

# THE STIRS COLLABORATIVE

## RISK MANAGEMENT POLICY



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# SECTION 1: RISK MANAGEMENT FRAMEWORK

## 1.1 POLICY STATEMENT

STIRS Collaborative is committed to effective Risk Management as a strategy for protecting the organization, board, employees, workers, clients, stakeholders, visitors, students and the community from unnecessary injury, loss or damage relating to the business and activities the organization undertakes.

## 1.2 PURPOSE AND SCOPE

This policy aims to provide guidance to the organization in applying risk management processes across the organization's operations, to ensure that, so far as reasonably practicable, the organization's goal and identified outcome areas can be achieved.

This policy applies to all of the organization's staff, workers, Board members, volunteers, student placements and visitors.

This policy encompasses but is not limited to:

I. Identifying, assessing and treating risks
II. Ongoing risk monitoring and review
III. Communication and consultation
IV. Record-keeping
V. Specific risk areas.
VI. This policy does not provide detailed guidance on:
VII. Human resources management – refer to the Human Resources Management Policy
VIII. Workplace environment and safety – refer to the Work Health and Safety (WHS) Policy
IX. Financial operations – refer to the Financial Management Policy.

## 1.3 DEFINITIONS

| | |
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| **Board** | Means the organization's Board of Directors |
| **Clinical Incident** | Any unplanned event resulting in, or having the potential to harm a client |
| **Clinical Risk Management** | Clinical risk management is concerned with improving the quality and safety of services by identifying the circumstances and opportunities that put clients at risk of harm and then acting to prevent or control those risks |

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| **Compliance Register** | A register that assists an organization to comply with its legal obligations |
| **Impact** | Actual or potential impact that would or may occur |
| **Likelihood** | Probability or chance of an incident occurring |
| **Organization** | STIRS Collaborative |
| **Personnel** | The organization's staff, workers, Board members, volunteers, student placements and visitors |
| **Risk** | Chance of something happening that will Impact on objectives, measured in terms of likelihood and impact |
| **Risk Assessment** | Process of analyzing and evaluating the likelihood and impact of potential risks |
| **Risk Incident** | Realization or occurrence of a risk impact |
| **Risk Management** | Process of identifying, assessing and judging Risks, assigning ownership, taking actions to mitigate them, and monitoring and reviewing progress |
| **Risk Register** | A Risk Register is a tool for documenting risks, and actions to manage each risk. The Risk Register is essential to the successful management of risk. As risks are identified they are logged on the register and actions are taken to respond to the risk |
| **Risk Treatment** | Identifying and implementing actions to eliminate risks or reduce impacts |
| **WHS** | Workplace Health and Safety |

## 1.4 PRINCIPLES

The following principles guide STIR Collaborative's risk management policy and procedures:

I. Risk management applies to all aspects of the organization's business and activity

II. Risk management is a shared responsibility of all staff, management and Board members

III. Risk management is a continuous improvement process where the organization continually strives to reduce and manage the likelihood and negative impact of risks

IV. Staff, Board members, volunteers and students are provided with training and other support to assist them in managing risk in their roles.

## 1.5 OUTCOMES

The outcomes of this policy are that STIR Collaborative:

I. Makes informed business, operational and service delivery decisions while remaining fully aware of risks and impact

II. Staff, management and Board members understand their roles and responsibilities in relation to risk management

III. Risks and risk impact are minimized through compliance with relevant regulatory, legal and financial obligations, and implementation of risk treatments.

## 1.6 DELEGATIONS

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| **Board of Governors** | • Endorse and ensure compliance with the Risk Management Policy<br>• Ensure compliance with relevant legislation<br>• Lead and support the COO to manage risk<br>• Monitor and contribute to internal risk treatment strategies and activities, including regular review of the Risk Register |
| **Business services/ management** | • Comply with the Risk Management Policy<br>• Manage and monitor compliance with relevant legislation<br>• Monitor and contribute to internal risk treatment strategies and activities.<br>• Be familiar with the organization's legislative requirements regarding risk management<br>• Ensure processes are in place across the organization to manage and treat risk appropriately<br>• Ensure staff are adequately trained to comply with risk management strategies and activities<br><br>**Executive Director**<br>• Lead the implementation of the Risk Management Policy<br>• Identify and assess new risks and implement risk treatments<br>• Lead, monitor and update identified risks and risk treatment<br>• Ensure risk assessments are undertaken<br><br>**Management** |

| | |
|---|---|
| | • Ensure orientation of new Board and staff members to the organization's risk management processes and activities<br>• Identify and assess new risks and implement risk treatments<br>• Monitor and update identified risks and risk treatments.<br>• Develop, implement and review risk management plans<br>• Maintain current Risk Register and Compliance Register<br>• Document risk management discussions and decisions from Board meetings and Board Finance and Executive Sub-committee meetings |
| **Program services/clinical** | • Comply with the Risk Management Policy<br>• Identify and assess new risks and implement risk treatments<br>• Monitor and update identified risks and risk treatments.<br>• Implement and review risk management plans<br>• Contribute to internal risk treatment strategies and activities |

## 1.7 POLICY IMPLEMENTATION

This policy is developed in consultation with the organization's staff and approved by the Board of Directors.

All Personnel are responsible for understanding and adhering to this Risk Management Policy.

Specific monitoring and support activities undertaken include:

I. Risk management issues are part of the Work Health and Safety updates as standing agenda item in staff meetings
II. Review of the risk register is a standing agenda item for board meetings
III. This policy is to be part of staff orientation processes
IV. This policy should be referenced in relevant STIR Collaborative policies, procedures and other supporting documents, where relevant, to ensure that all relevant staff are familiar with it and that it is actively used
V. This policy will be reviewed in line with the quality improvement program every two (2) years, following a risk incident and/or following relevant legislative changes.

This policy is implemented in combination with all the organization's policies and procedures.

### 1.8 RISK MANAGEMENT

The organization develops and implements risk management strategies and processes informed by this policy and in compliance with relevant legislation.

# SECTION 2: RISK MANAGEMENT PROCESSES

This section ensures that STIRS Collaborative develops and implements consistent risk management strategies and processes to effectively manage and treat risk, in order to safely enhance the organization's operation and achieve its strategic goals.

This section provides guidance on the plans, processes and tools that the organization adopts in order to identify, assess, treat and monitor risks.

This section ensures that the organization:

I. Provides reliable administrative tools and reporting methods
II. Confirms that the Risk Management strategy and activities are informed by its Personnel, clients and the broader community
III. Ensures that risk management processes support and enhance the services provided to its clients
IV. Has a structure for the continuing review of risk
V. Provides ongoing safe operations for Personnel, clients and the broader community.

### 2.1 COMMUNICATION AND CONSULTATION

Communication and consultation is undertaken with the organization's Personnel to ensure understanding and engagement in risk management.

Communication mechanisms include:

I. Orientation processes for new Board members, staff, and clients entering the service
II. Agenda items and discussion at staff and team meetings, e.g., WHS, budgets, client related incidents
III. Regular staff and supervisor meetings to review work plans and activities, together with incident management
IV. COO/Manager reporting to the Board, and regular review of the Risk Register.

The organization implements diverse consultation methods to seek feedback from its clients and Personnel. This may include:

I. Staff and Board leadership and participation in policy development
II. Staff and Board leadership and participation in risk management and risk incident review
III. Client meetings
IV. Workshops
V. Surveys
VI. etc.

Communication and consultation are undertaken with external stakeholders (if appropriate) as part of STIRS Collaborative business. Mechanisms include:

I. Briefing and planning meetings as part of project development, implementation and evaluation
II. Strategic planning
III. Performance reporting to funding bodies
IV. Annual reports
V. Surveys and evaluations
VI. etc.

## 2.2 ESTABLISHING RISK CONTEXT

Risk management considers the context in which STIRS Collaborative operates and how these characteristics and capabilities influence and inform risk responses. This could include assessing:

| | |
|---|---|
| **Strategic or external context:** | » Operational, regulatory, financial and political environment<br>» Business drivers<br>» Opportunities and threats<br>» Stakeholders. |
| **Organizational or internal context:** | » The organization's goal and outcomes<br>» Organizational culture<br>» Strengths and weaknesses within the organization<br>» Existing systems and processes<br>» Stakeholders<br>» Available resources. |
| **Risk management context:** | » The organization 's size, organizational structure and location<br>» Governance structure<br>» Management expertise<br>» Clinical service delivery<br>» Workforce capacity |

| | |
|---|---|
| | » Assets. |

## 2.3 RISK IDENTIFICATION

STIRS Collaborative identifies risks through formal and informal processes such as: targeted consultation, observation of workplace practice, monitoring of regulatory requirements, organizational system reviews, regular audits (e.g., WHS, policy compliance), analysis of information gathered relating to WHS incidents and strategic and project planning.

Organizational risks are categorized and summarized as follows:

| Type | Area/item compromise |
|---|---|
| **Strategic** | • Goal and intended outcomes of the organization<br>• Intellectual property<br>• Reputation<br>• organization and sector positioning<br>• Resourcing, growth and improvement |
| **Compliance** | • Entity legislation (e.g., incorporations, co-operatives or others)<br>• Contractual obligations<br>• Insurance<br>• Taxation<br>• Employment legislation (refer to the Conduct of Code and Ethics)<br>• Work health safety legislation (refer to the Work Health Safety Policy) |
| **Financial** | • Fraud<br>• Income, budget and expenditure operations<br>• Debt collection<br>• Governance and management by Board |
| **Operational** | • Governance<br>• Service delivery (e.g., clinical, projects, programs)<br>• General equipment, resources and facilities<br>• Human resource management<br>• Information management<br>• Break-in, theft, and fire<br>• Procurement |
| • **Market/ environmental/ external risks** | • Natural disasters or major storms<br>• Changes in government and/or government policy<br>• Major legislation change |

## 2.4 RISK ASSESSMENT

The risk assessment matrix, risk likelihood and rating tables below are applied to all identified risks to determine their level of risk based on two categories: likelihood and impact.

Risk assessment also includes reviewing existing controls, whether specific to that risk or by default.

### 2.4.1 Risk matrix

| Likelihood | | | | | | |
|---|---|---|---|---|---|---|
| | Almost certain | Low Medium | Medium | Medium - High | High | High |
| | Likely | Low | Low - Medium | Medium | Medium - High | High |
| | Possible | Low | Low | Medium | Medium - High | High |
| | Unlikely | Low | Low | Low - Medium | Medium | Medium - High |
| | Rare | Low | Low | Low | Medium | Medium - High |
| | | Minimal | Minor | Moderate | Significant | Severe |
| | | Impact | | | | |

### 2.4.2 Risk likelihood

| Rating | Description | |
|---|---|---|
| **Almost certain** | 90% or greater probability | Expected to occur in most circumstances |
| **Likely** | 50-90% probability | Will probably occur in most circumstances |
| **Possible** | 20-50% probability | Could occur at some time |
| **Unlikely** | 10-20% probability | Not expected to occur |
| **Rare** | <10% probability | Would occur only in exceptional circumstances |

### 2.4.3 Risk impact

| Rating | Description | |
|---|---|---|
| **Severe** | Business objectives and/or continuing viability is threatened | Death or serious injury to a person |
| **Significant** | Business objectives are not met | Serious injury or illness requiring medical treatment with permanent consequences |
| **Moderate** | Business objectives may be threatened | Injury or illness requiring medical treatment |
| **Minor** | Business objectives require monitoring | Minor injuries |
| **Minimal** | Business objectives unlikely to be affected | Minor first aid injury |

### 2.4.4 Risk rating

The risk rating assists STIRS Collaborative in determining if the risk is acceptable or unacceptable. A low rating risk may be expected and acceptable with minimal treatment response, whereas a high rating risk is not acceptable and therefore requires a response to minimize or eliminate risk.

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| **High** | Requires immediate action to mitigate the risk |
| **Medium-High** | Requires short-term action to mitigate the risk |
| **Medium** | Requires medium-term action to mitigate the risk (work within other priorities) |
| **Low-Medium** | May require attention |
| **Low** | Manage by routine procedure |

## 2.5 Risk treatment

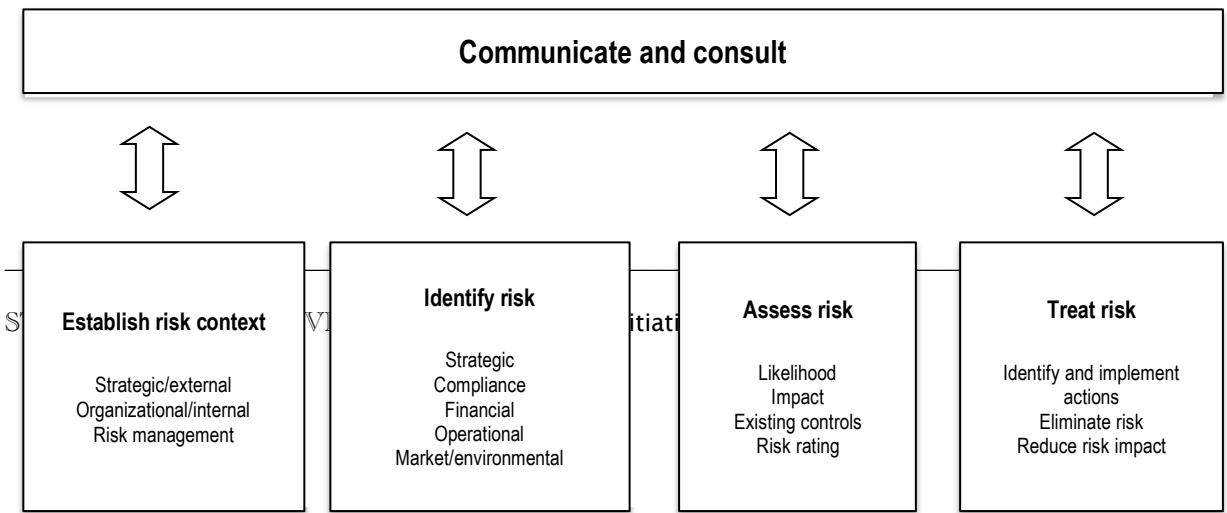
Risk treatment involves identifying and implementing actions to eliminate risks or reduce their impacts. In treating risk, the organization, board and staff members ensure that:

I. The cost of implementing risk treatments is balanced with the expected and actual risk reduction outcomes
II. If eliminating risk is to discontinue an activity, remove an identified risk item, or avoid new or potential risks
III. Risk reduction activity involves implementing reasonable and practical steps to reduce risks and minimize loss, injury or harm. For example, where transport of heavy boxes is unavoidable, a trolley and safe lifting training is provided
IV. Major risks and their responding treatments are logged in the organization's Risk Register
V. Risks that are substantially mitigated by the existence of a specific organizational policy or listed in the organization's Compliance Register may not be required to be recorded in the Risk Register
VI. Risk specific to client service delivery are managed under a clinical risk management framework
VII. Risks specific to individual projects are identified and responded to through project implementation; these may not be required to be recorded in the Risk Register.

## Risk Treatment should adopt the hierarchy for controlling Risks:

I. Eliminate the hazard
II. Substitute the hazard for something safer
III. Isolate the hazard from people
IV. Use engineering controls
V. Use administrative controls
VI. Use personal protective equipment.

The diagram below depicts the organization's risk management process.



## 2.6 RISK MANAGEMENT PLANS

STIRS Collaborative implements risk management plans for specific activities that carry likely or almost certain risk which are inherent in working with our clients. The plans provide specific guidance to staff in managing concerns that are likely to arise when providing direct client services.

## 2.7 RISK MONITORING AND REVIEWING

STIRS Collaborative monitors and reviews risks and their treatment strategies as part of effective risk management and ongoing quality improvement.

### Monitoring and reviewing activities include:

I. Re-consideration of the contexts, rating, treatment and responsibilities.
II. Risks identified through the organization's Risk Register and Compliance Register are reviewed and updated quarterly by the Administrative Officer
III. The Board reviews the organization's Risk Register and Compliance Register quarterly through Board and other relevant meetings.
IV. Previously identified risks may become deactivated through a monitoring and review process, where the likelihood and impact of loss, injury or harm is assessed as non-existent or negligible.
V. WHS risks are reviewed quarterly through workplace audits and other WHS strategies.
VI. Clinical risk is monitored and reviewed regularly through meetings. Risk management plans are developed and regularly reviewed for the delivery of services to those areas where risk is likely or almost certain.

VII. Risks that are assessed as specific to individual projects are reviewed through project mechanisms such as scheduled milestone checks, progress reporting, advisory group meetings, stakeholder feedback, outcome monitoring, and end-of-project evaluation.

VIII. The organization's risks are also reviewed and their status is updated following a risk incident, such as a clinical incident, workplace accident, cuts to funding, damage to reputation, or not meeting taxation compliance requirements.

## 2.8 Reporting and record-keeping

Risks identified in the organization's risk register and the compliance register are reported to the board quarterly by the Executive Director/COO in the scheduled Board meetings. Related discussion and outcomes are recorded in Board and relevant minutes.

Risk management discussion and outcomes from staff meetings are recorded in meeting minutes.

### 2.8.1 Risk register

The organization's Risk Register details major risks, their rating, controls and treatments, as well as responsibilities and timeframes.

I. All risks listed in the Risk Register are allocated a unique risk identification number.

II. De-activated risk identification numbers are maintained on the Risk Register for reference as required.

III. Electronic copies of quarterly reviewed and updated Risk Register are saved in accordance with the Information and Communication Technology Policy.

### 2.8.2 Compliance register

The Compliance Register details compliance obligations in relation to: insurance, incorporation, taxation, performance agreements, and WHS.

Electronic copies of quarterly reviewed and updated Compliance Register are saved in accordance with the Information and Communication Technology Policy.