RISK MANAGEMENT FRAMEWORK

INTRODUCTION

There are many areas of risk in health care organizations including but not limited to safety and security, client care, finance and human resources, governance, and leadership. The reputation of the organization, information technology, facilities, and legal compliance are additional areas of concern that require constant monitoring. Integrated risk management is a continuous, proactive, and systematic process to understand, manage and communicate risk with all key stakeholders. It requires an ongoing monitoring and assessment of the risk at all levels of the organization, pulling the results together at not only for the governors but the management team as well. "A fully integrated risk management system requires that the risk management data be used to inform decision making throughout the organization". *(Treasury Board of Canada Secretariat, 2012)*
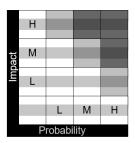
KEY ELEMENTS OF THE RISK MANAGEMENT FRAMEWORK

A strong commitment from leadership, including the governing body, is required to manage and mitigate risk. The leadership team will inform the board about real or potential risks facing the organization, and work with the board to ensure that mitigation strategies are incorporated into the strategic plan. Having a common risk management framework that is used throughout Traverse Independence will assist the leadership to prevent or at least minimize risk.

The purpose of the process is to actively identify, analyse, and manage individual risks. Risk will be identified as early as possible to reduce the impact. The process undertaken to analyze the level of risk will be clearly documented, along with the decisions and actions to be taken.

DECISION-MAKING MATRIX

Management, working with staff, will ensure that risks are actively identified, analyzed, and managed on an ongoing basis using the Decision-Making Matrix. The Decision-Making Matrix is the tool that management and staff can use to help reach objective, critical decisions about risk as it relates to client services. The two categories it generates are:

- Likelihood – the chance that an event or behaviour may occur.
- Severity – the level of harm that may result.

The Decision-Making Matrix tool is in the GoldCare system. The data collected is used to consider trends and analyze for quality improvements going forward.

For each identified risk, one of the following approaches will be selected to address it:

- Low-level risk is a behaviour or situation that is an **unlikely event**, with a **low-level** of harm (low/low). If an event or situation is considered a lower-level risk, then the action will be to accept the behaviour or situation but look for ways to reduce the impact of the risk.

- Medium-level risk is a behaviour or situation that is an **unlikely event** with **a high severity** of harm (Low/High). If an event or situation is considered to have a medium-level risk, then the behaviour or situation can be accepted, but ways to reduce the impact of the risk must be implemented.

- High-level risk is a behaviour or situation that is a **likely event** with a **high severity** of harm (High/high). If an event or situation is considered high-level risk, then immediate mitigation strategies will be put into place to eliminate the behaviour or situation.

RISK IDENTIFICATION		ASSESSMENT							ACTION PLAN			
STRATEGIC RISK (SR) – MISSION, VISION, VALUES AND STRATEGIC PLAN												
OBJECTIVE IMPACTED	**RISK DESCRIPTION**	**IMPACT**	**MITIGATIONS**	**PROBABILITY LIKELIHOOD**	**IMPACT/CONSEQUENCE**	**TOTAL**	**RATING[1]**		**ACTIONS**	**DELIVERABLE**	**TASK OWNER**	**TIMELINE**
Governance – mission, vision, values, strategic planning	Lack of quorum at board meetings impacts ability of board to govern and make decisions	Inability to make positive change	Comprehensive board policy regarding recruitment, succession planning, meeting attendance	L	H	L/H	M		Monitor	Recruitment is an ongoing item discussed at board meetings	Chairperson	Ongoing
Leadership sustainability	Extended loss of senior staff results in knowledge loss	Inability to operate	Succession planning in all departments underway	L	M	L/M	L		Succession planning is a corporate goal	Annual reporting on talent management, HR plan, monthly reporting on HR statistics	CEO, Director of CS, HR Manager	Ongoing
Engagement with key stakeholders	Negative impact on staff morale due to lack of necessary information about client and employment practices	Management and board are ill informed for decision making	Part of all strategic and operational plans	L	L	L/L	L		Engagement is reported on a regular basis	Quarterly reporting	Management team	Ongoing

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[1] Probability, Impact, Total, Rating L, M H: Low, Medium, High

RISK IDENTIFICATION				ASSESSMENT				ACTION PLAN			
OPERATIONAL RISK FINANCE (FR) – RISKS RESULTING FROM INADEQUATE OR FAILED INTERNAL PROCESSES AND/OR SYSTEMS											
OBJECTIVE IMPACTED	**RISK DESCRIPTION**	**IMPACT**	**MITIGATIONS**	**PROBABILITY LIKELIHOOD**	**IMPACT/CONSEQUENCE**	**TOTAL**	**RATING**	**ACTIONS**	**DELIVERABLE**	**TASK OWNER**	**TIMELINE**
Balanced budgets and financial sustainability	Loss of funding and/or insufficient funding	Loss of reputation with funders, clients, families, and community partners.	Internal control policies from governance level down, annual audit, designated financial controller, policies, and procedures in place, build reserve fund, continue to diversify funding sources	L	L	L/L	L	Monitor	Monthly financial reports to board, treasurer, CEO	Financial Controller, CEO, Board Treasurer	Ongoing
	Embezzlement/fraud/pandemic liability	Loss of reputation with funders	Comprehensive liability insurance	L	M	L/M	L	Maintain insurance and audit internal controls	Insurance renewed annually and ad hoc internal audits of processes and controls	Financial Controller, Auditor	Ongoing

RISK IDENTIFICATION		ASSESSMENT						ACTION PLAN			
OPERATIONAL RISK ASSESSMENT HUMAN RESOURCES (HR) – RISKS RESULTING FROM FAILED OR INADEQUATE INTERNAL HR POLICIES, PROCEDURES OR PROCESSES											
OBJECTIVE IMPACTED	**RISK DESCRIPTION**	**IMPACT**	**MITIGATIONS**	**PROBABILITY LIKELIHOOD**	**IMPACT/CONSEQUENCE**	**TOTAL**	**RATING**	**ACTIONS**	**DELIVERABLE**	**TASK OWNER**	**TIMELINE**
Support Quality Care with Person Centred Care model	Staff turnover and insufficient staff to provide quality services due to general unemployment rates and/or pandemic	Quality of care decreases and client satisfaction drops	Integration with all human resources initiatives in three Ontario Health Teams Contract with purchase service agencies	M	H	M/H	M	Expanded casual pool of workers Ongoing utilization of contracted workers	Staffing pool available if needed Pandemic safe staffing resources available if needed	CEO, Director of Client Services, HR Manager	Ongoing
	A serious client injury or client abuse	Liability, loss of funding, loss of reputation, reduced morale in workforce	Policies and procedures in place, staff training, oversight, continual client engagement, whistle blower policy.	L	L	L/L	L	Continued focus on client/management engagement, policies continually updated surveys, training, and incident reporting system in place.	Full system in place to protect clients that is continually updated, reviewed and maintained.	Director of Client Services	Ongoing
	Workplace violence, accidents, injuries	Loss of workforce, reduced morale, penalties, and costs associated with managing claims	Policies, training in place, experienced HR team	L	L	L/L	L	Continued vigilance regarding safety assessments, staff surveys, training, managing data	Full system in place, continually updated, reviewed, maintained	Manager of HR	Ongoing

RISK IDENTIFICATION		ASSESSMENT						ACTION PLAN			
COMPLIANCE RISK ASSESSMENT (RR) – COMPLIANCE TO LAWS, REGULATIONS, POLICIES AND PROCEDURES, ETHICS AND BUSINESS CONDUCT, CONTRACTS AND BEST PRACTICE											
OBJECTIVE IMPACTED	RISK DESCRIPTION	IMPACT	MITIGATIONS	PROBABILITY LIKELIHOOD	IMPACT/CON-SEQUENCE	TOTAL	RATING	ACTIONS	DELIVERABLE	TASK OWNER	TIMELINE
Keep staff and clients safe	A significant injury or illness occurs to a staff or client	This could affect reputation, trigger risk and liability, decrease morale of staff	IPAC training of staff and clients, full PPE available, policies and procedures in place for client and staff safety along with client safety plan (program)	L	H	L/H	M	Review H&S policies monthly, active H&S Committee, H&S discussed at all staff meetings, ongoing training	Full system in place, continually updated, reviewed, maintained	CEO, Director of CS, Manager of HR	Ongoing
Meet all legal and financial obligations	Breech of legislation, fire code, LHIN/OHT obligations, financial regulation, H&S regulations	Liability, risk, loss of reputation, harm to staff or clients		L	L	L/L	L	Meet all reporting deadlines and information to board monthly, quarterly reporting to funders, MOH, Financial audit completed annually	Full system in place, continually updated, reviewed, maintained	Financial Controller, Manager of HR	Ongoing

RISK IDENTIFICATION		ASSESSMENT						ACTION PLAN				
				SERVICE DELIVERY RISK ASSESSMENT (SDR) – RISKS RELATED TO DELIVERY OF CLIENT SERVICES								
OBJECTIVE IMPACTED	RISK DESCRIPTION	IMPACT	MITIGATIONS	PROBABILITY LIKELIHOOD	IMPACT/CON-SEQUENCE	TOTAL	RATING		ACTIONS	DELIVERABLE	TASK OWNER	TIMELINE
Loss of focus on Person Centred Care model of service	Quality of care decreases and client satisfaction drops	Staff and clients are trained on mission, vision, values, person centred care concepts. Client handbook highlights along with all policies and procedures		L	L/L	L	Continued focus on this philosophy as the cornerstone of the organization		Full system in place, continually updated, reviewed, maintained	Director of Client Services	Ongoing	
Quality services	Loss of reputation, client dissatisfaction, complaints from internal and external stakeholders,	Decreased staff and client satisfaction	Staff and clients are trained on mission, vision, values, person centred care concepts. Client handbook highlights along with all policies and procedures	L	L	L/L	L		Continued focus on quality as a cornerstone of the organization	Full system in place, continually updated, reviewed, maintained	Director of Client Services	Ongoing

RISK IDENTIFICATION		ASSESSMENT						ACTION PLAN			
SECURITY/INFORMATION TECHNOLOGY RISK ASSESSMENT (SITR) – BREACH IN CONFIDENTIALITY, PHYSICAL ASSETS, INFORMATION AND INFORMATION TECHNOLOGY SYSTEM FAILURE											
OBJECTIVE IMPACTED	RISK DESCRIPTION	IMPACT	MITIGATIONS	PROBABILITY LIKELIHOOD	IMPACT/CON-SEQUENCE	TOTAL	RATING	ACTIONS	DELIVERABLE	TASK OWNER	TIMELINE
Absence of IT support	Inability to function	Unable to manage the day-to-day operations of the organization	External sources for IT support	M	L	M/L	M	External IT support secured	Systems are up and running efficiently	External IT Consultants, Director of CS	Ongoing
Loss of property (hardware and intellectual data)	Cost to organization	Unable to manage the day-to-day operations of the organization	Cloud based IT supports for data storage	L	L	L/L	L	All software is backed up via cloud services or 3rd party vendor. Hardware maintenance is secured via extended warranty.	Systems are up and running efficiently	External IT Consultants, Director of CS	Ongoing
Cyber security breach	Loss of data, privacy, information, system shutdown	Litigation, Unable to manage the day-to-day operations of the organization	Succession planning for IT support in-house	L	L	L/L	L	Cyber insurance in place, virus/malware in place on all computers, password protection and external support for Traverse IT systems	Systems run smoothly, good back up in place	External IT Consultants, Director of CS	Ongoing

RISK IDENTIFICATION		ASSESSMENT						ACTION PLAN			
SECURITY/INFORMATION TECHNOLOGY RISK ASSESSMENT (SITR) – BREACH IN CONFIDENTIALITY, PHYSICAL ASSETS, INFORMATION AND INFORMATION TECHNOLOGY SYSTEM FAILURE											
OBJECTIVE IMPACTED	**RISK DESCRIPTION**	**IMPACT**	**MITIGATIONS**	**PROBABILITY LIKELIHOOD**	**IMPACT/CONSEQUENCE**	**TOTAL**	**RATING**	**ACTIONS**	**DELIVERABLE**	**TASK OWNER**	**TIMELINE**
Loss of communication (system down)	Inability to function	Unable to manage the day to day operations of the organization	Succession planning for IT support in-house	L	L	L/L	L	Third party supported email, internet, phone systems. External IT support secured.	Systems run smoothly, good back up in place	External IT Consultants, Director of CS	Ongoing
Privacy Breach	Employees access client files without authorization	External liability, loss of reputation, notification of IPC, notification of impacted clients, loss of staff through disciplinary action.	Ongoing training, revision and clarity added to annual pledge, ongoing communication, strong policies reflecting level of discipline, monthly random audits.	M	H	M/H	M	Pledge, policies, communication, auditing updated and increased. System in place for training, supervision and discipline	No privacy breaches	CEO, DCC, MHR	Ongoing