



RISK MANAGEMENT BASICS

The following simple prompts are designed to assist with the Risk Management process.

STEP ONE - IDENTIFY THE RISKS

Whether you are planning a specific project or event, or are looking at your organisation holistically, risk identification is the first step in any Risk Management process. Risks may be to people's safety, to your resources, or to the day-to-day 'business' of what you do.

To identify the risks, bring together your key people to brainstorm any risks you all think could possibly present in the context of what you are doing. If you have completed a SWOT analysis, the Weaknesses and the Threats will give some clues to risks you face. You may have checklists and undertake regular inspections to periodically check on known risks, so consider those tools and processes too. Also, review any incidents or near misses that occur, and include the risks that were subsequently highlighted.

List all the Risks you can possibly think of in the accompanying Risk Register template (print extra copies if necessary).

STEP TWO - ASSESS THE RISKS

Now that you have identified your risks, you need to prioritise what to deal with first.

Consider the Likelihood and the Impact of each of your risks. Then, based on the outcomes, plot each risk on the Risk Management Matrix below to give an indication of the priority for addressing each risk.

Note the Likelihood, Impact, and the subsequent Rating in the Risk Register.

RISK MANAGEMENT MATRIX

		Likelihood /Potential				
		Almost certain/ highly likely	Likely	Moderate	Unlikely	Rare/ highly unlikely
Impact / Seriousness	Catastrophic/ life threatening	Unacceptable Risk -Critical	Unacceptable Risk -Critical	Unacceptable Risk -Critical	Unacceptable Risk -Critical	Unacceptable Risk -Critical
	Major/ permanent injury	Unacceptable Risk -Critical	Unacceptable Risk -Critical	Unacceptable Risk -Advised	Acceptable Risk	Acceptable Risk
	Moderate/ temporary injury	Unacceptable Risk -Critical	Unacceptable Risk -Advised	Unacceptable Risk -Advised	Acceptable Risk	Acceptable Risk
	Minor/ Discomfort	Acceptable Risk	Acceptable Risk	Acceptable Risk	Negligible Risk	Negligible Risk
	Insignificant/ nuisance only	Negligible Risk	Negligible Risk	Negligible Risk	Negligible Risk	Negligible Risk



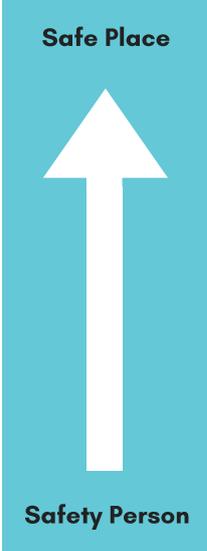
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STEP THREE - CONTROL THE RISKS

Any risks receiving a rating of 'Unacceptable - Critical' should be dealt with immediately.
Any risks receiving a rating of 'Unacceptable - Advised' should be dealt with next. All these Unacceptable risks should be addressed via your Risk Management Plan (make a note to this effect in your Risk Register in the Action column).

How are you going to deal with these Unacceptable risks?
The **Hierarchy of Controls** can help us identify some options

HIERARCHY OF CONTROLS

	Elimination	Control the risk by not doing the activity at all.
	Substitution	Control the risk by substituting the activity with a safer similar option
	Isolation	Control the risk by isolating it somehow.
	Engineering controls	Developing equipment intended to keep people safer.
	Administrative controls	Training people or developing policies and procedures intended to keep people safer.
	Personal protective equipment	Issuing each person with protective equipment intended to help keep them safer.

Ideally, we want to aim for a solution (or solutions) that are as close to the top of the Hierarchy as possible. This is because towards the top of the Hierarchy, we take the proposed action once and everyone is safer; towards the bottom of the Hierarchy, we do it once and only one person is safer.

If you are not able to Eliminate the risk altogether, you may need to use a number of strategies, possibly from various levels of the Hierarchy, to control the risk.

Any risks receiving a rating of 'Acceptable' should be reassessed again via the Matrix, in your next cycle of Risk Management (make a note to this effect in your Risk Register in the Action column).

Any risks receiving a rating of 'Negligible' generally require no further action (make a note to this effect in your Risk Register in the Action column).

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