Agenda

- Risk Management
- What happens when we get it wrong
- Practical tips
- Q&A
Risk and Risk Management

What is it?

• There are a range of internal and external factors that make it uncertain whether, when and the extent to which we will achieve or exceed our objectives. The effect this uncertainty has on an organisation is “risk”

• Organisations manage risk by:
  – Anticipating,
  – Understanding,

  ….and deciding whether to
  – Modify the risk.

Risk

“Effect of uncertainty on objectives”

Risk Management

“Coordinated activities to direct and control an organisation with regard to Risk”
Risk Management
Societal Expectations

• Increased risk management and corporate governance expectations of shareholders and other stakeholders

• Requirement for full disclosure of risks by senior executives to the board and shareholders reinforced by court rulings

• Core component of director and executive duties

• Directors / Officers personally liable for risk-management failures

• Influencing of organisational culture

• Good risk management enhances organisational performance

• Assists in demonstrating due diligence
The annual Global Risks report is prepared by the World Economic Forum with support of six partners, including Marsh & McLennan Companies.

Commentary

- Focus on the next 10 years
- Inclusion of a survey that taps into over 700 experts from across the world
- 31 global risks plotted:
  - Risk types (economic, environmental, geopolitical, societal, technological)
  - Impact vs. likelihood
  - Interconnections between risks highlighted
- High-level discussion on key risks
  - Geopolitical risk
  - Youth unemployment and education
  - Cyber risk
Risk Management
Events

• Risk is more than health and safety hazards, regulatory compliance or insurance purchase, but a means of managing uncertainty for success

• Each event brings together a unique combination of factors, including performers, organizers, suppliers, spectators, and sponsors.

• Inherently, organizing and hosting an event involves a high degree of uncertainty and potential risk that could potentially impact normal operations.

• For example:
  – Event security
  – IT
  – Environmental
  – Natural Perils
  – Financial and Management
  – Contracts
  – Site Services / Utilities
  – Loss control (health and safety, fire, medical)
Principles, Framework & Process

Principles
Risk Management...

a) Creates and protects value
b) Is integral part of all organisational processes
c) Is part of decision making
d) Explicitly addresses uncertainty
e) Is systematic, structured and timely
f) Is based on the best available information
g) Is tailored
h) Takes human and cultural factors into account
i) Is transparent and inclusive
j) Is dynamic, iterative and responsive to change
k) Facilitates continual improvement and enhancement of the organisation

Framework
Mandate & commitment
Design of the framework
Implementing risk management
Continual improvement of the framework
Monitoring & review of the framework

Process
Establish the Context
Risk Assessment
Risk Evaluation
Risk Analysis
Risk Identification
Monitor and Review
Challenges to implementing a risk management process

• Requires a commitment of resources
• Integration with existing business processes and operations
• May require changes to the way people work
• Will require strong leadership and commitment from senior leadership
• Timely and insightful reporting to support proactive decision making
• Managing operational risks
• Embedding processes
Safety Risk Management

• Specifically focused on prevention of incidents and injuries

• Covers areas including:
  – Falls and working at height
  – Manual tasks
  – Plant and equipment
  – Electrical
  – Chemical
  – Mobile plant and traffic
  – Hot work
  – Emergency management and first aid
  – Noise
  – Confined spaces
Poor Safety Risk Management Makes Headlines

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30 October 2014

SAFETY AT WORK BLOG

News, commentary and opinion on workplace safety and health

ACTUATION conference hears that lawyers and employers are coping with the duty of care from preventing injuries. RAOB (Risks Assessment on the balance) 1 year ago

ACTUATION conference hears that accident injury data shows going by in court.
   100% of cases where company does not have an RAOB. 65% does not work. RAOB: 1 year ago

ACTUATION conference hears that employees expect their annual and general preventative RAOB: 1 year ago

Aftermath of the stage collapse at the 50,000 seat Velodrome

Prosecutors have opened a manslaughter investigation after a stage being built for a Madonna concert collapsed killing two people, a French official has said.

Royal Show probe inspection program

September 18, 2014
Safety Risk Management
Code of Practice: How to manage work health and safety risks

STEP 1: Identify hazards
STEP 2: Assess risks
STEP 3: Control risks
STEP 4: Review control measures

Management commitment

Consultation
Practical Safety Risk Management
What should you be doing

• Risk Identification
  – Risk register
  – Health and safety risk management plan

• Contractor Management
  – Exhibitors
  – Food safety

• Regular inspections
  – Public safety
  – Performance of contractors

• Document your activities
  – Risk assessments
  – Results of inspections and testing
  – Consultation with workers and contractors
Risk Management Tools

- Risk identification workshops
- Interviews
- Surveys/questionnaires
- Toolbox talks
- Inspections
- Investigations
- Consultation with experts within and outside the organisation (eg management, external risk experts)
- Statistical analysis of past losses
- Audits
Applying Risk Management
Using the tools

• Have you got the right people?

• Ask yourselves:
  – What can go wrong? – Risk Identification
  – How can this occur? – Risk Identification
  – What is the impact to the organisation? – Consequence
  – How likely is that impact going to be experienced? – Likelihood
  – How effective are your current controls? – Risk Treatment
  – What else could you do to manage the risk? – Risk Treatment

• Ask for help:
  – What skill sets are available within your organisation?
  – What other areas can you call upon?
  – What knowledge does the corporate body have available?
Embedding Risk Management

Benefits

• Provides for a consistent treatment of, and response to, risks
• Encourages a longer term strategy to the management of risk
• Provides a platform to be proactive rather than reactive
• Support decision making through an improved understanding of risk
• Improved certainty - assist to realise your objectives
• Goes beyond compliance and positions you for success
• Is part of good governance
What next?
What can you do

• Obtain a copy of your organisation’s risk register

• Ask these questions:
  – Who owns it
  – When was it last reviewed
  – Who reviewed it
  – Does the Board have oversight of it
  – Does it cover enterprise risk and safety risk

• What processes do you have in place to identify and manage risk?
  – Are they adequate?