

Developing policies and procedures for your business

The policies and procedures adopted by your business for a particular task or activity must match the risk tolerance of the business and be tailored to suit the business's specific needs. It is not possible to simply implement a standard policy – the policy must be tailored for each business, as each business's level of risk tolerance and context is unique.

At the time of writing, the International Organisation for Standardisation (ISO) has a draft international risk management standard ISO/DIS 31000 *Risk Management – Principles and Guidelines on Implementation*.

For detailed information on risk management and determining risk tolerance, please see the Australian and New Zealand risk management standard AS/NZS 4360: 2004.

Figure 1 below provides a graphical overview of the process for the development of a risk management program.

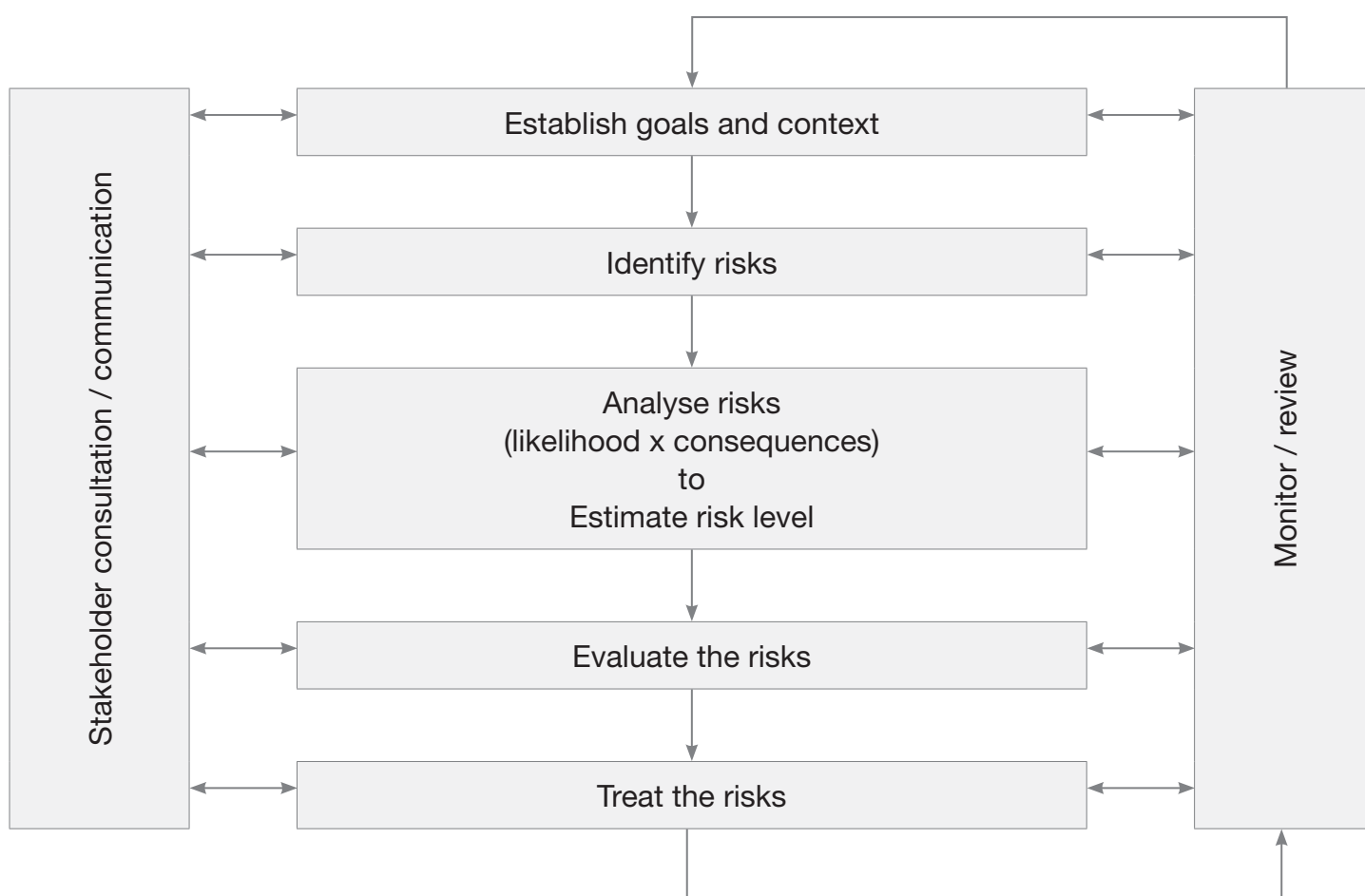


Figure 1: Overview of AS/NZS 4360:2004 (Risk Management)

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Figure 2 below provides a more detailed representation of a process a business may follow to develop a tailored business policy.

	Identify risks	Analyse	Evaluate	Treat and monitor
Objective	Identify the risks	Understand the risks	Evaluate the risks	Treat the risks
Key steps	<ul style="list-style-type: none"> › Identify business strategy and market position › Assessment of risk exposure › Stakeholder survey › Stakeholder interviews › Document risks 	<ul style="list-style-type: none"> › Identify likelihood › Identify consequences › Risk assessment workshop 	<ul style="list-style-type: none"> › Evaluate risks and risk level to identify risks that require treatment › Match risks to policy and procedure template to develop a policy 	<ul style="list-style-type: none"> › Develop program of activities from procedures › Establish monitoring program
Project outputs	Identified risks	Estimated risk level	Policy	Implemented policy

Figure 2: A tailored approach to the development and implementation of a business policy