

# Risk Insights™

## Responsibilities for Loss Prevention



To be effective, both management and employees must share the responsibility for loss prevention.

### Management

Management's commitment to a loss prevention program will in large part determine the success of the program.

#### Management's responsibilities in loss prevention include:

1. Providing a safe workplace, safe vehicles, safe equipment, etc.
2. Providing management direction in the Loss Prevention program including creating, implementing, monitoring and supporting the program through training, supervision, analysis and documentation.
3. Provide adequate management controls for Loss Prevention. Identify, communicate and control hazards throughout the organization.

#### Hazards can be controlled through:

- **Transfer:** The burden of a loss can be transferred by contracting out hazardous operations to be conducted outside of your own facilities.
- **Substitution:** As an example, a hazardous hot work activity could be replaced with a process without heat, eliminating that fire hazard.
- **Engineering controls:** These involve design choices for the physical environment that reduce probability of loss such as arranging a building layout with maximum visibility for supervision, thereby reducing the exposure to theft.
- **Administration controls:** These involve management of the human element to ensure that loss prevention procedures are followed.

#### We recommend management:

- Review accident reports and ensure corrective action is taken promptly
- Monitor Loss Prevention programs for application and effectiveness, modifying if necessary
- Include safety in performance reviews
- Review Loss Prevention activities with all employees regularly
- Ensure all employees comply with company Loss Prevention procedures and rules



**Support and commitment from both management and employees is the key to effective loss prevention.**

## Employees

Management's commitment alone will not automatically result in an effective Loss Prevention effort—employee participation is crucial. Having employees share the responsibility for Loss Prevention not only benefits the organization, but also benefits the individual employee and co-workers by ensuring safety for the property and employees.

### Basic employee responsibilities for Loss Prevention include:

- Think safety before starting any work
- Follow all Loss Prevention procedures, regulations, and rules
- Follow inspection guidelines for all equipment, machines, and tools
- Utilize proper personal protective equipment where required
- Operate all equipment with safety guards in place while in operation
- Operate only the equipment and machines trained and authorized to operate
- Report all unsafe acts, conditions and accidents immediately to management
- Participate actively in Loss Prevention training
- Suggest methods for control of workplace hazards



### Summary:

*Together, Employees and Management can have a positive effect on reducing, controlling or eliminating workplace hazards, accidents, and injuries.*

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