insight
QRMC NEWSLETTER

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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.

This issue:

- ISO 31000 – what were the effects of the 2018 revision?
- Warning – "Coffee Cup may contain hot liquid"
- Newsflash – ISO 45001

ISO 31000 – what were the effects of the 2018 revision?

The 2018 revision of the overarching industry best-practice standard ISO 31000 *Risk Management* should prompt healthy discussion. While the definition of risk – the "*effect of uncertainty on objectives*" – remains constant (with risk generally expressed in terms of risk sources, their consequences and their likelihood), the focus of the revised Standard is on tailoring risk management to the needs of the organisation.

The 2018 version is leaner, with simpler language and fewer over-arching principles. It advocates a more practical, integrated approach to risk management and advocates 'top management' responsibility.

The Standard revises the fundamental linear model into a principles, framework and process structure:
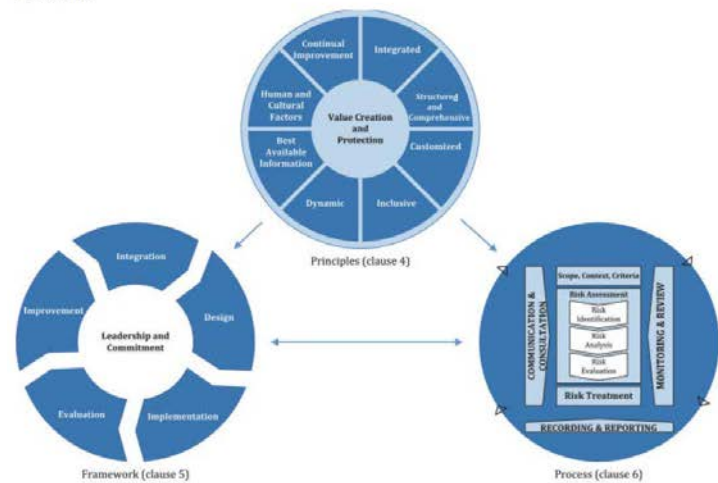

Figure 1 — Principles, framework and process

(Although it is noted that there is an inherent potential layer of confusion added by having this operate as a linked trio.)

The core requirements of the Standard remain similar, with changes to the 2018 version as follows:

- **The addition of an 8th element to the risk process being "Recording and Reporting":**
  where the 2009 Standard focused on simply

recording the day-to-day risk management decisions, ISO 31000:2018 adds the element of communicating activities and outcomes across the organisation and facilitating interaction with stakeholders.

- **Responsibility is given to 'top management' and 'oversight bodies' to demonstrate leadership and ensure risk management is fully integrated with other organisational management processes:** the terms "top management" and "oversight bodies" are new concepts. Previously, the 2009 Standard only specified a management framework for commitment to risk whereas now, Clause 5.2 in ISO 31000:2018 makes top management accountable for managing risk with oversight bodies accountable for overseeing risk management. With the focus on full integration, risk management should no longer be done on a periodic basis (e.g. quarterly, annually) but rather every time a business decision is made or a key business process or activity is undertaken.

- **Risk Management Commitment:** where the 2009 Standard identified establishing a risk management policy to demonstrate an organisation's commitment, ISO 31000:2018 takes this further by asserting that top management and oversight bodies should not only demonstrate their commitment to risk management but also demonstrate continual commitment through a policy or statement that conveys the organisation's objectives and commitment to risk management.

- **Greater emphasis on the iterative nature of risk management:** drawing on new experiences, knowledge and analysis for the revision of process elements, actions and controls at each stage of the process.

- **Risk Management Process:** ISO 31000:2018 significantly expands on the 2009 Standard's discussion on risk identification by specifying 11 interrelated factors which should be considered when identifying sources of risk while also providing a list of five decisions which support the risk evaluation process.

- **Recognition of the variability of human nature and organisational culture:** and that these variabilities need to be considered throughout the risk management process.

Please contact QRMC for more information.

RISK MANAGEMENT   MANAGEMENT SYSTEMS   SAFETY FIRST   SAFETY MANAGEMENT   BUSINESS CONTINUITY MANAGEMENT

Warning – "Coffee Cup may contain hot liquid"

While signage is distinctly an administrative control sitting toward the bottom of the 'hierarchy of controls', there are many instances where practicality comes into play and for various reasons this is best level of control that can be applied.

On a grander scale this can be seen in warnings to instruct international tourists to swim between the red & yellow flags, or the classic 'mind the gap' campaign from the London's Underground, and there is no doubt that some of these everyday warnings verge on the obvious – like the warnings on take-away coffee cups.

Despite its 'obviousness', such signage is here to stay, and has permeated almost every piece of plant, equipment, electrical appliance, etc. in every home and workplace.

As risk and safety professionals we should be looking to eliminate or at the very least engineer out the risk exposure, but this would translate to hi-tech interlocks on almost every bit of equipment owned (like the bonnet of your car to prevent access while the engine is running). In the real world this is often not practical, cost efficient or 'do-able', so we accept some of the risk and address our responsibility through the use of lower order controls.

If we are going to use signage we need to ensure that it is able to be universally understood. AS 1319:1994 – Safety Signs for the Occupational Environment provides a good range of established signs that are recognised by industry, but there is no Australian Standard for safety labels for machinery, so it is vitally important to ensure any message – visual or written – is understood by every worker, and this may present difficulties given the multi-cultural workforce in Australia.

The big challenge is to ensure that any installed signage actually works.

Follow these tips to make sure the safety signs you use are effective:

1. Use simple, short, sharp language that can easily be understood by all workers, including people who don't speak English as a first language.
2. Use colours, symbols and diagrams that can easily be understood, especially from a distance. Refer to AS 1319:1994 – Safety Signs for the Occupational Environment for guidance on colours and symbols.
3. Consult with the workers and test what the proposed sign means to them.
4. Communicate with the workers to ensure they are aware of the proposed sign.
5. Locate the new sign close to the relevant risk exposure.
6. If necessary include discussion within Employee, contractor & visitor inductions.
7. Actively monitor to ensure it is effective.

QRMC has undertaken projects to review the effectiveness of signage control strategies within particular high-risk workplaces and have assisted clients with design and implementation strategies to gain the biggest impact for their signage.

Please contact QRMC for more information.

Newsflash – ISO 45001

Standards Australia has recently announced an "adoption process" and likely late 2018 publication date for the local version of the *ISO 45001:2018, Occupational health and safety management systems – Requirements with guidance for use*.

It is anticipated that the AS/ NZS version will be prefaced by some additional commentary on how the adopted Standard relates to Australia's WHS legislative framework.

Standards Australia has worked closely with a wide set of stakeholders "to determine the most suitable solution for the Australian context" and has subsequently released an Australian-specific commentary – a draft preface and national way forward for ISO 45001 – for public comment. Submissions are due by 28 August (see Standards' public comment portal for instructions on accessing the draft and commenting.)

It is noted that the draft states that the objective of ISO 45001 is to specify requirements for an OHS management system, but conformance "*may not mean that Australian legal requirements and other requirements have been met*".

Please contact QRMC for more information.

RISK MANAGEMENT
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MANAGEMENT SYSTEMS

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