Risk Management Essentials; Tools for Coastal Managers & Volunteers

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VMIA's purpose is to build a confident, resilient Victoria through world leading harm prevention and recovery.
Aim of Today’s Session

Build your risk management knowledge and give you some tools
Today's Session

Risk Management Essentials

Risk Management Tools

Activity

Wrap up

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Write or draw your response:

What is risk
or
What risk management means to me

It’s like opening a can of worms…..
RISK is the “effect of uncertainty on objectives”
Source: ISO 31000:2018
What is Risk Management?

“Coordinated activities to direct and control an organisation with regard to risk”

Source: ISO 31000:2018
Risk Management is Everyone’s Responsibility
As a guide, you should be identifying and reviewing risks at least once a year, or as required.
• PESTLE Analysis

• Risk Assessment
Using PESTLE Analysis

P – Political
E – Economic
S – Social
T – Technological
L – Legal
E – Environmental
What is a Risk Assessment?

A process to identify, assess, treat and monitor/review risks
Review and monitor
• Record, review risk register (frequency?)
• New risks?
• Escalate/Report?

Identify risks
• What can happen?
• Where and when can it happen?
• What are the causes?

Assess the risks
• What is the consequence & the likelihood of this event happening?

Identify
Assess
Monitor
Treat

Communicate
Consult
Establish your context

Treatment options
• Reduce?
• Share?
• Transfer? Insurance?
• Escalate/Report?
Identify Risks

Identify risks

- What can happen?
- Where and when can it happen?
- What are the causes?
Tools to Identify Risks

• Brainstorming sessions
• Community feedback, complaints, incidents
• Historical information, records or reports
• Interviews or community consultation forum
• Physical Inspections
• Surveys and questionnaires
Examples of Categories of Risk

- Assets
  - Environmental
  - Financial
  - Legal and Compliance
  - Relationship management
- Safety
- Technological

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Assess the risks

- What is the consequence & the likelihood of this event happening?
## Consequence Rating

<table>
<thead>
<tr>
<th>Consequence</th>
<th>Description</th>
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</thead>
</table>
| **Low**     | Financial (under 10% of annual income and/or cash balance)  
              | Safety (minor injury possibly requiring on-site first aid only)  
              | Assets/maintenance (minor repairs or remediation)  
              | Relationship management (local issue for committee resolution, user satisfaction affected for a short period) |
| **Medium**  | Financial (10 - 40% of annual income and/or cash balance)  
              | Safety (injury requiring medical attention)  
              | Assets/maintenance (major repairs/remediation or construction work)  
              | Relationship management (issue raised at DELWP or with local council, major issue impacting user satisfaction in the long term) |
| **High**    | Financial (over 40% of annual income and/or cash balance)  
              | Safety (life-threatening or permanent injury or death)  
              | Assets/maintenance (irreversible damage to reserve or loss of asset)  
              | Relationship management (issue raised with police or at court level for resolution or action, issue causing irreparable damage to relationships with users) |

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Could occur at some time (less than once in 10 years)</td>
</tr>
<tr>
<td>Medium</td>
<td>Might occur at some time (at least once in 3 years)</td>
</tr>
<tr>
<td>High</td>
<td>Will probably occur in most circumstances (at least once a year)</td>
</tr>
</tbody>
</table>

C X L = Risk Rank

# Risk Rank and Classification

<table>
<thead>
<tr>
<th>Rank</th>
<th>Classification</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>Risk is intolerable and cannot be justified on any grounds.</td>
</tr>
<tr>
<td>B</td>
<td>Risk must be reduced unless the cost or effort of reducing the risk is grossly disproportionate to the benefits gained.</td>
</tr>
<tr>
<td>C</td>
<td>Risk may be reduced unless the cost or effort of reducing the risk is disproportionate to the benefits gained.</td>
</tr>
<tr>
<td>D</td>
<td>Maintain current systems of monitoring and review. Generally, no additional action is required to reduce the risk.</td>
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Treatment options
- Reduce?
- Share?
- Transfer? Insurance?
- Escalate/Report?
Balance between risk and effort
Review and monitor

- Record, review risk register (frequency?)
- New risks?
- Escalate/Report?

Review and monitor
## Review and Monitor

<table>
<thead>
<tr>
<th>Risk category</th>
<th>Risk example</th>
<th>Existing control(s)</th>
<th>Effectiveness of existing control(s)</th>
<th>New control</th>
<th>Effectiveness of new control</th>
<th>Revised Likelihood</th>
<th>Revised Consequence</th>
<th>New Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Branch falls onto tent and campers camping under trees</td>
<td>Check dangerous branches annually</td>
<td>Satisfactory</td>
<td>Fence off dangerous trees and erect signage to warn campers of the risk</td>
<td>Good</td>
<td>Low</td>
<td>High</td>
<td>B</td>
</tr>
<tr>
<td>Safety</td>
<td>Injury to a new volunteer as a result of risky behaviour</td>
<td>New volunteers work alongside experienced volunteers</td>
<td>Satisfactory</td>
<td>Conduct occupational health and safety training for volunteers</td>
<td>Good</td>
<td>Low</td>
<td>Medium</td>
<td>C</td>
</tr>
<tr>
<td>Safety</td>
<td>Person injured at private function in hall for hire</td>
<td>Regular inspection of hall for physical risks</td>
<td>Satisfactory</td>
<td>Require or provide hirer's insurance</td>
<td>Good</td>
<td>Medium</td>
<td>Low</td>
<td>C</td>
</tr>
<tr>
<td>Relationship management</td>
<td>Dispute with reserve tenant</td>
<td>Tenant invited to regular committee meetings</td>
<td>Satisfactory</td>
<td>No further action at this time</td>
<td>Satisfactory</td>
<td>Medium</td>
<td>Medium</td>
<td>B</td>
</tr>
</tbody>
</table>
Review and monitor
- Record, review risk register (frequency?)
- New risks?
- Escalate/Report?

Identify risks
- What can happen?
- Where and when can it happen?
- What are the causes?

Assess the risks
- What is the consequence & the likelihood of this event happening?

Communicate

Consult

Treatment options
- Reduce?
- Share?
- Transfer? Insurance?
- Escalate/Report?
In your groups identify and assess risks for your organisation or use the mock scenario. Use template to record your risks.

### Risk Assessment Activity Template

**Identify and assess risks**

<table>
<thead>
<tr>
<th>Risk category</th>
<th>Risk example</th>
<th>Causes</th>
<th>Consequence</th>
<th>Likelihood</th>
<th>Rank and Classification</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Overhanging branches causing injury to person</td>
<td>High winds have increased in past months</td>
<td>High</td>
<td>Medium</td>
<td>A – Risk is intolerable and cannot be justified on any ground</td>
<td>Remove risk – cut over hanging branches</td>
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We covered:

- What is risk
- What is risk management
- Who is responsible for risk management
- How often should you review your risks
- Risk tools – PESTLE and Risk Assessment