Risk & Opportunity

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018

Contents

1 Procedure

1.1 Introduction & Purpose

The purpose of this procedure is to outline your organization's risk and opportunity management framework and the activities within. The risk and opportunity management framework defines our current risk management process, which includes; methodology, risk appetite, and methods for training and reporting.

1.1.1 Process Overview

The process overview (turtle diagram) provides internal and external auditors, process owners, and participants an overview of the elements that are required by the risk and opportunity management process:

With what

- HSEQ plan requirements
- Customer Requirements
- Organizational context

With who

- Risk Manager
- HSEQ Manager
- Top management

Input

- Customer requirements
- Compliance obligations
- Areas of concern
- Organization context
- Needs and expectation of interested parties
- Significant impacts
- Emergency preparedness

Activity

Determination of risks and opportunities relating to our organizational context and the needs and expectations of interested parties

Output

- Process improvement
- HSEQ improvement
- Conforming processes
- Risk controls
- Enhanced desirable effects
- Integrated actions
- Evaluation
- New practices

How

- Assessment process
- Risk register
- SWOT/PESTLE analysis
- Forms & reports

With what measure

- Level of compliance
- Objectives met
- Risk analysis
- Risk mitigation scores

1.1.2 References

Standard	Title	Description
BS EN ISO 9000:2015	Quality management systems	Fundamentals and vocabulary
BS EN ISO 9001:2015	Quality management systems	Requirements
BS EN ISO 14001:2015	Environmental management systems	Requirements
BS EN ISO 45001:2018	OH&S management systems	Requirements
BS EN ISO 19011:2018	Auditing management systems	Guidelines for auditing

1.1.3 Terms & Definitions

Term	Definition
Documented Information	Information (3.8.2) required to be controlled and maintained
Risk	The negative effect (3.7.9) of uncertainty
Objective Evidence	Data (3.8.1) supporting the existence or verity of something
Opportunity	Opportunities are identified as positive effects of risk

1.2 Application & Scope

Risk and opportunity are defined by your organization as 'something happening that may have an impact on the achievement of our objectives or which may affect our health, safety, environmental and quality management system. Risk and opportunity management is a central part of our organization's strategic management.

It is the process whereby management teams and risk owners methodically address the risks and opportunities attached to their activities with the goal of achieving sustained benefits within their activity.

1.3 Roles, Responsibilities & Authorities

Regardless of the scope, roles and responsibilities are agreed by Top management and incorporated into existing job descriptions, and included in yearly objectives. All roles and designated person(s), team(s), or group(s) are clearly communicated across your organization in order to encourage or improve collaboration and cooperation for cross-functional process activities.

1.3.1 Roles & Responsibilities

The roles and responsibilities associated with the risk and opportunity process are defined in the context of the management function and are not intended to correspond with organizational job titles. A role refers to a set of connected behaviors or actions that are performed by a person, team, or group in a specific context.

1.3.1.1 Top Management

Top management are responsible for:

1. Determining the relevant external and internal strategic issues:
    a. That affects the ability to achieve the intended outcomes of the HSEQ management system;
    b. That can impact the planning of the HSEQ management system.
2. Assessing conditions capable of affecting or being affected by our organization;
3. Determining strategic direction and operational purpose;
4. Ensuring the policy and objectives are:
    a. Compatible with our context;
    b. Compatible with our strategic direction.

1.3.1.2 HSEQ Manager

The HSEQ Manager is responsible for:

1. Ensuring monitoring activities exist to verify risk and opportunities are effectively managed;
2. Evaluating feedback from operational performance and identifying opportunities for improvement;
3. Ensuring this procedure is consistently complied with and is effectively implemented;
4. Regularly monitor and review the effectiveness of risk controls;
5. Escalating unaddressed risks;
6. Providing feedback for Management Review;
7. Implement corrective action and treatment plans where required.

1.3.1.3 Line Managers and Department Managers

Line Managers and Department Managers are responsible for:

1. Maintaining *Risk & Opportunity Registers* for the scope and objectives for which they are accountable;
2. Considering all types of risk and opportunity, including; schedule, cost, quality, 3rd Parties, etc.;

Risk assessments are undertaken to provide an improved understanding of the risk profile and derive a more detailed understanding of certain cost and time risks. Forecast probability, cost, and time data are assessed for each risk based on the causes and effects described, considering the existing controls and active responses.

Probability or likelihood estimations are established giving due consideration to the effectiveness of existing control measures. The consequence evaluation criteria define the consequence criteria, assessed against potential financial loss, reputation impact, health and safety, legal and regulatory compliance, and management time and effort.

1.4.5 Risk Scoring Matrix

The *Risk & Opportunity Register* identifies and records the risks facing different areas of business. Identifying risk is a critical step in managing it and the risk and opportunity register allows our organization to assess the risk in context with our overall strategy and help record the controls and treatments of those risks.

The risks' significance (Table S1) is calculated by adding the impact, legal and quantity criteria, multiplied by the frequency. The resulting significance score (Table S2) is then used to prioritize the appropriate level of action.

Any significance criteria scoring 4 are automatically highlighted red and should themselves be considered significant and subject to treatment.

Risk Significance (S1)

Significance of Risk (S)	Risk Significance Criteria			
	1	2	3	4
A. Impact	Low	Noticeable	Great	Severe
B. Legal requirement	No regulations	Guidelines & ACoPs	Standards	Laws & Regulations
C. Likelihood	<0.1%	10%	50%	>95%
D. Frequency	Almost never	Rare	Regularly	Always

Significance Score (S2)

Score	Exposure	Impact Exposure	
		Management Control Action (MCA)	Timeframe
1 to 14	Low	No mitigation, no action is required, the risk is ALARP. Monitor to ensure that the risk remains tolerable at this level. Maintain assurance that the risk remains tolerable at this level. Monitor and manage using routine procedures, unlikely to need specific application of resources (managers and key staff).	1 year +
15 to 23	Moderate	Tolerable if the cost of reduction would exceed the improvement gained. Mitigate through management by specific reviews and monitoring of procedures (Managers) but regular monitoring should occur.	Within 6 months
24 to 34	High	Tolerable only if risk reduction is impractical or if cost is disproportionate to the improvement gained. Mitigate by implementing controls to reduce the risk to as low as is reasonably practicable. Where this cannot happen, continual monitoring should occur.	Within 3 months