

Risk Management

Policy Responsibilities and Authorisation

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Policy Review History

Version	Updated by	Date Updated	Summary of Changes
06	Judy Fitness	23-Jan-19	Formatting – new template Removal of detailed guidance on risk assessments into separate guideline
6.1	Lucia Best	15/12/2020	Updated document facilitator and owner. Updated term Datix to Risk Management System. Removed risk matrix and other matrix charts.

Risk Management

Contents

1. Introduction 3

 1.1 Purpose..... 3

 1.2 Background..... 3

 1.3 Scope..... 3

 1.4 Exclusions..... 3

2. Definitions 3

3. Policy Statements 5

 3.1 Roles and Responsibilities..... 5

 3.2 Process 7

4. Audit..... 7

 4.1 Indicators 7

 4.2 Tools 8

5. Legislative Requirements 8

 5.1 Legislation..... 8

 5.2 External Standards 8

6. Associated Documents 8

Risk Management

1. Introduction

1.1 Purpose

The purpose of this policy is to provide direction in the management and reporting of risks within the Waikato District Health Board (DHB).

Risk management is dynamic and risk plans must be regularly updated, in line with the monitoring time frame matrix, as new risks emerge and existing risks are managed / closed.

1.2 Background

Risk management is an integral part of 'business as usual' and is included in project management processes. Risk management includes assessment of all organisational factors e.g. financial, human, cultural, environmental, etc.

This policy sets out the processes by which Waikato DHB will:

- Implement the SA/NZS HB436:2013 Risk Management Guidelines
- Implement the AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines Standard
- Ensure legislative compliance.

1.3 Scope

This policy applies to all persons working within Waikato DHB including staff, managers, contractors, students, external personnel and Board members.

1.4 Exclusions

Nil

2. Definitions

Assurance Framework	
Audit	Audit is the systematic collection and review of objective evidence to identify risks and opportunities for improvement.
Audit of External Parties	These audits are performed by Waikato DHB on other entities including its suppliers, contractors and agents to assess their compliance with Waikato DHBs requirements. Auditors may include Waikato DHB staff, HealthShare Limited, auditors contracted from an outside source to act on behalf of Waikato DHB.
Clinical Audit	Clinical audit is a quality assessment and improvement mechanism in which clinical practice is reviewed and compared against predetermined parameters or explicit criteria. Its primary focus is to achieve improvements in healthcare outcomes for the patient, and effectiveness and efficiency of clinical care provided.

Risk Management

Controls	A control is any measure or action that modifies risk. Controls include any policy, procedure, practice, process, technology, technique, method, or device that modifies or manages risk. Risk treatments become controls, or modify existing controls, once they have been implemented.
External Audit	Waikato DHB itself is subject to external audit by a variety of external agencies including but not limited to accreditation agencies, Designated Auditing Agencies for certification purposes, Ministry of Health, ACC, IANZ.
HealthShare Limited	HealthShare Limited plays a regional support role and supports clinical change by providing regional planning, clinical networks, workforce development and shared services. The Audit and Assurance service provides the region with a range of contract based audit services, that support DHB provider monitoring and quality improvement initiatives.
Likelihood & Consequence	Likelihood is the chance that something might happen. A consequence is the outcome of an event and has an effect on objectives. A single event can generate a range of consequences which can have both positive and negative effects on objectives.
Just Culture	" Just Culture " is a culture in which front-line operators and others are not punished for actions, omissions or decisions taken by them which are commensurate with their experience and training, but where gross negligence, wilful violations and destructive acts are not tolerated.
Managers	Chief Executive Officer (CEO), Chief Operating Officer (COO), Executive Leadership Team, Executive Directors, Directors, Clinical Directors, Clinical Unit Leaders, Clinical Nurse Directors, Charge Nurse Managers, Service / Business / Operations Managers, Team Leaders
Monitoring	Monitoring is the continual checking and review of performance to requirements.
Policies and Guidelines	Waikato DHB policies, procedures, protocols, guidelines and standing orders are important means of minimising risk through standardisation of activities based on best practice. Adherence to these documents will assist risk minimisation.
Reporting	The process of entering risks into Datix.
Risk	A risk is an uncertain event or condition that if occurs has a positive or negative effect on the ability of Waikato DHB to meet its objectives.
Risk Management	Risk management is the suite of activities undertaken to direct and control an organisation with regard to risk. Risk Management also refers to the architecture that is used to manage risk. This architecture includes risk management principles, a risk management framework (assurance framework), and a risk management process. Risk management is recognising which events may lead to harm in the future and working towards eliminating or at least minimising their likelihood and/or consequence.
Self-assessment	Self-assessment is the activity whereby managers and/or staff assess their level of compliance with internal or external standards.

Risk Management

3. Policy Statements

Risk management is implemented in accordance with the Standards framework outlined in AS/NZS ISO 31000:2009 - refer figure 1. Risk management is:

- an integral part of Waikato DHBs overall governance, management, decision-making, reporting processes, policies, philosophy and culture
- a key factor in the achievement of its strategy and objectives
- transparent and occurs at all levels in the organisation within a just culture that promotes learning and improving rather than blame; the need to manage risks systematically applies to all areas, individuals, functions and activities within Waikato DHB
- aligned with the organisation's external and internal context and risk profile and occurs within the context of the whole organisation – not in isolation – to ensure consistency of risk prioritisation and level of response
- appropriate and timely involvement of stakeholders and, in particular, decision-makers at all levels of the organisation, ensures that risk management remains relevant and up-to-date; involvement also allows stakeholders including community, patient, family, whānau and employees to be properly represented and to have their views taken into account in determining risk criteria

Identified risks must have a risk treatment plan which includes treatment options and a timeframe for achieving resolution where practicable, or acceptance of a risk, and a risk status assigned. Refer Risk Management Process Guideline for detailed guidance on the management and reporting of risks within Waikato DHB.

All major campus and service redevelopment projects must have a risk register that is specific to the project and is approved by the Executive Group and the Board.

3.1 Roles and Responsibilities

All Staff are responsible for:

- identifying and reporting risks
- promoting a just culture that promotes learning and improvement rather than blame
- taking appropriate actions to eliminate or minimise the risk
- participating in risk management exercises e.g. education, completion of self-assessments
- participating in audit activities and acting on learnings and recommendations
- complying with organisational policies, procedures and protocols as specified in the Waikato DHB [Management of Policies and Guidelines](#) policy.

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Risk Management

Managers are responsible for:

- encouraging their teams to identify and escalate the risk to their manager
- ensuring new risks are sent to the Risk Team using the appropriate form, as on the Quality & Patient Safety intranet site
- taking appropriate actions to address the risks
- informing staff of decisions made in relation to risks
- utilising the Risk Management System to implement their risk register action plans
- monitoring the effectiveness of risk management in their area
- managing risks and reporting on them within their Governance structure
- Reviewing incidents, accidents and near misses in accordance with the Waikato DHB [Incident Management](#) policy, so that themes can be identified.

The Board is responsible for:

- Maintaining oversight of key risks, making recommendations to the DHB to address these, and monitoring the effectiveness of actions taken to minimise risks.

The Chief Executive (CE) is responsible for:

- Ensuring that the DHBs risk management policy is being implemented, and reporting new high level risks to the Board.

The Executive Leadership Team is responsible for:

- Maintains an overarching view of all risks.
- Allocates resource as required in order to minimise or eliminate risks.

Executive Directors / Operational Directors are responsible for:

- Maintaining a view of all risks within their directorate.
- Ensuring all services in their directorate have logged their risks and that they are monitored at a frequency appropriate to the risk rating.
- Elevating to risks ≥ 15 to Board level.

Clinical Leaders/Operations Managers are responsible for:

- Maintaining a view of all risks within their service
- Ensuring all clinical services/departments under their guidance have identified their risks and that these are monitored at a frequency appropriate to the risk rating
- Identifying best practice within their clinical profession and providing advice to the professional groups

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IF THIS DOCUMENT IS PRINTED, IT IS VALID ONLY FOR THE DAY OF PRINTING							Page 6 of 8

Risk Management

Professional leads are responsible for:

- Elevating new risks to the Executive Group as appropriate
- Utilising the Risk Management System to implement action plans for risks they have responsibility for.

Quality and Patient Safety is responsible for:

- Development and review of the Waikato DHB Risk Management policy
- Oversee the addition of new risks to the Risk Management System
- Provision of risk management education to staff, clinical leaders, managers, and executive as required
- Development of resources to assist staff to fulfil their risk management responsibilities
- Ensuring the robustness of the risk register process
- Providing risk management reports.

3.2 Process

Waikato DHB uses a logical and systematic method of identifying the risk and establishing the context, analysing and evaluating, controlling, monitoring, and reporting risks in a way that allows Waikato DHB to make decisions and respond in a timely way to risks and opportunities as they arise.

The risk management process is as follows:

- Identify all relevant risk, assess risks adequacy of controls and identify and mitigate / minimise risk
- regular reviewing of risks will occur to ensure current controls are adequate and actions are being identified to further minimise or eliminate the risk at a frequency reflective of the risk.
- risks rated ≥ 12 are escalated to the Executive Leadership Team through reporting processes
- all major projects should have their risks identified and regularly monitored by the project Board.

4. Audit

4.1 Indicators

- 100% of all risks are to be validated i.e. description of risk, risk controls, risk owner, current risk rating assigned within 10 working days of their being logged.
- 100% of all risks are to be reviewed in the Risk Management System by their given review date.

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Risk Management

- 100% of risks ≥ 15 will be presented to the Board with the actions to mitigate them by the Executive Director / Operations Director.

4.2 Tools

- Risk Management System reporting

5. Legislative Requirements

5.1 Legislation

- Waikato DHB has a duty at common law to provide services that meet an acceptable standard within a national health context. Waikato DHB must comply with relevant legislation.

5.2 External Standards

A variety of external agencies / standards specify risk management requirements, including:

- Ministry of Health funding arrangements require compliance with relevant standards, including the requirement to comply with SA /SNZ HB436: 2013 Risk Management Guidelines
- NZS 8134:2008 Health and Disability Services Standards
- ACC Legislation and contracts with Waikato DHB
- Enable New Zealand requirements of Waikato DHB
- Disability Support Services requirements of Waikato DHB.

6. Associated Documents

- Waikato DHB [Incident Management](#) policy (Ref. 0104)
- Waikato DHB [Management of Policies and Guidelines](#) policy (Ref. 0102)
- Waikato DHB [Serious Adverse Events](#) procedure (Ref. 5829)
- HB 228: 2001 Guidelines for managing risk in healthcare
- AS/NZS ISO 31000:2018 Risk Management Standard
- ISO 31000:2018 Risk Management Guidelines
- Risk Matrix

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