

COUNTRY ROADS COMMUNITY HEALTH CENTRE POLICIES AND PROCEDURES		NUMBER: RHS-02
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RISK MANAGEMENT

Policy

CRCHC is committed to promoting risk identification and management practices that supports quality programs and services. CRCHC has adopted an Integrated Risk Management (IRM) Program to proactively manage and analyze risk as part of the ability of the organization to achieve its strategic goals and objectives. This takes place within a culture of continuous quality improvement, where issues are identified and resolved in an effective and systematic manner.

CRCHC supports a risk-informed culture. CRCHC will promote learning and safety culture; one in which people are made to feel safe and encouraged to report errors and near misses to identify and manage risk more effectively. A culture of safety is supported throughout CRCHC.

Responsibilities:

Board:

- Oversight for the Integrated Risk Management Program
- Ensures appropriate systems and processes are in place to identify and manage organizational-wide risks
- Delegates authority and responsibility to the Executive Director to ensure management of all aspects of the IRM process

Executive Director:

- Ensuring that necessary resources are available to assist those accountable and responsible for managing risk.
- Supports the organization's risk management philosophy (open communication, knowledge sharing, best practices, transparent risk reporting etc.)
- Is accountable for IRM in the organization
- Ensures leadership implements and is accountable for the IRM program
- Provides annual report to the Board of top organizational-wide risks and mitigation strategies in place for those risks
- Reports quarterly to the Board of Directors on the Risk Management Plan

Leadership Team:

- Overseeing a comprehensive integrated risk management program for identifying, assessing, managing, and monitoring key risks to organizational objectives and prioritizes risks with high probability and impact.
- Leading the organization in developing a culture that fosters physical and psychological safety throughout CRCHC so that staff feel comfortable raising and escalating concerns.
- Identifying Program/Department risks, assigning risk ownership, developing, implementing, and monitoring risk management strategies.
- Operationalizing the organization's integrated risk management program.
- Ensuring the controls/mitigation strategies have been identified to manage the top risks facing the organization.

Staff:

- Identifying and reporting risks to supervisors on an ongoing basis.

Procedure:

1. Risk Identification Process

- a. Departmental risk assessments are carried out annually, in line with annual operational planning.
- b. Risk analysis is used when reviewing all incident reports.
- c. Other risks identified that are not part of a defined process e.g., internal, or external reviews/audits.
- d. Review existing sources of risk information including:
 - Strategic plan
 - Client complaints
 - Client satisfaction surveys
 - HIROC risk assessments checklists (RAC)
 - Recommendations and reports from external agencies (e.g., Canadian Centre for Accreditation reports)
 - Key performance indicators
 - Product/hazard alerts, recalls
 - Staff complaints/engagement surveys
 - Incident reports and critical incident reviews
 - Audit reports
 - Insurance claims and self-assessments
 - HIROC Taxonomy of Healthcare Organizational Risk
- e. Identify key organizational risks:
 - Identify strategic risks that represent major threats to achieving the organizational strategic objectives
 - Focus on events that could give rise to a loss or injury in the future (downside risks)
 - Focus on the most significant risks that might require the attention of senior leadership and the board

- Focus on residual risks (risks that remain with mitigation strategies in place)
 - Use plain language to describe these risks
 - Limit the number of risks identified to 8-10 annually
 - Aggregate risks where possible
 - Recognize that risks are interrelated and that clear delineation between risks is not always possible
2. Risk Evaluation and Prioritization
- a. All risks are entered into the Risk Register database.
 - b. Consider the losses or consequences that could result if a particular risk were to be realized in the following domains:
 - Physical or psychological harm (to patients, staff, visitors, research subjects)
 - Disengaged staff/physicians
 - Financial loss
 - Reputational loss
 - Service/business interruption
 - Statutory non-compliance
 - Failed strategic initiatives
 - c. Assess risk likelihoods:
 - Consider the controls already in place
 - Consider the frequency of occurrence (e.g., once per month or once per year)
 - d. Use the risk matrix¹ in the IRM to categorize and assign risk, using the definitions in the
 - e. Risks are evaluated and prioritized within the register using the HIROC IRM framework
 - Risks will be classified using the IRM Program Taxonomy²
 - Map the identified risks to a CRCHC strategic objective
 - f. Determine the risk tolerance³ of each identified risk:
 - Attitude towards the risk
 - CRCHC's goals.
 - CRCHC's capability to manage risk
 - CRCHC's capacity to absorb the impact of potential loss related to taking the risk
 - The cost/benefit of managing the riskDocument the risk tolerance in the IRM.
3. Risk Mitigation/Control Options
- a. Assess current risk mitigation strategies and determine if existing controls are still appropriate and/ or being consistently applied

¹ HIROC IRM Tool

² HIROC (July 2019). Integrated Risk Management Program – Taxonomy Risk Categories and Risk Names. Retrieved July 23, 2022 from <https://www.hiroc.com/system/files/resource/files/2020-01/IRM-HC-Risks-Taxonomy-Summary.pdf>

³ Risk tolerance:

- Risk exposure an organization determines appropriate to take or avoid taking
- Clarifies what risk exposures are acceptable to take and what exposures are to be avoided
- Considered before determining how risks can be addressed

- b. If existing controls are not adequate, develop additional mitigation plans and assign accountability for their implementation
 - c. If a specific risk is not at a tolerable level, consider a number of risk management options such as:
 - Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk
 - Removing the hazard
 - Reducing the likelihood (e.g., audit and compliance programs, inspection and process controls, preventative maintenance, project management, quality improvement, and structured training).
 - Reducing the consequence (e.g., contingency planning, contractual arrangements, disaster recovery plans, engineering and structural barriers)
 - Sharing the risk with another party or parties (e.g., contracts and insurance)
 - Retaining the risk by informed decision
 - d. Consider new control strategies or initiatives to improve compliance with existing controls (e.g. hand hygiene practices)
 - e. Establish best practices to identify possible options, or consider implementing a quality improvement project to work towards a solution
 - f. Conduct periodic audits of mitigation strategies for high priority risks
4. Risk Reporting
- a. Document the risk assessment results and summarize in reports to senior leadership and the board
 - b. Using the risk register, compare and evaluate the risks
 - c. Use the risk register to form the basis for IRM reporting to senior leaders and the board
 - d. The Risk Management Plan of the top 10 ranked risks will be presented by the Executive Director quarterly to the Executive Committee.
5. Risk Review and Monitoring
- a. Continually monitor and review risks to assess the effectiveness of the controls implemented to mitigate loss/harm
 - b. The Risk Management Plan will be reviewed and updated quarterly through the Leadership Team and annually in line with annual operational planning process.
 - c. Questions to ask during the Risk Review:
 - Has the risk changed in character due to trends? Are there new risks evolving or emerging?
 - Has the context for the risk management changed?
 - Is the risk treatment plan being implemented? As planned?
 - Are controls effective?
 - What is the appropriate frequency of monitoring?
 - Based on actual outcomes for objectives, was the risk assessment accurate?
 - Can monitoring be improved by identifying better key performance indicators?