

## **Don't run the risk: best practice in risk management**

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### **Principles for risk management**

1. creates and protects value
2. is an integral part of all organisational processes
3. is part of decision-making
4. explicitly addresses uncertainty
5. is systematic, structured and timely
6. is based on the best available information
7. is tailored to the organisation's requirements
8. takes human and cultural factors into account
9. is transparent and inclusive
10. is dynamic, iterative and responsive to change
11. facilitates continual improvement of the organisation

(AS/NZS ISO 31000:2009, Principle 3 (a to f)).

The first principle means that 'risk management contributes to the demonstrable achievement of objectives and improvement of performance in for example, human health and safety, security, legal and regulatory compliance, public acceptance, environmental protection, product quality, project management, efficiency in operations, governance and reputation' (AS/NZS ISO 31000:2009, Principle 3 (a)).

## Framework

Expresses how risk management is integrated into the framework and aligned with your organisation's governance, strategy and planning, management, work plans, activities, policies, procedures, values and culture etc.

The steps for developing a Risk Management Framework are as follows:

- consider the Risk Management Principles
- understand your organisation and its context
- develop a Risk Management Policy
- establish accountabilities
- integrate risk management into your organisation's processes, culture and values
- allocate sufficient time and resources
- establish internal and external communication and reporting mechanisms.

(Risk Management for Not For Profit Organisations, Volunteering NSW, Office of Communities page 8)

## A different approach

- Identify the key activities, programs and services provided by your volunteer program and your expectations for that activity or program.
- Use an existing list of program leaders: the board of directors, veteran volunteers, finance committee or another small group, to ask and answer the questions the following questions:
  1. What could go wrong?
  2. What will we do to prevent these things from going wrong?
  3. What will we do if something does go wrong?
  4. How will we pay for it?

(Non-Profit Risk Management Centre [www.nonprofitrisk.org](http://www.nonprofitrisk.org))

Tulsi van de Graaff is a highly experienced facilitator, presenter, coach and management consultant specialising in the not for profit sector. With her background in law, psychology, mediation, investigation and counselling, Tulsi is passionate about assisting individuals and organisations to maximise their potential and develop new skills and knowledge, particularly in the areas of conflict resolution, communication and legal issues.

Tulsi's specialities include Conflict Resolution, Communication, Crucial Conversations, Change Management, Building Relationships, Effective Leadership, Coaching and Mentoring, Performance Management, Law for Non-lawyers, Legal Issues for Directors and Managers, Privacy, Risk Management, Work Health and Safety, Diversity and Discrimination, Bullying and Harassment, Child Protection, Elder Abuse and Decision-Making Capacity.

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