

Risk Management 002090



Policy statement

Identifying, managing and responding to risk is an integral part of Metro North Hospital and Health Service's (Metro North) daily activities. Managing risk in a comprehensive, integrated and coordinated way enables the organisation to successfully manage the opportunities as well as the challenges presented by risk.

Purpose and intent

This policy establishes Metro North's mandatory approach to an organisation-wide risk management system that incorporates identification, assessment, management, monitoring and reporting of all new, emerging and open Metro North risks, in line with the organisation's appetite, and protection of the safety of patients, employees, volunteers, visitors and the organisation.

The Risk Management Policy and associated Procedure form the framework for risk management in Metro North. This framework is an essential element of the integrated Governance, Risk and Compliance system for the organisation.

The intent of this Policy is to ensure:

- Metro North effectively identifies and manages risks and opportunities in the pursuit of the organisations objectives and operates within the limits of the risk appetite as determined by the Metro North Hospital and Health Board (MNHH Board).
- Risks are managed in compliance with the Financial Accountability Act 2009 and in accordance with the AS/NZS ISO 31000:2018.
- The MNHH Board, Metro North Executive and Metro North employees are aware of their responsibilities in proactively identifying, reporting and managing risk and opportunities in accordance with good governance practices, including safety and quality risks.
- Risks are assessed and assigned a risk rating by using a combination of the Metro North Risk Analysis Matrix and risk likelihood rating tables.
- The effective use of RiskMan for the recording, management and reporting of risks at each level of the organisation.
- A consistent risk management process is followed in all business and clinical areas to support appropriate integration, decision making, transparency, accountability, quality and safety.

- Risk is considered in all decision-making processes, including planning, budgeting, program and project management, and as part of clinical care planning and care delivery processes.
- Responsibility and accountability for risk management activities are delegated clearly and appropriately.
- A demonstrable and substantial element of the orientation, education and training programs for all managers, clinical professionals and employees addresses the areas of safety, quality, leadership and risk.
- MNHH Board and Metro North Executive continue to promote and sustain an organisational culture that values open, fair and accountable behaviours, and encourages employees to proactively manage risks and maximise safety.

Scope and target audience

This policy applies to all Metro North employees (permanent, temporary and casual including contractors and consultants) and all organisations and individuals acting as its agents (including Visiting Medical Officers and other partners, contractors, consultants, students/trainees and volunteers).

Principles

Metro North aligns its risk management approach to the Department of Health Risk Analysis Matrix and also the principles of AS/NZS ISO 31000:2018 by:

- **Creating and protecting value:** achieves objectives, performance and financial efficiency.
- **Being an integral part of all organisational processes:** risk management is integrated with all planning and governance processes.
- **Maintaining risk management as an integral part of decision making:** resource allocation is cost effective and delivers value to the community.
- **Explicitly addressing uncertainty:** risks are analysed and reviewed, ensuring uncertainty is understood and adequately moderated within Metro North's risk appetite.
- **Being systematic, structured and timely:** is consistent with the Department of Health Risk Management Framework and AS/NZS ISO 31000:2018.
- **Using the best available information:** all sources of valid information are used in discussion and review of risks.
- **Being tailored:** consistent with the Metro North's principles, processes and tools while taking into account local context and any additional requirements or needs.
- **Taking human and cultural factors into account:** rational, open, unbiased consideration of risk.
- **Maintaining transparency and inclusivity:** activities and communications are transparent and inclusive of all facilities. All business areas understand and moderate risks within Metro North and with partners and other key stakeholders.
- **Being dynamic, iterative and responsive to change:** adaptive to change and uncertainties which may change priorities and/or the frequency of reviews of some risks.
- **Facilitating continual improvement of the organisation:** supports the pursuit of opportunities and innovation and delivers performance improvements and efficiency. Innovation, contestability and other performance and efficiency opportunities are pursued while risks are well managed to ensure improvements are realised.

Mandatory requirements

Compliance with this policy is mandatory for all employees.

- All risks, must be managed in accordance with the Metro North Risk Management Policy and Procedure
- The use of the Metro North Risk Analysis Matrix is mandatory for all risk management assessments and communication of risks (risk ratings).
- The use of the approved RiskMan (Application) Risk Module is mandatory for all risks that require registration and management as outlined in the Risk Management Procedure.

Roles and Accountabilities

Role	Accountabilities	Audit Criteria
Metro North Hospital and Health Board (MNHH Board)	<p>The MNHH Board is responsible for the governance activities of the organisation, deriving its authority from the <i>Hospital and Health Boards Act 2011</i> and the <i>Hospital and Health Boards Regulation 2012</i>.</p> <p>The risk management functions of the MNHH Board include:</p> <ul style="list-style-type: none">• Ensuring risk management systems are in place across Metro North.• Setting the organisational risk appetite relative to the organisational objectives.• Overseeing the operation of systems for compliance and risk management reporting to stakeholders.• Leading and fostering an organisational culture that values open, fair and accountable behaviours that encourages employees to proactively manage risk and maximise clinical safety.	<ul style="list-style-type: none">• Endorsed terms of reference• Internal audit reporting• Compliance with the Metro North Risk• Management Policy and Procedure• Annual review of Risk Appetite Statement• Endorsement of Strategic risks
Board Risk and Audit Committee	<p>The Committee is an advisory committee to the MNHH Board. Although the committee has no executive powers, in discharging its responsibilities, the committee has the authority to advise the MNHH Board about the following risk related matters:</p> <ul style="list-style-type: none">• Monitoring compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the <i>Financial Accountability Act 2009</i>, <i>Financial Accountability Regulation 2009</i> and <i>Financial and Performance Management Standard 2009</i> including whether Metro North has appropriate policies and procedures in	<ul style="list-style-type: none">• Endorsed terms of reference• Advice provided on effectiveness of risk management and system. (meeting agenda and minutes)• Annual evaluation of the Risk management system• Annual review of Risk Appetite Statement• Strategic risk review

	<p>place; and whether Metro North is complying with the policies and procedures.</p> <ul style="list-style-type: none"> Monitoring the adequacy of Metro North management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by Metro North with relevant laws and government policies. <p>The committee will also:</p> <ul style="list-style-type: none"> Identify risks and risk management strategies associated with all decisions made. Implement processes to enable the committee to identify, monitor and manage critical risks as they relate to the functions of the committee. 	
Metro North Chief Executive (CE)	<p>The Metro North CE is the Accountable Officer for all risk management activities across Metro North and is responsible for:</p> <ul style="list-style-type: none"> Ensuring that management systems are established which comply with the Metro North Risk Management Framework. Assuming or delegating the role of risk owner for all Metro North risks and ensuring appropriate officers responsible for the management strategies to manage risk are established. Approving the design and implementation of the Metro North Risk Analysis Matrix. Approving appropriate risk management strategies for Metro North strategic, organisational and operational risks in accordance with the Metro North Risk Analysis Matrix. Ensuring Metro North's Risk Matrix is implemented and that risk management is integrated into all business activities and decision making processes across the organisation. 	<ul style="list-style-type: none"> Compliance with the Metro North Risk Management Policy and Procedure System of risk management established Annual evaluation of the Risk management system Annual review of Risk Appetite Statement Strategic risk review
Executive Safety and Quality Committee	<p>The Executive Safety and Quality Committee will assist the CE and MNHH Board in fulfilling their oversight responsibilities and ensuring achievement of the organisation's patient safety and quality, work health and safety, and risk management goals by:</p>	<ul style="list-style-type: none"> Endorsed terms of reference Compliance with the Metro North Risk Management Policy and Procedure Advice provided on effectiveness of risk

	<ul style="list-style-type: none"> • Ensuring effective safety, quality and risk systems and robust organisational governance practices are in place; • Monitoring and ensuring that appropriate arrangements are in place for measuring and monitoring clinical quality and the health and safety of patients, service users, visitors and employees; • Ensuring the appropriate frameworks and mechanisms are in place to monitor that these arrangements are robust and effective, and support the delivery of the strategic objectives; • Reviewing risks to quality, safety, and health and safety, and assessing the effectiveness of management mechanisms to improve these; • Ensuring the organisation responds appropriately to safety, quality, risk and compliance matters; • Reviewing and scrutinising sources of assurance relating to clinical safety for patients and service users and workplace health and safety, and reports to the Chief Executive and MNHH Board; • Communicating the importance of safety, quality and risk management to all members of the workforce. 	<p>management (meeting agenda and minutes)</p> <ul style="list-style-type: none"> • Annual review of Risk Appetite Statement
Executive Director, Clinical Governance, Safety, Quality and Risk.	<p>The Executive Director Clinical Governance, Safety, Quality and Risk is responsible for:</p> <ul style="list-style-type: none"> • Developing the governance frameworks, policies and processes necessary to ensure that risk systems are well designed and implemented to meet Metro North obligations and requirements. • Providing high quality support, and strategic advice, information and guidance to the CE and Metro North Executive on key issues impacting on risk management across Metro North. • Developing and reporting metrics which provide confidence to the Metro North Executive and Board Risk and Audit Committee that risks are being managed in accordance with requirements. 	<ul style="list-style-type: none"> • MN Risk Management Policy and Procedure implementation • Compliance with the Metro North Risk Management Policy and Procedure • Development of risk reports as per reporting planner • Annual evaluation of the risk management system • Annual review of Risk Appetite Statement

	<ul style="list-style-type: none"> • Providing clear and effective leadership and mentoring to support effective risk management practices. • Liaising with the Department of Health on strategic and system-wide/cross- agency risk matters. 	
Metro North Executive Directors	<p>Metro North Executive Directors are responsible for:</p> <ul style="list-style-type: none"> • Overseeing the risk management activities within their area of accountability, ensuring the alignment with the Metro North Risk Management Policy, Procedure and Risk Analysis Matrix. • Regularly identifying, assessing, managing and reporting on portfolio risks in accordance with the Metro North Risk Analysis Matrix. • Ensuring that risk management is effectively and consistently embedded into all relevant planning activities and decision-making processes in their area of responsibility. • Actively championing risk management across Metro North and creating a supportive environment and risk aware culture for effective risk management. 	<ul style="list-style-type: none"> • Compliance with the Metro North Risk Management Policy and Procedure • Directorate Risk Coordinator nomination • Meeting minutes of risk management standing agenda items.
Directorate/ Service Management Committees	<p>Directorate/Service Management Committees, or where established, Risk Management Committees are responsible for:</p> <ul style="list-style-type: none"> • Identifying new and emerging risks • Reviewing clinical directorate/service risks to ensure that risk ratings are appropriate and for high and very high priority risks that effective management strategies are promptly enacted in accordance with the Metro North Risk Matrix. • Supporting the Executive on risks that may need to be escalated for discussion/approval at Directorate Performance management meetings (Appendix 2) • Organisational/Metro North CE level or other Executive Committee. • Actively championing risk management across the organisation. • Ensuring risks are considered as part of all decision making and planning processes undertaken across the organisation. 	<ul style="list-style-type: none"> • Endorsed Committee terms of reference with regard to risk management • Processes and instructions reflect compliance with the Metro North Risk Management Policy and Procedure

Line Managers	<p>Line Managers are responsible for the implementation and maintenance of sound risk management processes in their area of accountability. This includes supporting risk management training to enable a culture and environment where employees are encouraged to identify, register and manage/escalate risks.</p> <p>Management is responsible for incorporating risk management into normal management processes such as:</p> <ul style="list-style-type: none"> • A standing agenda item at appropriate meetings, • Developing or reviewing strategic and operational plans, • New or revised project plans or submissions, • New or revised allocation of significant resources, • When establishing or modifying services; and • When managing issues and incidents. 	<ul style="list-style-type: none"> • Compliance with the Metro North Risk Management Policy and Procedure • Evidence of training completion
Risk Owners	<p>A position with the primary accountability and authority for managing the risk, this includes being able to coordinate risk controls and treatments and engage with other business areas that may have some responsibility for an aspect of the risk and/or delegation to support risk control and treatment.</p> <p>As a matter of principle, each risk has only one Risk Owner, which is usually an Executive Director. All potential risks should be reviewed and managed in line with the process detailed in (Appendix 2)</p>	<ul style="list-style-type: none"> • Risk management reflects compliance with the Metro North Risk Management Policy and Procedure • Risk reviews, controls and treatments within delegations and reviewed to organisational timescales aligned with risk significance.
Directorate Risk Coordinators	<p>Directorate Risk Coordinators are responsible for:</p> <ul style="list-style-type: none"> • Supporting their directorate/facility/business unit to raise, manage (including identifying Risk Owners) and update risks appropriately using the RiskMan (application) Risk Module. • Providing the Clinical Governance, Safety, Quality and Risk (CGSQ&R) unit with relevant risk-related data for ongoing trend reporting for the MNHH Board and its Executive committees. • Monitoring the implementation and compliance of the Metro North Risk Management Framework within the relevant facilities/directorates/business units. 	<ul style="list-style-type: none"> • Compliance with the Metro North Risk Management Policy and Procedure • Risk management policy and procedure implemented across divisions and business units • Development of Directorate risk reports.

	<ul style="list-style-type: none"> Ensuring all relevant risks are maintained, including liaising with treatment owners to ensure risk treatments are up-to-date. Providing a conduit between the Clinical Governance, Safety, Quality and Risk unit and the facilities/directorates. 	
Control Owner	<p>A Metro North employee responsible for ensuring the effective implementation, efficacy and ongoing use of allocated controls to manage risks.</p> <p>The Control owner must provide regular updates on control efficacy to the Risk Owner and Risk Coordinator.</p>	<ul style="list-style-type: none"> Compliance with the Metro North Risk Management Policy and Procedure Risk controls are reviewed and up to date
Treatment Owner	<p>A Metro North employee responsible for ensuring the effective implementation of allocated treatments used to manage risks.</p> <p>The Treatment owner must provide regular updates on under development treatment status to the Risk Owner and Risk Coordinator.</p>	<ul style="list-style-type: none"> Compliance with the Metro North Risk Management Policy and Procedure Risk treatments are reviewed, and delivery/due dates are accurately maintained.
Metro North Risk and Compliance Manager	<p>Leads the development, co-ordination, implementation and evaluation of risk management and compliance management frameworks. Partners with HHS executives and directorate and business unit employees to facilitate a coordinated approach to risk management, including risk analysis and reporting. Operationally, manages a coordinated approach to organisational and strategic risk reporting for the health service.</p>	<ul style="list-style-type: none"> Compliance with the Metro North Risk Management Policy and Procedure Development of Metro North risk reports Development of Metro North Risk Management Policy and Procedure
Internal Audit Function	<p>The Metro North internal audit function may be engaged to:</p> <ul style="list-style-type: none"> Evaluate compliance with the Risk Management framework Provide advice with respect to enhancing the risk management functions. Examine the effectiveness of controls identified in the risk profile. <p>Internal Audit will also integrate risk, control and mitigation to inform part of the development of the Metro North annual internal audit plan. The risk and internal audit teams should work collaboratively in the development of this plan.</p>	<ul style="list-style-type: none"> Annual audit plan

All Employees and Contractors (permanent, temporary, casual VMO's, partners, contractors, consultants, students/trainees and volunteers)	<p>All Employees have responsibility for raising Metro North risks. This includes:</p> <ul style="list-style-type: none"> • Compliance with the Metro North Risk Management Policy and Procedure. • Being actively involved in risk management activities across the organisation. • Ensuring key risks relating to their function/work unit are identified, recorded and managed in a timely manner in accordance with the Metro North Risk Analysis Matrix. 	<ul style="list-style-type: none"> • Compliance with the Metro North Risk Management Policy and Procedure
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Partnering with consumers

Patients and family members are to be encouraged and given the opportunity to ask questions, clarify information and identify goals and raise and discuss risks. Employees are responsible for providing information in a way that is understandable and that meets their needs and are to check consumer's understanding of risk discussions.

Legislation and other authority

Financial Accountability Act 2009 (Qld)

Financial and Performance Management Standard 2009

Hospital and Health Boards Act 2011 (Qld)

Hospital and Health Boards Regulation 2012

Human Rights Act 2019 (Qld)

References

Queensland Government – A Guide to Risk Management (2020)

Metro North Risk Management Procedure

RiskMan application

Metro North Internal Audit Report – Risk Management Framework Review 16 Jan 2017

Related Documents

[Board Risk and Audit Committee Terms of Reference](#)

[Metro North Financial Management Practice Manual](#)

[Metro North Compliance Management Policy](#)

[Metro North Compliance Management Procedure](#)

[Metro North Risk Management Procedure](#)

[Metro North Risk Establishment Form \(REF\)](#)

[Metro North Risk Appetite Statement](#)

Relevant standards

AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines

AS ISO 37301:2021 Compliance Management Systems – Requirements with guidance for use.

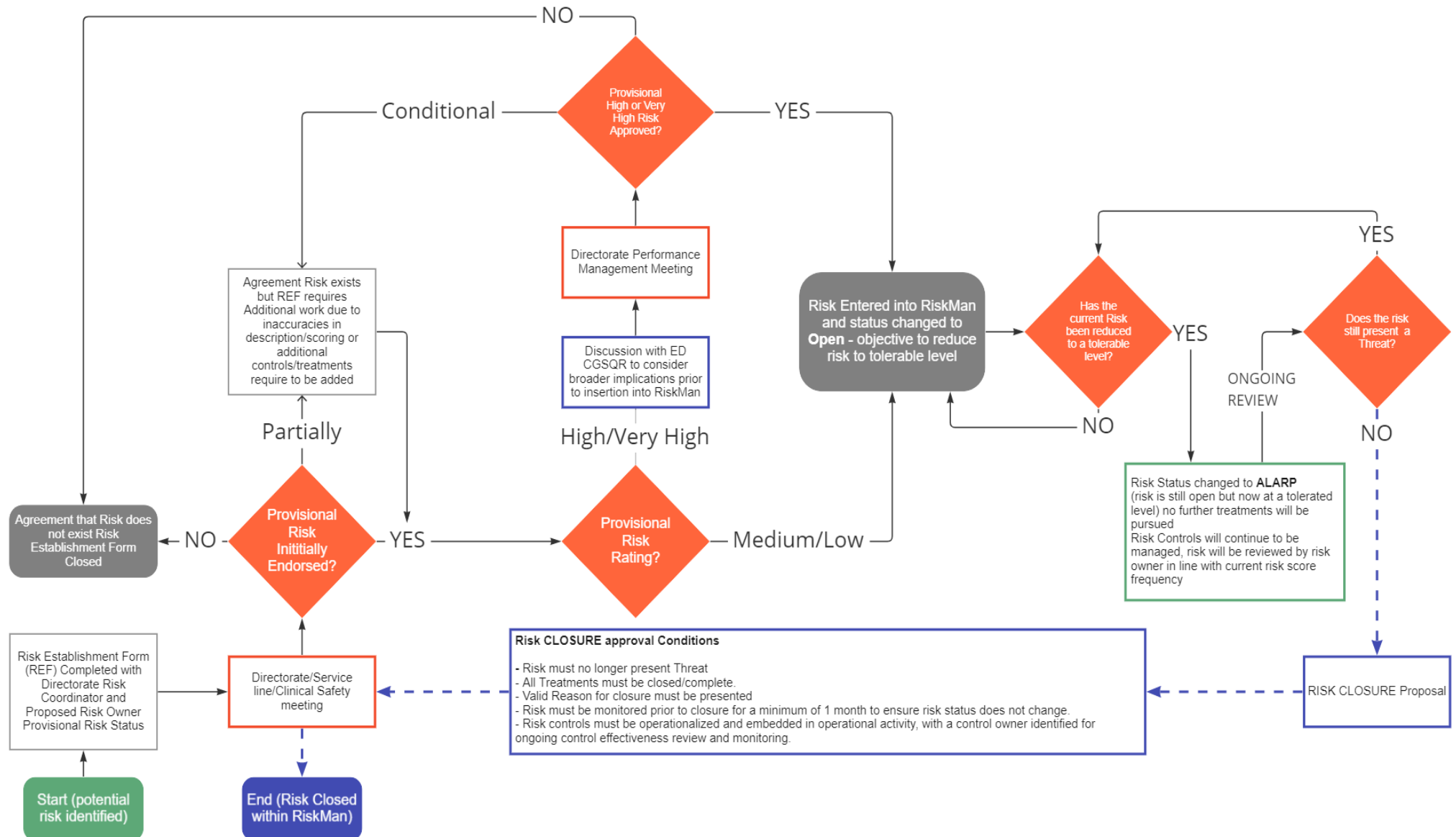
National Safety and Quality Health Service Standards, second edition

Appendix 1 – Definition of terms

Term	Definition
Consequence	A <i>consequence</i> is the outcome of an event and has an effect on objectives. (ISO 31000:2018 Risk Definitions).
Control	A control is any measure or action that modifies or regulates risk. Controls include any policy, procedure, practice, process, technology, technique, method, or device that modifies or regulates risk. Risk treatments become controls or modify existing controls once they are implemented. (ISO 31000:2018 Risk Definitions).
'Delayed' Risk Treatment	Treatment outcomes delayed beyond expectations of risk owner. Low to no evidence of outcomes/deliverable.
Issue	A present problem requiring immediate resolution and/or action. Consequences have already occurred.
Likelihood	Likelihood is the chance that something might happen. Likelihood can be defined, determined, or measured objectively or subjectively and can be expressed either qualitatively or quantitatively (using mathematics). (ISO 31000:2018 Risk Definitions).
Metro North risks	The chance of something happening that will have an impact on the achievement of Metro North's objectives including the Metro North Strategic Plan and/or Metro North Operational Plans. Risk is measured in terms of consequences and likelihood and covers threats and opportunities. Risk management is the responsibility of all employees. Any member of Metro North can raise a risk through appropriate channels.
Projected Risk Rating	<i>Projected risk rating</i> is the risk level remaining following the implementation of all effective risk treatments. (ISO 31000:2018 Risk Definitions).
RiskMan	An online risk management information system (central risk repository), accessible through the intranet, to assist managers to analyse, manage, monitor and report risks within their areas of responsibility and accountability.
Strategic (Risk Type)	Strategic risks are high level risks that relate to the fundamental strategic objectives defined in the Strategic Plan. Strategic risks may affect the organisation's ability to meet strategic objectives and requires oversight by the Chief Executive.

Term	Definition
Organisational (Risk Type)	Organisational risks relate to the delivery of the strategic plan and/or require cross facility/directorate moderation. Organisational risk may affect strategic objectives and operational plan delivery.
Operational (Risk Type)	Operational Risks relate to risks that impact specific facilities/directorates/ clinical or business units, this can include both clinical and non-clinical risks, i.e. impacts to facility/directorate to delivery effective care to the community.
Project (Risk Type)	<p>Project risks relate to risk events that potentially threaten the successful achievement of project objectives.</p> <p>Project risks are managed on separate project risk registers (not in the Riskman application).</p> <p>Project risks which may significantly impact organisational or strategic objectives must be escalated through project governance structures for registering, management, monitoring and reporting in the Riskman application.</p> <p>For further information regarding project risks refer to the Metro North Risk Management Procedure.</p>
'On-Track' Risk Treatment	Risk treatment is progressing towards due date and rating (commensurate with state of project with appropriate evidence of deliverable/outcome).
Risk Appetite	The amount and type of risk that an organisation is willing to pursue or retain in the pursuit of its organisational objectives. The MNHH Board sets and reviews the organisation's risk appetite (annually).
Risk Management Framework	A set of components that support and sustain risk management throughout an organization. These include risk management policy, procedure, Risk Appetite Statement and Riskman application.
Risk Register	Risk information report format maintained in RiskMan or approved project management software.
Risk Tolerance	The variation from the pre-determined risk appetite MNHH Board is prepared to accept.
Risk Treatment	<p>An approved task/activity/program/project or other initiative that when implemented/completed will reduce the likelihood and/or consequence.</p> <p>A risk treatment may also be to improve, maintain or monitor the effectiveness of current controls.</p> <p>Once implemented/completed the risk treatment may become a control for a risk.</p>
Stalled	No active treatments /no progress on mitigation /treatments past due – risk mitigation is delayed and requires further resources or support to progress risk reduction to a tolerable level.

Appendix 2 – Risk Review Process



Document History

Author	Manager Risk and Compliance
Custodian	Executive Director, Clinical Governance, Safety, Quality and Risk.
Risk	Medium (8) Minor / Unlikely
Compliance evaluation and audit	<p>Compliance with this procedure will be assessed through:</p> <ul style="list-style-type: none"> • Self-assessment and peer review of the Performance Management Framework • Periodic audit of risk culture and risk management processes and effectiveness • Annual review of Metro North Risk Management Framework. <p>The performance tracking of risks and their management through data generated from RiskMan is the central risk repository for Metro North and all clinical directorates/services/streams.</p>
Replaces Document/s	Policy 002090 Risk Management – V4.0 07/ 2022
Changes to practice from previous version	<ol style="list-style-type: none"> 1. Unscheduled review 2. No change to practice/process 3. Formatting updates <ul style="list-style-type: none"> • Updated link to Risk Management procedure • Updated link to Risk Establishment Form
Education and training to support implementation	<p>Risk Management Essentials Training (TMS)</p> <p>Risk Management for Managers Training (TMS)</p>
Consultation	<p>Key stakeholders</p> <p>Metro North Health Board</p> <p>Metro North Health Board Risk and Audit Committee</p> <p>Broad Consultation facilitated through the following</p> <p>Metro North Aboriginal and Torres Strait Islander Leadership Team</p> <p>Digital Metro North</p> <p>Metro North Medical Services</p> <p>Metro North Nursing and Midwifery Services</p> <p>Metro North Allied Health</p> <p>Metro North Finance</p> <p>Metro North People and Culture</p> <p>Metro North Workplace Health and Safety</p>

	Metro North Legal Unit Metro North Risk and Compliance Officer Metro North Clinical Streams Metro North Engage Health Excellence Innovation Unit Clinical Directorate Safety and Quality Units Clinical Skills Development Centre
Marketing Strategy	A Policy, Procedure and Protocol Employees Update will be published online each month to update employees of all new and updated policies, procedures and protocols. This update will be emailed to all Safety and Quality Units in each clinical directorate and a broadcast email sent to all Metro North employees with a link to the published update.
Key words	Risk, Management, Policy, Framework, Guide, Implementation, Metro North, MNHH, Metro North, Governance, Metro North, risk analysis matrix, AS/NZS ISO 31000:2018, RiskMan, Appetite, Tolerance; 002090

Custodian Signature

Date

Director of Nursing, Clinical Governance, Safety, Quality and Risk, Metro North Hospital and Health Service

Authorising Officer Signature

Date

Executive Director, Clinical Governance, Safety, Quality and Risk, Metro North Hospital and Health Service

AUTHORISATION

Signature

Date

Chief Executive, Metro North Hospital and Health Service

The signed version is kept in file at Clinical Governance, Safety, Quality and Risk, Metro North.