RISK MANAGEMENT POLICY AND PROCEDURE

POLICY

The purpose of this policy is to provide guidance regarding the management of risk to support the achievement of corporate objectives, protect staff and business assets and ensure financial sustainability. It is intended to provide a framework for the management of risk and also to increase overall awareness of risk and to enable managers and those responsible for risk reporting, to better identify, assess and control risks.

Effective risk management requires management and staff to understand the risks in their area of business and actively manage those risks as part of their day-to-day activities. All staff have a role in managing risk. To provide for the maintenance of an effective risk management program Equal Bytes is committed to ensuring:

- That risk management is an integral part of planning and decision-making processes.
- There is a consistent approach to the management of risks.
- Roles, responsibilities and accountabilities are clearly defined.
- All staff with risk management roles and responsibilities are provided with the necessary skills to undertake these responsibilities.
- The resources necessary to achieve the policy outcomes are allocated.
- Communication within Equal Bytes' stakeholder community in relation to the identification and management of risk is promoted and encouraged.

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to help companies thrive
in a rapidly changing world

PROCEDURE

Risk assessment involves the following components:

- Identifying hazards.
- Completing a risk assessment.
- Developing risk controls to eliminate or reduce the risks, including developing operating procedures/checklists on how to perform tasks.
- Recording all risk assessments in a Risk Register.
- Reviewing the effectiveness of the risk controls.

The person preparing the risk assessment should be the one most qualified and experienced to do so.

Hazard Identification

Hazards will be identified by conducting workplace inspections, site safety audits, consulting with staff, incident reporting, investigations and reviewing activities.

Risk Assessment

Each hazard, or hazardous situation, or activity needs to be assigned a risk rating that represents the degree of risk. The risk rating is used to prioritise the allocation of resources to minimize or eliminate the risks associated with the hazard. The rating is determined by using the risk assessment model.

Risk Assessment Model

Measures of Severity

1 Negligible - No injuries, low impact on business
2 Low - First aid treatment, medical treatment, medium impact on business
3 Moderate - Lost time injury, high impact on business
4 Significant – Major injury, major impact on business
5 Catastrophic - Fatalities, critical impact on business

Measures of Likelihood

5 Frequent
4 Probable
3 Occasional
2 Remote
1 Improbable

Level of Risk

The 'level' of risk is identified by using the table below to select the box where the 'severity' meets the 'likelihood'.

Risk Rating = Likelihood x Severity

Severity				Likelihood				
Catastrophic	5	5	10	15	20	25
Significant	4	4	8	12	16	20
Moderate	3	3	6	9	12	15
Low	2	2	4	6	8	10
Negligible	1	1	2	3	4	5
		1	2	3	4	5
		Improbable	Remote	Occasional	Probable	Frequent

Likelihood

Catastrophic	(red)	STOP
Unacceptable	(orange)	URGENT ACTION
Undesirable	(yellow)	ACTION
Acceptable	(light green)	MONITOR
Desirable	(green)	NO ACTION

Risk Control

 A combination of hazard controls are usually required to reduce the risk to the lowest level.

Examples of hazard controls:

- Eliminate
- Substitution
- Isolation and/or Engineering
- Administrative Controls
- Personal Protective Equipment

All risk assessments should also include the risk management procedure for implementing the risk controls.

Evaluation and Review

Following implementation of risk control measures, there will be periodic reviews to ensure they are appropriate and effective. This will be achieved through regular workplace consultation and review of incident reports.
Risk assessments will be reviewed when:

- An incident occurs.
- There is evidence that the risk assessment is no longer valid.
- There are significant changes to workplace activities.

Documentation

Risk Assessments must be kept in a Risk Register and be available to all staff. They must be read and understood before an activity is undertaken and as part of the training process.

Instructions/checklists are a useful guide for staff on how to prepare for and conduct an activity with potential hazards. A instruction guide/checklist has three components:

- Pre-start.
- During activity/event/use.
- Post activity/event/use.

Instructions should be developed using the following:

- Consultation with staff performing the jobs.
- Completion of a risk assessment form identifying the hazards associated with each step of the task or activity and the associated risks.

- Identification of appropriate risk control measures to minimize the risk.
- The risk control measures identified in the risk assessment form.

The safety procedure/checklist should be reviewed when the risk assessment is reviewed.

Risk Assessment Report

Workplace location:	
Name of person conducting assessment:	
Date:	

Spot the Hazard		Assess the Risk	Fix the Problem			Evaluate Results
Identify the work task or activity?	What are the hazards associated with each	Is the risk associated with the hazard low, moderate,	If the risk is deemed unacceptable for the task, what will be done to reduce or remove the risk?	By whom?	By when?	Go through the first 3 steps again to ensure Revised risk

RELATED POLICIES AND PROCEDURES

- Incident Management Policy and Procedure
- Emergency Management Plan
- Duty of Care Policy
- Bullying, Discimination and Harassment Policy and Procedure
- Quality Management Policy

RELATED LEGISLATION AND REFERENCES

- WorkSafe Victoria
- Occupational Health and Safety Act 2004.

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Reviewed: June 2021