

# RIIRIS402E

## Carry Out the Risk Management Process

### Learner Guide Instructions

Who is this document for?

The learner.

What is in this document?

- Course information that matches the PowerPoint presentation.
- Review questions.
- Practical assessment instructions for learners.

What do you need to do before you use it for the first time?

1. Rebrand the document.
2. Review the document as part of your validation process.
3. Set the reading and test time limits that are highlighted in pink at the end of the document.

**See the 'Read Me First' document for a complete set of instructions on how to use these resources.**

**LEARNER GUIDE**

# RIIRIS402E Carry Out the Risk Management Process

Learner Name:	
Learner ID:	
Learner Contact Number:	
Learner Email Address:	
Date Training Commenced:	

## This Book Contains:

- Course Information.
- Review Questions.
- Practical Assessment overview and instructions.

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# 1.1 Introduction

This course is based on the Unit of Competency **RIIRIS402E Carry Out the Risk Management Process** and is aimed at personnel in supervisory roles in the resources and infrastructure industries.

You will learn about:

- ◆ Planning and preparing for risk management.
- ◆ Identifying and developing the objectives of the risk assessment.
- ◆ Identifying hazards.
- ◆ Assessing risks.
- ◆ Identifying unacceptable risk and potential actions to deal with the risk.
- ◆ Deciding on, implementing or facilitating a course of action.
- ◆ Reviewing the implementation of action.
- ◆ Auditing the risk management process.
- ◆ Completing records and reports in relation to the risk management process.



## 1.1.1 Role of the Supervisor in Risk Management Processes

The role of a supervisor in the risk management process is to make sure:



- ◆ All risk management activities meet site and safety requirements.
- ◆ All activities are effective in identifying and treating risks and hazards.
- ◆ All personnel involved understand what they need to do and have the guidance to complete their activities properly.
- ◆ All information gathered by personnel is correct and relevant.
- ◆ Risks are assessed properly and treated in accordance with organisational requirements.
- ◆ Expert advice is sourced when information is unclear or potentially inaccurate.
- ◆ All resources are organised or gathered properly for effective hazard treatment.
- ◆ Approved hazards controls are implemented properly.
- ◆ Personnel are coached through the implementation of hazard controls.
- ◆ Situations are reviewed properly and hazards controls are still effective.
- ◆ The process is audited and quality outcomes are being achieved.
- ◆ All documentation and records relating to the process are completed accurately.

# 1.2 Access Risk Management Documentation and Procedures

Check risk management documents, policies and procedures before you start the risk management process to:



- a) Make sure your work is compliant.
- b) Identify any different rules, policies and procedures on different sites.
- c) Find out what forms or records need to be completed before, during and after the risk management process.

## 1.2.1 Legal Requirements and Guidelines for Risk Management

Worksites and organisations need to meet a range of requirements whenever undertaking risk management processes including:

<b>Legislation and Acts (Laws)</b>	These are legal requirements that must be followed. Failure to meet these requirements can lead to prosecution.
<b>Regulations</b>	These are explanations of what the laws mean. These may be updated more regularly than the laws themselves so it is important to check them regularly. Regulations can exist at both state and federal levels.
<b>Codes of Practice</b>	These are guidelines for applying the requirements of laws and regulations based on industry standards.
<b>Australian Standards</b>	These provide details and guidelines around the minimum requirements for a job, product or hazard control. They set out specifications and procedures designed to ensure products, services and systems are safe, reliable and consistently perform the way they were intended to. The standard covering risk management is: <b><i>AS/NZS ISO 31000:2009, Risk Management – Principles and Guidelines.</i></b>

Some states use OHS laws, and other states use WHS laws. They both talk about the same thing, but use different words or names for people. If you have any questions about safety rules you should talk to your boss or supervisor.



## 1.2.2 Sources of Risk Management Information

When planning out the process for risk management you should refer to:

- ◆ Applicable commonwealth, state or territory legislation.
- ◆ Codes of practice relating to the Industry, dangerous and hazardous goods, environmental protection and safety and health.
- ◆ Worksite safety management systems.
- ◆ Manufacturer's documentation and handbooks.
- ◆ Existing or similar workplace operating procedures and policies.
- ◆ Safety data sheets.
- ◆ Emergency procedures.
- ◆ Safety alerts.

Any risk management processes that you use need to meet the requirements of these sources to ensure work activities are compliant.



### Review Questions

<b>1.</b>	Why do you need to check risk management documents, policies and procedures before starting the risk management processes?	<input type="checkbox"/>

# 1.3 What is Risk Management?

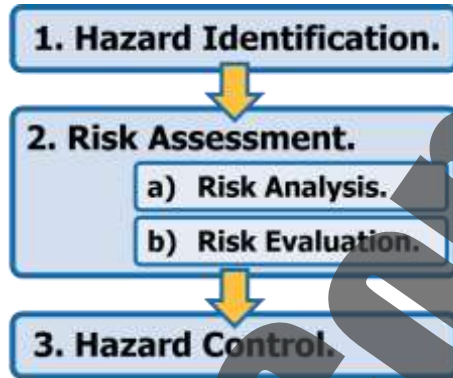


A **RISK** is the chance of a hazard hurting you or somebody else or causing some damage.

A **HAZARD** is the thing or situation that causes injury, harm or damage.

**RISK MANAGEMENT** is the process of eliminating or controlling hazards to reduce the risks that people and equipment are exposed to at work.

The risk management process is made up of 3 main stages:



Risk Management Stage	Action
<b>1. Hazard Identification</b>	This is where you identify all the possible events and situations in the workplace where people may be exposed to injury, illness or disease.
<b>2. Risk Assessment</b>	Which includes: <b>a) Risk Analysis</b> – You determine the likelihood of a hazard causing harm and the consequence or outcome of that hazard causing harm. This gives you a risk level. <b>b) Risk Evaluation</b> – Using the risk level you have worked out you can determine if the risk is unacceptable and if action needs to be taken, as well as what kind of action to take.
<b>3. Hazard Control</b>	This is where you choose one or more options for controlling hazards in an effort to reduce the risks associated with them.

Monitoring and review through consultation and communication with others should occur at each stage of the risk management process.



### 1.3.1 When Does Risk Management Need to Happen?

Risk management processes need to be used in response to incidents, accidents or near misses, but also need to be applied for a range of different reasons including:

#### Situations where changes to the environment occur:



- ◆ The worksite is constantly changing because of construction, demolition or the movement of plant, vehicles, equipment, stock or materials.
- ◆ The public can easily interact with the work site.
- ◆ Supervision is limited.
- ◆ There is a high turnover of personnel who required training and orientation to complete their work safely.

#### Situations where the work or the work area is dangerous:

- ◆ Personnel use or work near vehicles, equipment or machinery.
- ◆ Personnel need to use manual handling techniques to complete their work.
- ◆ Work is completed at heights, in confined spaces or on construction or mine sites.
- ◆ Work requires personnel to use chemicals, work alone, or use explosives, tools or equipment.
- ◆ Tasks and handling of materials requires specific training and precautions to be carried out safely.
- ◆ Work is completed in remote areas.
- ◆ Licensing, permits or special qualifications are required to carry out work.
- ◆ The work creates a harmful bi-product (gas, contaminant, waste).
- ◆ Waste and contaminants are handled or disposed of.
- ◆ Communications between personnel is crucial for the work to be done safely.



## 1.3.2 Consultation and Communication

Consultation and communication with others is an essential part of Risk Management.



It should take place at all stages of the process.

Risk or hazard identification and coming up with ways of controlling or treating them involves talking to the people with knowledge of the situation, or who are directly affected by any action you take.

An important part of the Risk Management process is to demonstrate teamwork and consult with:



- ◆ Supervisors.
- ◆ All team members.
- ◆ Employers.
- ◆ The relevant health and safety representatives.
- ◆ Anybody else effected by the action you intend to take.

This will help to ensure that risks and hazards are not only effectively identified but that the people who are controlling and treating them are clear about their role and responsibilities in the Risk Management process.

Consultation and communication can have the following significant benefits:

- ◆ **Contribution to Risk or Hazard Identification** – The work team has intimate knowledge of the work environment and will most likely be the first to identify hazards. Consultation should lead to team members feeling comfortable about reporting hazards without fear of intimidation or condemnation as a “whistle blower”.
- ◆ **Development or Improvement of Solutions** – Having firsthand experience with equipment and processes often leads to efficient and innovative solutions and/or improvements to hazard control.
- ◆ **Team Commitment to Risk Control** – When the team members feel they are being consulted and listened to, they become stakeholders in the process and adopt ownership. This encourages cooperation and responsibility for actions.
- ◆ **Ongoing Evaluation** – The work team can provide valuable feedback on the effectiveness of the Risk Management system, with insights on how things are operating “at the coalface”.



Risk management should be a team effort and it is important that everybody knows what they need to do and how or if they need to change their work processes to suit.

### 1.3.3 Plan Out the Risk Management Process

You will need to plan out risk management to make sure it meets all of the legal requirements as well as making sure nothing important is overlooked during the process.

The following breakdown goes into more detail about what happens at each of the 3 main stages of the risk management process:

Stage of Risk Management Process	Tasks
<b>Stage 1</b> <b>Hazard Identification</b>	<p>a) <b>Identifying hazards</b> – You need to check the work environment as well as the tasks being done. This includes looking at how tasks are completed as well. During your inspection you need to make a note of any hazards that you identify.</p> <p>b) <b>Checking instructions, procedures and other documentation for guidelines on how to control any hazards you have identified</b> – You need to make sure you are reading the latest information and take steps to apply any safety requirements listed in the instructions to manage hazards. You may need to look at work method statements (WMS), manufacturer’s instructions, safety data sheets (SDS) or site policies and procedures.</p>
<b>Stage 2</b> <b>Risk Assessment</b>	<p>a) <b>Identifying and assessing hazards that are not covered in instructions, policies or procedures</b> – You will need to look closely at these hazards and work out how bad they are. You can do this using a process called risk assessment where you work out the level of the risk by looking at the likelihood and consequence of the hazard occurring.</p> <p>b) <b>Determining if hazards pose an unacceptable risk</b> – You will need to look at site or organisational policies and documentation to work out if the risk associated with a hazard are classified as unacceptable. Unacceptable risks need to be managed before work is allowed to continue. The way you manage these hazards will depend on a range of factors.</p>
<b>Stage 3</b> <b>Hazard Control</b>	<p>a) <b>Identifying hazard controls for more serious situations</b> – You will need to look at all of the possible options for managing hazards and lowering risk levels for any remaining hazards. This will include looking at resources required to carry out any controls and working out if they are a practical and realistic solution to the problem.</p> <p>b) <b>Determining the best options for controlling hazards</b> – You will need to work out the best course of action and prepare a detailed plan outlining exactly what you want to do. This plan will need to be approved before you can take any further action.</p> <p>c) <b>Implementing approved hazard controls</b> – Once you have approval you can implement the hazard controls and re-evaluate the hazards and risks.</p> <p>d) <b>Monitoring the situation</b> – After hazard controls have been implemented effectively you need to carry out monitoring and follow-up of the situation to ensure that the controls are effective.</p>



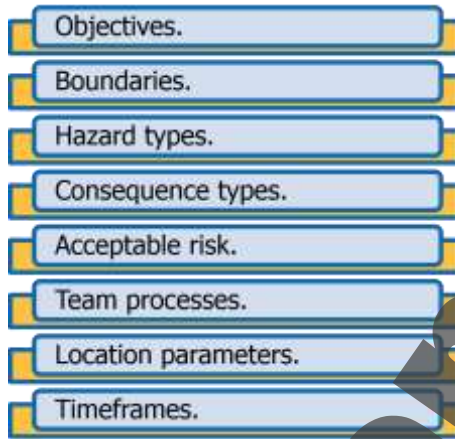
Different personnel will be responsible for completing different stages of the process. As you design the process that you will use it is important that you think about who will be working on each step and ensuring that you can provide them with the support and supervision that they need to do the job properly. If any part of the process is inaccurate it can have a big impact on the decisions that are made later on.

## 1.3.4 Identifying Risk Assessment Parameters

Parameters in risk assessment are the boundaries or scope that the process is looking at.

Risk assessment can be applied specifically to particular system components, practices, processes and procedures, or can be applied holistically to the whole organisation's operations.

These parameters will vary depending upon the organisation, but may include:



### 1.3.4.1 Objectives



Objectives can include targets, key performance indicators (KPIs), and the focus of the assessment.

### 1.3.4.2 Boundaries

What are the limits of when, where and how the Risk Management is applied?

Boundaries may also include limits to the hazard or risk itself. E.g. a particular risk may only exist if ambient temperature rises too high.



### 1.3.4.3 Hazard Types



Identifying the hazard is often not enough – the type of hazard is needed. E.g. the hazard may be a broken machine, but is the risk to process flow or a danger to personnel? Does it risk contamination or cuts?

### 1.3.4.4 Consequence Types

These define the consequence level and extent and will directly affect the acceptable risk levels for the organisation, task or department.

Consequences may be defined according to how they impact the organisation, or may be evaluated by costs.



### 1.3.4.5 Acceptable Risk



An acceptable level of risk will be determined by the organisation.

When determining acceptable risk levels some of the questions that should be asked could include:

- ◆ Is the business going to be held liable if an incident occurs?
- ◆ Will individual managers and other personnel be held accountable in a court for the consequences of the incident?
- ◆ Would the impact on the business be severe, if an incident occurred?
- ◆ Would the incident have a long-term impact on:
  - ◆ The business?
  - ◆ The environment?
  - ◆ The public perception of the business?
  - ◆ The people involved?
- ◆ Could the incident harm:
  - ◆ Business reputation?
  - ◆ Business sales?
  - ◆ Product reliability?
- ◆ How would the incident impact the profitability of the business?
- ◆ Would this impact be too extreme for the shareholders to accept?



Acceptable risk is something that must be determined by the organisation as it is virtually impossible to have a zero risk situation.

### 1.3.4.6 Team Processes

When looking for hazards or risks, it is important to remember that this can include people.

You may need to consider factors such as:

- ◆ How teams work.
- ◆ Do they run a process properly?
- ◆ Personal interaction.
- ◆ Relationship to the rest of the organisation.



### 1.3.4.7 Location Parameters



These could include time, venue or other site-specific parameters that need to be accounted for during the development of the Risk Management decisions.

An example might be the effect of Head Office and Regional relationships.

### 1.3.4.8 Timeframes

Assessing risk for timeframes has a number of facets, including:

- ◆ Reality level of timeframes.
- ◆ Consequence if deadlines or target times are not met.
- ◆ Effects of time pressure on personnel.
- ◆ Equipment reliability if downtime is eroded (maintenance etc.).



## 1.3.5 Methods to Determine the Risk Assessment Scope or Parameters

Risk assessment scoping depends on the focus of the risk assessment. Risk assessment can be done on any business department or any business process.

Commonly risk assessments are done for the following reasons:

<b>Financial</b>	These can be useful when deciding on a course of action.
<b>Safety</b>	Health and safety issues are what most people view as risk assessments.
<b>Quality</b>	Quality assessments look for issues with the work, product, service or other factors that may impact production or services.
<b>Legislative</b>	Used to identify trends or developments in the legislative or regulatory boundaries within which the organisation is operating.
<b>Manpower</b>	These look at risks associated with employee/worker acquisition and retention.

Each focus of the risk assessment may require a different definition of limits on the scope of the assessment.

Defining the scope of the assessment will enable you to focus on the specifics required to complete the assessment and avoid having the process drift off into an ever-widening look at processes.

Questions to ask might be:

- ◆ What areas may the risk affect?
  - ◇ Environmental.
  - ◇ Operational.
  - ◇ Sustainability.
  - ◇ Compliance.
  - ◇ Strategic.
  - ◇ Human.
  - ◇ Ethical.
  - ◇ Reputation.
  - ◇ Technological.
  - ◇ Capital.
  - ◇ Financial.
  
- ◆ What hazard or risk is being addressed?
  
- ◆ Which operational areas are involved in the processes that are a risk?
  
- ◆ What timelines are there for reducing or removing the risk?

Once the areas of impact are known, the risk parameters can be applied to define the scope of the assessment.

Management is more likely to get behind Risk Management when it is tightly scoped and strictly defined.



### 1.3.5.1 Conducting Effective Scoping Sessions

Different people see hazards in different ways. It is important to include as many relevant views as possible in scoping sessions.



For each work area scoping documentation may need to address:

- ◆ Objectives.
- ◆ Targets.
- ◆ Goals.
- ◆ Boundaries.

To avoid problems such as meetings being hijacked by one issue or idea, it is important to keep sessions as open as possible to allow for the greatest array of views and needs.