



Risk Register Procedure

Procedure Number

CHC-PG-0022

Version Nos:

2

1. Purpose

This Procedure outlines the process by which the West Coast District Health Board's Risk Register is established, maintained and reviewed.

2. Application/Responsibilities

This Procedure is to be followed by all WCDHB Board members and staff members.

3. Definitions

For the purposes of this Procedure:

Risk is taken to mean the chance that an event will occur that will impact on the WCDHB's objectives. It is measured in terms of consequence and likelihood.

Risk Assessment is taken to mean the process used to determine risk management priorities by evaluating and comparing the level of risk against predetermined acceptable levels of risk.

Risk Management is taken to mean the systematic application of a management system (Policies, Procedures and Guidelines) to the task of identifying, analysing, treating and monitoring risk.

Risk Register is taken to mean a register which records details of all the risks identified for an organisation, their grading in terms of likelihood of occurring and seriousness of impact on the organisation, initial plans for managing each high level risk and subsequent results.

Impact (also known as consequence) is taken to mean the outcome of an event expressed as a loss, injury, disadvantage or gain.

Likelihood is taken to mean a qualitative description of probability or frequency.

Control is taken to mean that portion of risk management that involves the implementation of actions to eliminate or minimise adverse risks.

4. Responsibilities

For the purposes of this Procedure:

The **Board of the WCDHB** is required to oversee risk management within the WCDHB as a whole;

The **Chief Executive Officer** is required to ensure that a Risk Register is established, implemented and maintained;

General Managers are required to ensure that they report any newly identified risks, or changes to already identified risks in an area they are responsible for, to the Risk Manager for incorporation into the Risk Register;

The **Risk Manager** is responsible for the operational management of the Risk Register, including reporting requirements.

5. Resources Required

This Procedure requires:

- i) WCDHB Risk Assessment Form
- ii) WCDHB Risk Analysis Tool
- iii) WCDHB Risk Register



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6. Process

1.00 Introduction

- 1.01 The WCDHB will maintain a process that will provide it with a systematic view of the risks it faces in the course of its activities.
- 1.02 As part of this process the WCDHB will establish a Risk Register that will detail all the identified risks that the WCDHB faces, their grading in terms of likelihood of occurring and seriousness of impact on the WCDHB, initial plans for managing each risk and subsequent results of these management strategies.
- 1.03 The purpose of having a Risk Register is to ensure levels of risk and uncertainty are properly managed so that the organisation is successfully completed. It enables those involved to identify possible risks, the manner in which they can be contained and the likely cost of countermeasures.

2.00 Establishment Of The Risk Register

- 2.01 The WCDHB will undertake an assessment of risks throughout the organisation, using a standard methodology that is consistent with the Australian/New Zealand Standard AS/NZS 4360. This standard methodology is to include:
 - i) establishment of a context for the assessment to occur in;
 - ii) identification of the risks;
 - iii) analysis of the identified risks;
 - iv) evaluation of the identified risks;
 - v) treatment of the identified risks;
 - vi) monitoring and review of the identified risks.
- 2.02 This standard methodology will be applied in Service/Department/unit and organisational-wide assessments.
- 2.03 This standard methodology assesses the consequences and likelihood of each risk.
- 2.04 The objective of each risk assessment is to establish a prioritised list of risks for further analysis.
- 2.05 Risk assessments are to be undertaken using the WCDHB Risk Assessment Form.
- 2.06 Staff members undertaking the risk assessment are to be those most directly related to the Service/Department/Unit of the WCDHB that is affected by the risk.
- 2.07 Once completed, the WCDHB Risk Assessment Form is to be forwarded to the Risk Manager.
- 2.08 The Risk Manager will undertake an analysis and evaluation of the identified risk, using the WCDHB Risk Analysis Tool.
- 2.09 Once analysed and evaluated each risk will be prioritised.



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- 2.10 A risk treatment and action plan is to be developed for each risk which:
- i) identifies who is responsible for the implementation of the plan;
 - ii) what resources are required;
 - iii) budget allocations (if any);
 - iv) implementation timetable;
 - v) details of management mechanisms;
 - vi) frequency of reviews to ensure compliance.

- 2.11 A printed copy of the Risk Register is to be distributed to:
- i) the Board
 - ii) Chief Executive Officer
 - iii) Senior Managers
 - iv) Each Service/Department/Unit
 - v) Risk Manager.

3.00 Maintaining The Risk Register

3.01 The Risk Register is to be maintained by the Risk Manager, and reviewed by the Risk Register Committee who are to undertake reviews (on a quarterly basis) of its content.

3.02 This review is to include:

- i) comparison of trends obtained from complaints and reported accidents/incidents with risks recorded in the Register;
- ii) review of the efficacy and usefulness of risk indicators; and where necessary amendments are to be made to the Risk Register.

3.03 General Managers are required to ensure that they report (as soon as is practicable after they become aware of them):

- i) any newly identified risks (in an area they are responsible for), or
- ii) changes to any already identified risks;

to the Risk Manager for incorporation into the Risk Register (as per Sections 2.05 – 2.10 of this Procedure).

3.04 Where amendments are made to the Risk Register, they are to be presented to the Risk Register Committee for their endorsement and approval.

4.00 Reporting Requirements

4.01 A written report will be provided to the Board on a monthly basis which details:

- i) the identified risks;
- ii) the implications these risks pose to the agreed outputs of the Board;
- iii) actions taken to manage these risks;
- iv) any incidents of occurrence.

4.02 A copy of this report is to be sent to the Ministry of Health on a 6 monthly basis, in accordance with clause 6.4.1 of the Operational Policy Framework.

4.03 A further report detailing all identified risks, and any incidents of occurrence is to be provided to the Executive Management Team (EMT) on a monthly basis.

4.04 The Risk Manager is responsible for developing these reports.

7. Precautions And Considerations

- ➔ The WCDHB will establish a Risk Register that will detail all the identified risks that the WCDHB faces
- ➔ Assessment of risks will be undertaken, using a standard methodology that is consistent with the Australian/New Zealand Standard AS/NZS 4360.
- ➔ A monthly risk report is to be provided to the Board.

8. References

Australian/New Zealand Standard AS/NZS 4360 Risk Management

Australian/New Zealand Standard HB 143:1999 Guidelines For Managing Risk

A Guideline To Risk Management For District Health Boards – Ministry of Health – Nov 2002

WCDHB Risk Management Policy

WCDHB Risk Assessment Form


WCDHB Risk Analysis Tool

WCDHB Risk Register Committee Terms of Reference

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|-------------------------|-----------------------------|-------------------------|
| Revision History | Version: | 2 |
| | Developed By: | Risk Manager |
| | Authorised By: | Chief Executive Officer |
| | Date Authorised: | October 2003 |
| | Date Last Reviewed: | January 2007 |
| | Date Of Next Review: | January 2009 |

10. Guidelines

WCDHB RISK ASSESSMENT FORM

| | | | | |
|---|--|-------------------|----------------------------|---------------------|
|  | <h3 style="margin: 0;">RISK ASSESSMENT FORM</h3> | | DATE OF ASSESSMENT: | COMPILED BY: |
| What Can Happen And How Can It Happen? | Risk Likelihood | Measure Of Impact | Risk Analysis Rating | Measure Of Control |
| | | | | |

WCDHB RISK ANALYSIS TOOL

Risk Rating = Risk Impact x (1 – Control Effectiveness) x Likelihood

Where:

| RISK IMPACT | |
|-------------|--------------|
| Rating | Descriptor |
| 600 | Catastrophic |
| 500 | Extreme |
| 400 | Severe |
| 300 | Significant |
| 200 | Moderate |
| 100 | Minor |

| CONTROL EFFECTIVENESS | | |
|-----------------------|--------------|--|
| Effectiveness Rating | Descriptor | Definition |
| 95% | Excellent | Controls in place mitigate risk to the maximum level |
| 80% | Very Good | Controls are good but there is room for improvement |
| 70% | Good | Majority of risks are managed but there is potential for failure |
| 55% | Adequate | Controls manage risk at face value but there is reliance on them operating correctly without any checks/balances |
| 45% | Unacceptable | Controls manage only some of the risk and attention is required to management of this risk |
| 30% | Non Existent | Controls are largely ineffective and urgent attention is needed to implement new controls |



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LIKELIHOOD

| Probability | Descriptor | Definition |
|-------------|----------------|--|
| .99 | Almost Certain | Risk will be realised |
| .50 | Likely | Risk will probably occur within next 2 years |
| .20 | Possible | Risk could occur once every 5 years |
| .10 | Unlikely | Risk is likely to occur within the next 10 years |
| .04 | Almost Never | Risk will only occur in exceptional circumstances i.e. once every 25 years |