



Issue 75

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Insight aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

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Effective Risk Management

Risk Management is the cornerstone of any good management system, whether that be a Safety, Quality, Environmental or Enterprise Risk Management system.

While the WHS Act prescribes a duty to manage risk (sec 17) and a suite of core requirements (WHS Reg Sec 33 – 38, as well as the supporting Code of Practice How to Manage Work Health and Safety Risks), other systems default to the framework and process established through the industry best practice ISO 31000-2009 Risk management – Principles and guidelines.

To effectively manage risk, there is a need to understand the risk, its cause, its potential impacts (positive as well as negative), and the relative likelihood that those impacts can occur.

ISO 31000 outlines that risk should be “...analysed by determining consequences and their likelihood, and other attributes of the risk” with the way in which the consequences and likelihood are combined determining the overall level of risk. The likelihood of the risk is to be anchored to the consequence level and gauged by the overall likelihood of the consequence occurring for that specific risk event.



The consistent application of this connection between consequence and likelihood is the key. Effective ‘risk takers’ use this as a part of their planning processes to ensure they are prepared to make the critical decisions, doing so in a well-informed manner.

Organisations are using Risk Databases and Registers, Bow-tie assessments and hot-spot mapping (to name a few) to collate the various causes and controls, highlight the various risk scores as a means of prioritising actions, and inform the risk making / risk taking decision.



The approach for the risk analysis needs to be clearly understood by all involved; and the discussion needs to start with “*what are the impacts or consequences of the risk, should it occur?*” These impacts could be either positive or negative, and there could be multiple impacts across a number of different disciplines such as an environmental impact, a WHS impact and a reputational consequence. Each consequence should have a corresponding likelihood, with each connected pairing producing a relative risk score.

From a safety perspective, similar processes should apply. Risk Assessments do not need to be long and drawn out, but they do need to be specific to the work environment and conditions. It isn't possible to make an effective, informed decision in relation to managing a risk if all the details are generic or a cut-n-paste from the last job.

With the implementation and standardisation of the high level international standards structure, Annex SL, in the current revisions of *ISO 9001:2015 Quality Management Systems* and *ISO 14001:2015 Environmental Management systems* (and in all probability, the upcoming *ISO 45001 Occupational Health and Safety Management Systems*) risk-based thinking has now been introduced as a standardised requirement to all management systems. Organisations are now required to highlight risks and opportunities in clause 4, with clause 6 requiring demonstration of how these will be addressed through planning.

Please [contact QRMC](#) for assistance to standardise your management systems for risk-based thinking.

**First Impressions count:
The use of visual observations during HSE auditing**

Visual observation is the probably the simplest, the most basic, yet most under-valued way of obtaining evidence for a safety audit. There is a wealth of knowledge that can be gleaned from stepping inside a workplace and taking a look around.

Some key areas within the workplace include:

Signing-in – As the point of entry to the organisation, the signing-in process sets the scene and because of this, the person facilitating this process needs to be fully informed of the safety requirements & what is expected of those visiting the site.

PPE – While it is least effective as a control measure, PPE is still relied on across virtually all industries, therefore there is a need to check if the PPE being worn matches the site requirements. Is the PPE in good condition? Is it worn properly and consistently by everyone, including Management and Contractors?



Housekeeping – It doesn't take a HSE professional to identify a mess, but problems with housekeeping and clutter are frequently symptoms of larger issues. A lack of housekeeping often points to problems with systems, processes, and workplace safety culture.

Uncontrolled documents – Typically these are the informal work instructions that are posted on the wall next to a piece of plant, or the process flow at the communal workstation stepping workers through how to log a hazard report. If it is important enough to be posted on the wall, then it is important enough to be properly document controlled.

Evidence of machinery scrapes and scratches – This tends to be seen with plant such as forklifts and construction equipment, on sites involving vehicle movement. The damage flags the need to learn from "near miss" incidents. These scrapes are a reflection of the organisation's risk controls, including operator training processes and their attitude toward corrective maintenance.

Improvised fixes and temporary repairs – How long has that orange hazard tape been there? Always an interesting question to ask, and these types of indicators can be evidence that the preventative maintenance program is not being carried out or that the resourcing level is inadequate.

Please [contact QRMC](#) for more information about our auditing services.

SNG Meeting Update – June 2017

The next Safety Networking Group will be hosted by the City of Gold Coast at their Coomera Indoor Sports Centre on Friday 16th June. The meeting agenda will include a presentation on 'Managing WHS for the 2018 Commonwealth Games', as well as a presentations from WHSQ's 'Safety Leadership at Work' team discussing the leadership required in managing mental health hazards, and their soon to be released safety leadership tools and resources that can be used to assess an organisation's areas of strength and opportunity.



ABOUT THE SNG:

In 2005 QRMC founded the Safety Networking Group for senior safety professionals in SE Qld. QRMC continues to coordinate and arrange for speakers to present at quarterly meetings and discuss information on contemporary WHS issues. Group members also share information from their workplaces or industries, which other members frequently find interesting and useful.

More information on the [Safety Networking Group](#) can be found on our website. Senior safety professionals contemplating attending meetings in Brisbane can [contact QRMC](#).

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