3.3 Apply recognised governance frameworks to strategic OHSES decisions.

Learning Outcome

By the end of this session, learners should be able to apply recognised Occupational Health, Safety, Environment, and Sustainability (OHSES) governance frameworks to support strategic decision-making. They should understand how governance structures, board oversight, accountability mechanisms, documentation, audits, and risk management work together to improve organisational performance and ensure responsible leadership.

Introduction

Effective OHSES governance does not happen by chance. It is achieved through recognised governance frameworks that provide organisations with a structured approach to making strategic decisions.

These frameworks help organisations:

- Protect workers and the environment.
- Meet legal and regulatory obligations.
- Improve organisational performance.
- Manage risks proactively.
- Demonstrate accountability to stakeholders.
- Support long-term sustainability.

Strategic OHSES decisions should always be based on evidence, sound governance principles, and continual improvement rather than personal opinion or short-term financial pressures.

What is a Governance Framework?

A governance framework is a structured system of policies, responsibilities, processes, and controls that directs and monitors how an organisation achieves its objectives ethically, legally, and effectively.

In OHSES, governance frameworks ensure that:

- Leadership demonstrates commitment.
- Responsibilities are clearly defined.
- Risks are managed systematically.
- Decisions are evidence-based.
- Performance is monitored.
- Continual improvement is achieved.

Think of a governance framework as the "rulebook" that guides how an organisation makes important health, safety, environmental, and sustainability decisions.

Why Governance Frameworks Matter

Without a governance framework:

- Responsibilities become unclear.
- Risks are overlooked.
- Decisions become inconsistent.
- Legal compliance suffers.
- Accountability is weakened.
- Stakeholder confidence declines.

With an effective governance framework:

- Decisions are transparent.
- Risks are controlled.
- Resources are allocated effectively.
- Safety culture improves.
- Organisational resilience increases.

1. Recognised OHSES Governance and Management System Frameworks

Several internationally recognised frameworks support strategic OHSES governance.
ISO 45001 – Occupational Health and Safety Management System
Purpose
Provides a systematic framework for preventing work-related injuries and illnesses while improving occupational health and safety performance.
Strategic Benefits

- Leadership commitment
- Worker participation
- Hazard identification
- Risk management
- Legal compliance
- Continual improvement

Example

Before introducing new machinery, management conducts:

- Risk assessments
- Worker consultation
- Competency training
- Safety verification

This supports informed strategic decision-making.

ISO 14001 – Environmental Management System

Purpose

Provides a framework for managing environmental responsibilities.

Strategic Decisions Include

- Waste reduction
- Pollution prevention
- Energy efficiency
- Climate-related initiatives
- Resource conservation



Example

Choosing renewable energy sources rather than fossil fuels to reduce environmental impact and improve long-term sustainability.

ISO 9001 – Quality Management System

Although focused on quality, ISO 9001 supports OHSES governance by promoting:

- Process consistency
- Evidence-based decision making
- Corrective actions
- Risk-based thinking
- Continual improvement

Good quality systems often reduce operational risks that could affect safety and environmental performance.



ISO 31000 – Risk Management

ISO 31000 provides principles and guidelines for managing organisational risks.
It helps organisations:

- Identify risks
- Analyse likelihood and consequences
- Evaluate priorities
- Select suitable controls
- Monitor effectiveness

Strategic OHSES decisions should always consider risk before implementation.



ESG (Environmental, Social and Governance)

Many organisations use ESG principles to guide sustainable business practices.

Environmental

- Carbon emissions
- Energy efficiency
- Waste management
- Biodiversity protection



Social

- Worker wellbeing
- Human rights
- Diversity and inclusion
- Community engagement

Governance

- Ethical leadership
- Transparency
- Accountability
- Board oversight

ESG helps organisations balance financial success with social and environmental responsibility.

COSO Enterprise Risk Management (ERM)

The COSO ERM Framework integrates risk management into strategic planning and decision-making.

Key components include:

- Governance and culture
- Strategy and objective-setting
- Performance
- Review and revision
- Information, communication, and reporting

By embedding risk into strategic decisions, COSO helps organisations anticipate challenges and improve resilience.



Integrated Management Systems (IMS)

Many organisations combine multiple standards into one management system.

For example:

- ISO 9001 (Quality)
- ISO 14001 (Environment)
- ISO 45001 (Occupational Health & Safety)

Benefits include:

- Reduced duplication
- Consistent processes
- Better resource management
- Improved strategic alignment
- Easier auditing



2. Board Oversight, Accountability and Assurance Mechanisms

Board Oversight

The Board of Directors has ultimate responsibility for organisational governance.

They do not manage day-to-day safety activities but ensure appropriate systems are in place.



Board responsibilities include:

- Setting OHSES strategy
- Approving policies
- Allocating resources
- Monitoring performance
- Reviewing major risks
- Promoting ethical leadership
- Ensuring legal compliance

A strong board asks questions such as:

- Are workers adequately protected?
- What are our highest risks?
- Are controls effective?
- What lessons have been learned from incidents?
- Are sustainability objectives being achieved?



2. Board Oversight, Accountability and Assurance Mechanisms

Accountability

- Accountability means individuals are responsible for their decisions and actions.
- Responsibilities should be clearly assigned throughout the organisation.

Board

- Provides governance and strategic direction.

Chief Executive Officer (CEO)

- Implements board strategy.

Senior Management

- Develops policies and allocates resources.

Line Managers

- Implement safe systems of work.

Supervisors

- Monitor daily compliance.

Employees

- Follow procedures and report hazards.
- Everyone has accountability appropriate to their role.



3. Documentation, Audit Trails and Evidence-Based Decision Processes

Why Documentation Matters

Good governance relies on accurate and reliable information.

Proper documentation:

- Demonstrates compliance
- Supports investigations
- Enables accountability
- Provides consistency
- Preserves organisational knowledge



Examples of Important Documents

- OHSES policies
- Risk assessments
- Safe work procedures
- Training records
- Inspection reports
- Maintenance records
- Incident investigations
- Audit reports
- Management review minutes and Emergency Plans

Audit Trails

An audit trail is a chronological record showing what happened, who was responsible, and when actions were taken.
An audit trail allows organisations to trace decisions and verify that appropriate processes were followed.
Example:
Hazard reported → Risk assessment completed → Controls approved → Training delivered → Inspection completed → Effectiveness reviewed.
Strong audit trails improve transparency and accountability.

Evidence-Based Decision Making

Strategic decisions should be based on reliable evidence rather than assumptions.

Useful evidence includes:

- Incident statistics
- Risk assessments
- Audit findings
- Worker feedback
- Scientific research
- Regulatory guidance
- Benchmarking data
- Financial analysis

Example

Before investing in new ventilation systems, management reviews:

- Air quality monitoring
- Employee health surveillance
- Maintenance records
- Regulatory requirements
- Cost-benefit analysis

The decision is supported by objective evidence rather than opinion.

4. Integration of Governance Structures into Strategic Risk Management

Governance and risk management should work together.

Governance determines:

- Who makes decisions.
- Who is accountable.
- What controls are required.
- How performance is monitored.

Risk management determines:

- What could happen.
- How likely it is.
- What the consequences are.
- Which controls are needed.

When integrated, organisations can make better strategic decisions.

Strategic Risk Management Process

Step 1
Identify hazards and strategic risks.
Examples:

- Major accidents
- Climate risks
- Supply chain disruption
- Regulatory changes
- Emerging technologies
- Cybersecurity risks affecting safety systems



Step 2
Assess risks.
Evaluate:

- Likelihood
- Severity
- Existing controls
- Residual risk

Strategic Risk Management Process

Step 3
Prioritise risks.
Focus resources on the highest-risk issues first.

Step 4
Implement controls.
Examples include:

- Engineering controls
- Administrative controls
- Training
- Emergency preparedness
- Environmental protection measures



Strategic Risk Management Process

Step 5

Monitor performance.

Use:

- Audits
- Inspections
- KPIs
- Management reviews
- Incident investigations



Step 6

Continual Improvement

Update governance arrangements based on:

- Lessons learned
- New legislation
- Technological developments
- Organisational changes
- Stakeholder expectations

Scenario

A multinational construction company plans to expand into a region with stricter environmental regulations and increased occupational safety risks.

Governance Frameworks Applied

- ISO 45001: Conduct comprehensive health and safety risk assessments and consult workers.
- ISO 14001: Assess environmental impacts and implement pollution prevention measures.
- ISO 31000: Evaluate strategic, operational, legal, and environmental risks before approving the project.
- Board Oversight: Review project risks, approve required resources, and monitor implementation.
- Assurance: Require internal audits, legal compliance reviews, and periodic management reports.
- Evidence-Based Decision Making: Use environmental studies, engineering reports, stakeholder consultation, and financial analysis to support the final decision.

Outcome

The organisation proceeds only after demonstrating that health, safety, environmental, legal, and financial risks have been reduced to acceptable levels and appropriate governance controls are in place.

Critical Evaluation

Recognised governance frameworks provide organisations with a consistent and systematic approach to strategic OHSES decision-making. Frameworks such as ISO 45001, ISO 14001, ISO 31000, COSO ERM, and ESG enable leaders to integrate safety, environmental stewardship, quality, and risk management into business strategy. However, frameworks alone do not guarantee success. Effective governance depends on visible leadership commitment, clear accountability, reliable assurance mechanisms, robust documentation, evidence-based decision-making, and continual improvement. Organisations that embed these principles into strategic planning are better equipped to protect people, meet legal obligations, build stakeholder trust, and achieve sustainable long-term performance.

Key Takeaways

- Governance frameworks provide a structured approach to strategic OHSES decision-making.
- International standards such as ISO 45001, ISO 14001, ISO 31000, ISO 9001, COSO ERM, and ESG support effective governance.
- Boards provide strategic oversight, while accountability is shared across all organisational levels.
- Assurance mechanisms—including audits, reviews, KPIs, and compliance checks—confirm that governance systems are effective.
- Accurate documentation, audit trails, and evidence-based decisions strengthen transparency and accountability.
- Integrating governance with strategic risk management enables organisations to anticipate risks, allocate resources effectively, and achieve continual improvement in health, safety, environmental, and sustainability performance.

Thank you