

TITLE:	Integrated Risk Management Framework		
Manual/Policy #:	III-3 (formerly Policy IX-31)	Division:	CPDMH
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1. POLICY STATEMENT

The Board of Carleton Place & District Memorial is responsible for establishing appropriate controls to ensure:

- the safe delivery of health care;
- the reduction or prevention of the potential for injury or loss to clients/residents, visitors and Hospital personnel;
- that the Hospital's resources are utilized appropriately;
- that the Hospital's assets are protected.

The Board must be knowledgeable about risks inherent in Hospital Operations and ensure that appropriate risk analysis is performed as part of its decision-making, including variance and risk tolerance levels.

Each Board Standing Committee will review the risks related to its mandate. The Joint Finance, Resources and Audit Committee will review the Enterprise Risk Management Program at least annually and report thereon to the Board.

The Chief Executive Officer is accountable for identifying the principal organizational risks, determining the Corporation's exposure to risk and ensuring the implementation of the risk management framework.

2. SCOPE

This policy applies to all employees, members of the Medical Staff and volunteers (including members of the Board of Directors). Risk management is the responsibility of everyone.

3. GUIDING PRINCIPLES

- Risk management creates and protects value.
- Risk management reflects our philosophy of patient and family centered care.
- Risk management is intertwined with quality and safety, and facilitates continual improvement.
- Risk management resides within the context of a just culture.

- Risk management helps decision-makers make informed choices and prioritizes actions.
- Risk management enhances the quality of patient care and work life through adoption of evidence based best practices.
- Risk management is facilitated by a culture of learning.

4. DEFINITIONS

Risk

The effect of uncertainty on objectives; risk is "the chance of something happening, or a hazard being realized that will have an impact on objectives" (NPSA). Risk is measured in terms of consequences and likelihood.

Risk Management

The risk management process is a centrally coordinated initiative that proactively registers risk inherent in the hospital environment and develops a structure to identify, assess, manage and mitigate and report risk.

Risk Approach

The organization will adopt the following approach to managing risk:

- Focus on material risk to key organizational objectives
- Aggregate risks wherever possible. Assign risk to one/best fit category if possible
- Recognize that risks are interrelated and that clear delineation is not always possible
- Adopt a simplified model for understanding and carrying out IRM

5. PROCEDURE

5.1. The Enterprise Risk Management (ERM) Program is a proactive, consistent framework to better identify, understand, and respond to all types of risk.

5.2. The process to arrive at the results is to aggregate risk information and exposure as well as to provide accountability and transparency of risks at all levels of the organization.

5.3. This program assists the Board of Directors and Senior Leadership Team to understand the risks arising across the organization, their impact on strategy and objectives and to align Senior Leadership and Board understanding on the level of risk tolerance.

5.4. Day-to-day operational risk continue to be managed within the traditional reporting structures of the Hospital (front line staff > Manager/Director > Senior Leader) and not every operational risk is catalogued as a part of the ERM composite report. The ERM framework places accountability at the right level of the organization. It is not the only source of risk assessment and discussion and is not meant to replace or duplicate other risk management processes which include:

Enterprise Risk Management Framework	
Patient care risk identification:	Monitoring of incident reports, HIROC's Self-Assessment Program, Accreditation
Quality of Care reporting:	Medical Advisory Committee, Board Quality Committee, Patient & Family Advisory Committee, Patient Care Committee
Financial risk identification:	Joint Finance, Resources and Audit through monitoring of performance against budget and monthly Compliance Report; internal control risk identification through the annual external audit, Fraud Risk Matrix, and Whistleblower Policy
Day-to-day operational risks:	Identification and management between Manager and Vice President

5.5 Managers are requested to submit risk items associated with their programs and Senior Leaders participate in a review process to validate the risk items and scoring of each item. The HIROC Self-Assessment Program annual review serves this purpose.

5.6 Risks are rated high, medium or low referring to the impact if the risk materializes and how severe the impact would be.

5.7 Risk tolerance is the Hospital's approach to managing the risk:

- Accept: Take no immediate action; monitor the risk only
- Mitigate: Take action to reduce the likelihood or impact of the risk (i.e. Control)
- Eliminate: Reduce risk to zero by taking actions to eliminate the risk(i.e. resolve)

5.8 Risk Assessment Codes are utilized as a method of prioritizing the various risks in order to focus management attention on the most significant risks. A matrix of severity (impacts) score, the likelihood of occurrence and the degree of the mitigation in place results in an assigned RAC.

1	What keeps you up at night?
2	What needs to be regularly monitored?
3	What do we need to know about?

5.9 Senior Leadership Team identifies the ‘top risks’. Key themes related to reputational, operational and/or strategic risks are considered when identifying all risks. Top Risk categories include:

- Potential significant impact on strategy
- Potential significant impact on patient care and/or safety
- Potential significant financial impact
- Timing (potentially imminent)
- Event has occurred, working to prevent recurrence
- Requires significant and/or complex mitigation efforts

5.10 The Enterprise Risk Management composite report is presented to the Joint Finance, Resources and Audit at least annually, followed by subsequent presentation to the Board of Directors.

5.11 Proposals submitted to the Board must include an Enterprise Risk Assessment.

6. REFERENCES

Muskoka Algonquin Healthcare, Board of Directors, Enterprise Risk Management, February 12, 2015.

7. APPENDICES

N/A

Evaluation

This policy will be reviewed every two years.