

Basic Requirements of Risk Management

► Risk management in SMEs is governed by various obligations and commitments.

Basic requirements of risk management

Risk management in SMEs involves the **rights and well being** of various parties: the entrepreneur and company, employees, business partners, consumers and society. A holistic approach to the management of business risks involves the effective control of all significant risks to the business. Compliance with relevant legislation is an

Business activity is governed and controlled by various requirements and obligations, which are set at national local and organisational levels. How well do you know the requirements and obligations that concern your company?

Risk management in SMEs is subject to obligations and commitments for instance:

- The requirements governing your field of operation;
- The requirements that apply to your product in countries you may export to;
- The standards/practices your company is committed to;
- Safe and responsible disposal of any chemicals you have been using;
- The risk management standards required from you by your insurance company;
- The record keeping, etc. required of you by your accountant;
- The need for employees to understand the quality control requirements of any subcontracting agreement with buyers, etc.

Regulations are subject to change from time to time. Do you know a specialist who can help you with legal and contractual questions related to your field of operation? (see next page for information)

Well, the new safety representatives have now been elected

John, remember to display their names and details on posters around the workplace.



Requirements are useful

Legislation sets the minimum standards for compliant operations and is thereby helpful in risk management **requirements can be useful!** By following regulations, the risk of legal consequences is reduced.

When a company conforms to the basic requirements of risk management, co-operation with the authorities is also easier. This establishes a good foundation on which a company can continue to develop effective risk management. Meeting the requirements that apply to your operations and products is a **positive signal** to customers, business partners, employees and other stakeholders. It indicates a responsible attitude towards common rules. Does your company demonstrate this?

Risk management makes it easier for a company to meet its obligations. For instance, Health and Safety and Product Liability legislation place strict obligations on companies and ignorance of the law is no defence if accidents or damage occur. Systematic risk management helps you to keep up to date. Moreover, legislation offers you **protection** by placing similar obligations on your customers, suppliers, competitors and employees.



**Legislation protects you, too.
Do you know your rights?**

Sources of information and advice

There are different sources of **business** information and advice for different areas of the UK:

England: www.businesslink.org

Highland Scotland: www.bis.uk.com

Lowland Scotland: www.sbgateway.com/index.asp

Northern Ireland: www.ledu-ni.gov.uk

Wales: www.businessconnect.org.uk

For **OSH** information and advice you can contact:

HSE Information Line: 08701 545500

HSE Information Centre: www.hse.gov.uk

HSE Northern Ireland – Advice and Information

Line: 0800 032 0121

HSE Northern Ireland website: www.hseni.gov.uk

www.safestartup.org

Checklist	Yes	No
Do you know the requirements and obligations that apply to your company and products?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know a specialist who can help you with legal; health & safety; and contractual issues?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know your enforcing authorities?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know your legal rights or your options when making agreements?	<input type="checkbox"/>	<input type="checkbox"/>
Do your employees know their rights and obligations?	<input type="checkbox"/>	<input type="checkbox"/>

Further Information

More information may be obtained from Trade/Employers' Associations and Chambers of Commerce. The material found in the **SME Risk Management Toolkit** offers practical ideas on how matters can be dealt with in SMEs.

The following subjects can be dealt with:

Establishing a company

- Registering your business
- Other initial declarations
- Trades that require a licence
- Various kinds of insurance

Accounting

- New accounting legislation
- New corporate legislation
- Taxation

Product liability and product safety

- Operating liability
- Error liability
- Product liability
- Guarantee
- Compliance with requirements
- Product information

Environmental liability and safety

- Environmental liability
- Waste disposal legislation
- Chemical safety

Employment

- Work agreements
- Work time

Occupational safety

- Action plan for safety and health at work
- Co-operation in occupational safety

Occupational health services

- Arrangement of occupational health services
- Evaluation of the workplace
- First aid capability
- Work environment
- Risk evaluation and measurements
- Ergonomics
- Use of chemicals
- Personal protective equipment

Protection

- Protection plan
- Hot work and permits to work
- Emergency work

Termination of business