohol should serve responsibily. Additionally, employee theft and dishonesty has become a large concern for restaurants particularly related to customer credit card skimming and property belonging to customers or the restaurant.

Alcohol awareness

Where excessive quantities of alcohol are consumed by guests, this can lead to unpredictable and potentially aggressive drunken behaviour, potentially causing injury to themselves and others. Loss control considerations include, but are not limited to:

- training employees who serve alcohol so they can respond to drinking situations before they get out of hand; and

- exercising judgement when serving alcohol to customers if you detect signs of overindulgence. Consider offering non-alcoholic drinks.

Food safety/contamination

Every year, many cases of food-borne illness (Salmonella, E. coli and Campylobacter) are reported. The majority of cases are contracted in restaurants or from other food service providers. According to one study, most illnesses are caused by mistakes in food preparation and handling including reheating and cross contamination. Restaurants play a key role in preventing food contamination and food-borne illness. Serving quality food is imperative to the

success of a restaurant. Good service and ambiance cannot compensate for poor or dangerous food quality. The most frequent food complaint made by customers is related to foreign objects (glass, insects, metal) in food, which can result in chipped teeth or cuts to the mouth. The most serious claims come from food poisoning by bacteria (E-coli, Salmonella), which can cause a range of food-borne illnesses and, in serious cases, can result in death. Food workers who also work while infected with norovirus or Hepatitis A, can also cause food contamination.

- Require food service managers to complete a certified food manager/food hygiene certificate course.

- Require food service managers to have training in HACCP principles.

- Train all food handlers on food safety/handling best practices to ensure against food contamination and food-borne illnesses.

- Use the hazard analysis and critical control point (HACCP) principles in identifying and controlling critical points of food safety contamination.

- Keep a log of food-related incidents.

- Keep fresh and perishable foods refrigerated at or below 40 Celsius. Where coolers are used, foods requiring the coldest temperature should be stored at the bottom.

- Store uncooked meat in the lowest area below and away from other foods.

- Keep hot foods at or above 600 Celsius.

- Make periodic refrigeration/freezer equipment temperature checks and adjust as needed.

- Store food in covered containers and keep covered except when in use.

- Enforce stock rotation systems to ensure use freshness and compliance with expiration dates.

- Immediately discard food suspected of being contaminated.

- Clean and sanitize work surfaces, utensils and equipment after each use.

- Keep raw food and cooked or ready-to-serve food utensils and work surfaces separate to prevent cross contamination and allergic food reactions.

- Sanitize reusable cleaning supplies, such as cloths. Avoid use of sponges since they are difficult to sanitize.

- Comply with local public health vaccination policies.

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Foreign objects

- Do not use glass objects to scoop ice. Do not store glass items near ice machines.

- Discard food immediately if glass breaks near it.

- Inspect food for foreign objects during preparation and before serving.

- Discard cracked or chipped food contact utensils, cookware and dishware.

Safe serving

- Limit the amount of food carried when waiting on guests, particularly hot items, and place on the table. Do not hand directly to customers.

- Have an allergen policy, including a reference guide with ingredients of all menu items so that wait staff can check for guests who mention food allergies. The policy should also include a process to red flag the order to the cooking staff.

Vendors

- Use reputable suppliers to obtain high-quality food and beverage products, and obtain Certificates of Insurance from them.

- Use reputable beverage service vendors to clean and flush beverage supply lines routinely.

- Inspect all incoming supplies of food.

Patron cut and burn prevention

Guest cuts are usually related to cracked dishes and chipped glassware. Inspect service ware before using, and discard pieces that are cracked or chipped. Minor burns to guests are principally caused by hot foods and beverages. This can occur when a hot dish is placed on the table by the server who does not warn the guest of the hot hazard. Burns and damage to a guest's clothing can also occur when a server spills a hot beverage on a guest. Tableside cooking that uses alcohol or propane for fuel poses a fire and explosion hazard. Tableside preparers and servers must take extra precaution in handling these fuels and when preparing tableside dishes. Flames generated by cooking and splattering oils and fats present additional hazards. Patrons who reach over candles can be burned. Candles should be in protective containers to reduce clothing fires.

Premises security and crime

Owners, property owners and property managers can be held liable for the personal security of patrons, guests, and the general public. Keep premises around the building and in the parking area/facilities well lit. Trim landscaping and keep windows, doorways and pathways clear of shrubs/trees/bushes. Consider the installation of security cameras. Lock buildings when not open to the public to reduce theft of valuables or potential harm to employees.

Slip, trips and fall management

Slip, trip and fall accidents in restaurants are the most common cause of injury to customers. Slippery floors, loose or worn floors/floor coverings, steps, clutter in the path of patrons, and uneven surfaces between carpeting and flooring are major sources for these accidents. Additional contributing factors include defective chairs and tables, poorly lit areas and lack of handrails on staircases. Customers who have consumed alcoholic beverages and elderly patrons may be particularly prone to injuries.

Indoors

- Keep floors, including aisles and exits, clean, dry and free of clutter, water, oil or grease.

- Use "wet floor" signs, and mop spills immediately.

- Replace tiles or carpet that are missing or not firmly in place.

- Avoid any uneven transitions in walking surfaces.

- Keep electrical cords out of aisles and walkways.

- Keep stairways and landings clean, adequately lit, clear of equipment and equipped with handrails and non-slip treads.

- Provide adequate lighting where people walk.

- Provide slip-resistant floor covering materials and surface finishes.

- Mark glass doors and door sidelights so glass is noticeable.

- Check tables, chairs, booths, stools and counters regularly for broken parts, protruding nails, splinters, and rough edges. Make needed repairs or replacements immediately.

- Maintain toilets in a safe, sanitary condition.

- Schedule major cleaning during closed hours.

Outdoors

- Keep pathways, walkways, ramps, and steps free of clutter.

- Keep loading dock surfaces and dock plates in good condition.

- Provide adequate lighting at loading docks, service entrances, delivery areas and in the parking area.

- Keep parking areas free of oil slicks, snow and ice. Repair potholes immediately.

- Paint speed bumps, drains, maintenance covers, posts, ramps and curbs with a non-slip, high contrast paint to make pedestrians and drivers aware of their presence.

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- Ensure exterior stairs are in good condition and slip-resistant.

- Monitor play areas and keep them fenced and well-illuminated if used at night. Schedule regular inspections of play areas to detect possible hazardous conditions. Keep good records of repairs as this could be used as your defence.

- Remove from service any unstable chairs/tables.

- Ensure safe practices in the setting up of tents and other temporary structures. Follow manufacturer's instructions.

Section IV. Information/data management

Businesses are vulnerable to cyber attacks on their data, including confidential customer data and intellectual property. According to the 2013 Information Security Breaches Survey, commissioned by the UK Department for Business, Innovation and Skills [BIS], "Soaring numbers of cyber attacks cost Britain billions of pounds a year." The Survey found 93 percent of large organisations and 87 percent of small firms were targeted.

The Irish Reporting and Information Security Service received 411 incident reports in 2011, noting the spread of cybercrime in the Republic in its report. Over 92 percent were related to cyber breaches/websites being broken into by cyber criminals to host phishing scams. The Get Safe Online website (getsafetonlline.org) offers tools and guidance to help business protect against data theft and identify fraud.

Additionally, the Payment Card Industry Data Security Standard (PCI DSS), administered by the PCI Security Standards Council, provides a set of best practices designed especially for business to help decrease payment card fraud across the internet and increase credit card data security. Organisations that store, transmit or process card holder data must comply with PCI DSS. The standards are regulated and enforced by banks. See the PCI DSS website for additional information.

Payment card fraud is the most commonly reported data breach. Merchants who accept credit or debit cards have obligations to protect customers from identity theft and fraud. Industry experts say that restaurants make up more than 40 percent of reported incidents. PCI, the Payment Card Industry organisation, has developed a set of best practice data security standards to help provide better information/data management and protection of their computer networks as a result of concerns and data breaches related to customer payment information. Credit card "skimming" is also a growing concern around employee dishonesty. Credit card skimming by dishonest employees can drive a large percentage of the fraud. "Skimming" is when an employee uses a customer credit card or credit card information for their own purpose. To combat this, financial institutions have changed to

microprocessor embedded chip technology for credit and banking cards.

Put in place network and information technology security practices to protect your computers and data. Loss control considerations include, but are not limited to:

- Inspecting and servicing computers regularly;

- ensuring transactional devices undergo regular upgrades and comply with PCI security;

- training staff on the importance of protecting both customer and restaurant data;

- marking and logging all electronic equipment with an identification tracking number in the event of theft;

- contracting with a service that supports continuous computer operations, in the event of a loss of data processing equipment; and

- using an employee selection process that includes background checks. Theft, including credit card "skimming," has put greater emphasis on employee selection and computer data management.

Report suspected fraud immediately to law enforcement. Additionally, put plans in place for backup, to ensure against a total loss of data. This includes, backing up your computer data every night and storing it off-site in a fire-resistant, approved data safe. Also, keep originals that cannot be duplicated in a secured location.

Section V. Business continuity

Each year, businesses are at risk from potential natural and man-made disasters. These disasters can include severe weather, fire, power and energy disruptions, cyber attacks, interruptions in communications and transportation, and breakdown in critical equipment, among other things. Market competition demands that businesses be prepared to respond quickly to these events to reduce interruption to their operations so they can continuously deliver products and services to satisfy their customers.Restaurants are particularly vulnerable to interruptions in daily operations and have a short tolerable downtime for any critical equipment.

Equipment failure affects sales, inventory management, supply replenishment and integrity of stored perishable goods. In addition, cyber breaches can affect your financial stability as well as your reputation.

A Business Continuity Plan (BCP) is a proactive plan to help businesses ensure the continuous delivery of critical services and products to customers in the event of a disruption or interruption. A BCP can help a business recover its facility, data and assets, including the identification of, among other things, the personnel, resources, information, equipment, and financial allocations to deal with emergencies.

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Contingency planning

Part of a BCP includes developing contingency plans to have a plan of action to handle an unplanned event that could shut down the restaurant. A contingency plan includes, but is not limited to:

Equipment contingency plan

- Source spare parts for critical equipment (motors, refrigeration equipment, HVAC)

- Have pre-arranged service contracts for quick turnaround in the event of a breakdown or critical component failure

- Identify alternate source suppliers and possible third party temporary cold storage solutions

Information technology/data management

- Protect electronic data through backup processes.

- Store valuable documents off premises.

- Provide a process for safe shut down of equipment.

- Ensure transactional devices undergo regular upgrades and comply with PCI security.

- Train staff on the importance protecting both customer and restaurant data.

- Install electrical surge protection to prevent damage to electronic components, computers and communication systems.

Closing comment

The restaurant industry is a major employer in Ireland. The ability to deliver quality food and service, maintain a happy customer base and provide employees a safe work environment is critical to the restaurateurs' financial well-being and reputation. While running an eating establishment can be "risky business," making safety a priority, instituting a loss control programme, and providing communication and training to all employees can help the restaurateur turn risks into wins.

For more information, contact your Risk Control Consultant.

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