

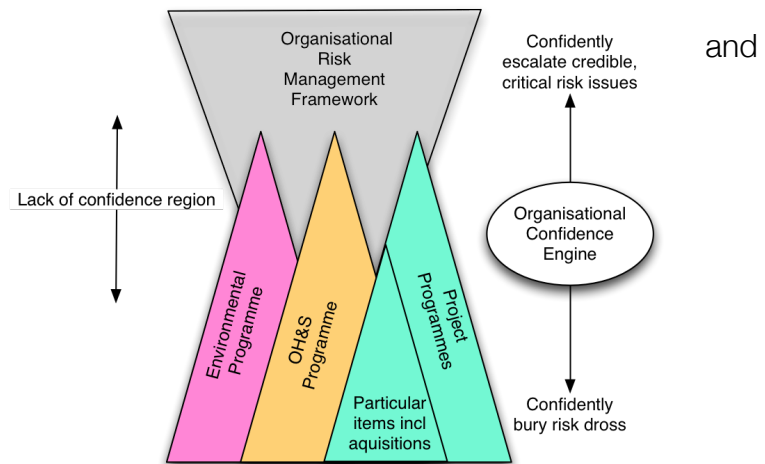
# Organisational Risk Management

A half-day briefing for management

*Making risk registers useful*

The briefing shows how to develop a straightforward effective risk management program satisfying due diligence requirements and preventing hazard analysis paralysis.

The concept is based on experience in dealing with failed risk registers in many industry sectors.



Source: Risk & Reliability - an Introductory text (revised 7th edition)

- Understand why standard risk management approaches fail under law
- Explain why most risk characterisation systems produce intellectual nonsense
- Apply a top-down approach to discover critical issues that are often missed or poorly addressed
- Conduct precaution based, rather than hazard based, due diligence analyses
- Enable an effective audit process
- Produce simple, diligent, effective, defensible risk registers
- Empower line management and employees
- Cost effectively optimise precautionary effort
- Consider the implications of the new ISO 31000 risk management standard
- Clarify the usual confusion between hazards, mechanisms, and failed precautions

PERTH | Thursday 29 April 2010, 8.30am – 12.30pm

MELBOURNE | Tuesday 8 June 2010, 8.30am – 12.30pm

**Fee** | \$495 per person, includes Risk & Reliability – An Introductory text (revised 7th edition)

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# ORGANISATIONAL RISK MANAGEMENT

## Briefing Outline

### *Making risk registers useful*

Half-day briefing for management

### Objective

The objective of the briefing is to explain the common limitations associated with the use of risk registers (or risk logs) and some processes that have been used to successfully address these deficiencies.

### The Issues

Keeping a list of current risk concerns (especially safety related matters) associated with any enterprise is a potentially useful management tool. Having a risk register that is filled with irrelevant dross that creates confusion over the best allocation of resources and does not facilitate diligent action is an active menace. Many risk registers in industry are of the latter kind. Questions asked of R2A include:

- We have applied the risk management process described in the Risk Management Standard to create a risk register. We have used reputable consultants to do this. Our previous safety manager has spent quite literally years talking to all our employees to make it comprehensive. But when we try to use it we find that the big issues (low frequency, high severity) are swamped by the rankings system and we spend all our time and effort on quite trivial matters. What can we do about this?
- We are required to have a risk register. It satisfies our audit requirements but it's big and cumbersome, frustrates our staff and really doesn't work very well. Can you help?
- Our organisation uses a 5x5 (or 3x3 or 6x4) risk characterisation tool. But as an organisational decision making tool, it's not making sense. People manipulate it to get their pet project up. No-one trusts it. Why is this and what can be done to make it work?

### Context

Risk registers and logs can be easily confused by risk type (safety, project or commercial) and with hazard analysis. For example, key risk issues get muddled with mechanisms by which such issues arise and the possible failure of existing controls addressing such issues. For safety (downside risk) registers, the solution (precaution) based approach espoused by R2A cuts the list down to the primary critical items in a way that satisfies the common law duty of care. This latter is particularly important in view of the due diligence aspects of the Rudd government's model Work Health & Safety Bill agreed to come into effect in all states on 1 January 2012.

### Experience

R2A has extensive experience in dealing with not-so-successful risk registers, often, regrettably, after an incident has become public. Industries include underground and open cut mining, marine and port operations, freeway construction, power utilities and others.

**Briefing Leader:** [Richard Robinson BE BA FIEAust](#), Director R2A