RISK MANAGEMENT SERIES

RM-04 · Executive Risk Governance

Product Overview

Audience: Business owners, directors and senior managers · Duration: 90–120 minutes

Version 1.0 · 7 November 2026

For the owners and directors who set the risk appetite, fund the controls and need to know whether they are working.

Owners, directors and senior managers make the decisions on budgets, schedules, structure and contracting that create or remove risk across the business. This briefing equips them to oversee WHS risk, ask the right questions and recognise when a risk report is telling them nothing. It covers governance responsibilities, risk appetite and tolerance, what a useful risk report looks like, leading and lagging indicators, and assurance. Officer duties are covered for each jurisdiction, including Victoria, where the law takes a different form. Executives compare a typical heat map board paper with the same company reported properly, and follow a maintenance budget that was cut twice, from the board paper to the incident report.

Learning outcomes

- Describe the governance responsibilities for WHS risk, and how officer duties differ between jurisdictions
- Explain how decisions on budgets, schedules, structure and contracting create or reduce risk
- Interpret risk register reporting critically, and recognise a heat map that tells them nothing
- Distinguish leading from lagging indicators, and know the limits of each
- Use risk appetite and tolerance in actual decisions, not only in a policy
- Accept risk only knowingly: named, owned, time-limited and within tolerance
- Set clear accountability for risks and controls, and ask 'how do you know?'

Session outline

Part	Covers
1. The heat map	What boards typically receive, what it hides, and how a heat map stays green
2. What governance requires	Governance and assurance; three things the board must know; officer duties by jurisdiction, including Victoria; the six elements of due diligence; risk appetite and tolerance; accepting risk knowingly
3. Reporting	What the board should receive; Activity 1, read the report; reading a risk register summary that tells you something; leading and lagging indicators
4. Assurance	Lines of assurance, and what each one cannot see; decisions that change the risk profile; is your assurance real?; Activity 2, the budget cut, stage by stage
Close	Activity 3, the executive question set applied to your own risk reporting; knowledge check; commitments

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What is in the package

Folder	Contents
01_START_HERE	Read Me First, Product Overview, Permitted Use Terms, Version Information
02_TRAINING_PRESENTATION	Training Presentation: the executive briefing (.pptx with speaker notes, and PDF)
03_FACILITATOR_GUIDE	Facilitator Guide (.docx and PDF), Session Plan
04_PARTICIPANT_RESOURCES	Participant Workbook: the executive briefing workbook (.docx and PDF)
05_ACTIVITIES_AND_ASSESSMENTS	Risk Reporting Example (PDF), Governance Scenario, Knowledge Assessment, Assessment Answers (PDF)
06_WORKPLACE_TOOLS	Assurance Checklist with the executive question set, Board Risk Report Template, Risk Appetite Statement Template (editable)
07_TRAINING_ADMINISTRATION	Attendance Register (.xlsx), Completion Certificate Template, Training Evaluation

Document control

Item	Detail
Product	RM-04 Executive Risk Governance
Document	Product Overview
Version	1.0
Status	Released
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Executive Risk Governance

What the board needs to know about WHS risk, and how to know it is true

[Insert organisation name] · [Insert date]

04

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What this briefing is, and is not

This briefing is

- ✔ About governing your most serious risks
- ✔ About the decisions only owners and executives make
- ✔ About what to receive, and what to ask
- ✔ Practical: your own reporting, tested

This briefing is not

- ✕ A course in doing risk assessments
- ✕ A safety statistics review
- ✕ Legal advice
- ✕ A replacement for your WHS or risk advisers

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Today

Part	What it covers	Time
1. The heat map	What boards typically receive, and what it hides	10 min
2. What governance requires	Three things to know; officer duties; appetite and tolerance; accepting risk knowingly	22 min
3. Reporting	What the board should receive; Activity 1, read the report; indicators	24 min
4. Assurance	Lines of assurance; decisions that change the risk; Activity 2, the budget cut	25 min
Close	Activity 3, the question set; knowledge check; commitments	23 min

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PART 1

The heat map

What boards typically receive

1

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A page from a board paper

> **“Risk register summary, September quarter. 38 risks: 0 Extreme, 6 High, 19 Medium, 13 Low. Top risks: Contractor management (High, stable); Plant and equipment (Medium, stable); Traffic management (Medium, improving). 94% of controls rated effective. LTIFR 0.0. All risks within appetite. Overall status: Green.”**

Every figure is true. The business is a regional quarry and haulage company: a composite, used throughout the briefing.

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RM-04 · Executive Risk Governance

Executive Briefing Workbook

Duration: 90–120 minutes

Name: _____

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How to use this workbook

A short companion to the briefing. Make notes, use it for the three activities, and keep the executive question set at the back. All cases and reports are composites.

By the end of the briefing you will be able to:

- Describe the governance responsibilities for WHS risk, and how officer duties differ between jurisdictions
- Explain how decisions on budgets, schedules, structure and contracting create or reduce risk
- Interpret risk register reporting critically, and recognise a heat map that tells them nothing
- Distinguish leading from lagging indicators, and know the limits of each
- Use risk appetite and tolerance in actual decisions, not only in a policy
- Accept risk only knowingly: named, owned, time-limited and within tolerance
- Set clear accountability for risks and controls, and ask 'how do you know?'

The company used in the activities

A regional, family-owned quarrying and haulage business: two hard-rock quarries, a crushing and screening plant, a concrete batching plant and a fleet of about forty trucks. About 160 workers, plus contractors. The board is the owner and managing director, two family directors and an independent chair. This is a composite: no real business is described.

Part 1. The heat map

Risk register summary, September quarter. 38 risks: 0 Extreme, 6 High, 19 Medium, 13 Low. Top risks: Contractor management (High, stable); Plant and equipment (Medium, stable); Traffic management (Medium, improving). 94% of controls rated effective. LTIFR 0.0. All risks within appetite. Overall status: Green.

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The heat map attached to the paper: number of risks in each cell

Likelihood	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Almost certain					
4 Likely	1	3	1		
3 Possible	2	4	4	3	1
2 Unlikely	4	3	3	2	1
1 Rare	2	1	1	1	1

Shaded on the company's own matrix, on which a Catastrophic risk rated Rare comes out Medium. One of the 38 is in that cell.

The paper says	What it actually tells you
38 risks: 0 Extreme, 6 High	A count of ratings. Not one fatal scenario is named
Contractor management (High, stable)	A category, not a scenario. Nobody can say what could kill whom, or where
94% of controls rated effective	Rated by whom, against what? Nothing says any control was checked
LTIFR 0.0	A lagging measure of the injuries that happened, not of what nearly did
All risks within appetite. Green	A judgement nobody in the room can test

What the board has not been told:

- Which scenarios could kill or seriously injure someone, and where
- Whether any critical control has been verified, and what the check found
- That the matrix rates a catastrophic risk Medium if someone calls it Rare
- That 130 maintenance work orders are overdue, eleven of them on safety-critical items
- That the board's own budget decision changed the risk

How a heat map stays green

1. Risks are recorded as categories, so the fatal scenarios inside them are never rated on their own
2. Likelihood is rated from opinion: 'it hasn't happened here'
3. Controls nobody has checked are recorded as effective, and the likelihood comes down
4. A catastrophic risk rated Rare comes out Medium, and drops out of the board's view
5. Ratings are reviewed once a year, so they stay where they were set
6. The board receives green and asks no further questions

The chain breaks at one point: no control gets credit until someone has checked it.

Part 2. What governance requires

Definitions

Term	Definition
Governance	Who owns what, how decisions are made, and how risk fits into strategy.

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Activity 1. Read the report

The same company, in the same quarter as the heat map paper, reported properly.

WHS risk: quarterly report to the board, September quarter

Critical risks

Scenario	Worst credible outcome	Residual rating	Why that likelihood	Tolerance
Worker caught in a conveyor at the crushing plant	Fatality or amputation	Catastrophic, Possible: Extreme	Three tail pulley guards off awaiting parts since July; isolation relies on a procedure nobody has verified	Above
Haul truck brake failure on the quarry ramp	Fatality	Catastrophic, Possible: Extreme	Brake service interval extended from 250 to 500 hours in August; no check since	Above
Light vehicle struck by a haul truck in the pit	Fatality	Catastrophic, Unlikely: High	Separate roads and proximity detection, verified monthly; last check passed	Within
Heavy vehicle fatigue crash on the highway	Multiple fatalities	Catastrophic, Possible: Extreme	Fatigue system in place; 14 shifts over the limit this quarter during the contract peak	Above

Critical control status

Control	Status	Last verified	Result
Fixed guarding on conveyor tail pulleys	Not in place at 3 of 14	Aug	Parts deferred under the maintenance budget
Isolation and lockout before conveyor work	In place, not verified	Never	No field check of isolations recorded
Conveyor pull-wire emergency stops	In place, overdue	Feb	Six-monthly test missed in August
Haul truck brake servicing at 250 hours	Changed: now 500 hours	n/a	Extended in August with no risk assessment
Proximity detection, haul trucks	In place, effective	Sep	Monthly test passed
Driver fatigue limits	In place, ineffective	Sep	14 shifts over the limit, all approved by dispatch

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