



**Ngangganawili Aboriginal Community Controlled  
Health and Medical Services Aboriginal Corporation**

**ICN 1870**

**ABN 85 650 098 620**

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## **Risk Management Policy**

### **1. Policy & Rationale**

It is recognised that an effectively structured approach to risk management is integral to the operation of a safe and efficient organisation. Risk should be managed systematically and consistently. It is further acknowledged that the awareness and identification of risk should be integrated into the daily responsibilities of all employees at the Ngangganawili Aboriginal Health Service (NAHS).

The NAHS Risk Management structure allocates all risks into 2 major groups, **Operational** and **Strategic**. These groups are then broken down into 4 broader categories:

1. **Organisational Risk;** those risks impacting on organisation objectives.
2. **Clinical Risk;** risks surrounding delivery of safe and high quality outcomes for patients.
3. **Financial Risk;** those issues impacting on cost control and allocation of resources.
4. **People & the Environment (Staff, Patient, Visitor and Environmental) Risk;** issues relating to the health, safety and general wellbeing of all of those who frequent the organisation, and the environment in which we live.

Compliance with this policy will ensure that there is a culture of risk awareness which ensures that risks are taken into account and that there is an environment where all staff assumes responsibility for managing risks.

### **2. Definitions**

### **3. Procedure**

#### 3.1 Identified risks should be evaluated in a quantitative method via use of the Risk Matrix as follows:

##### *Risk Assessment and Control*

The assessment of risks is the evaluation of the likelihood of the identified hazard causing injury, harm or damage. All staff must use this assessment process to identify and evaluate significant factors that could affect the chance or extent of the outcome caused by the hazard.

##### *Risk Severity*

A risk rating system is used to evaluate the management process required to eliminate or control the effect of a hazard.



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Using the risk matrix below the likelihood is measured against the consequences giving a quantitative risk rating. In determining the likelihood consider how many people are exposed to the hazard and how often exposure occurs.

<i>Likelihood</i>	<b>Consequences</b>				
	<b>Negligible</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Extreme</b>
<i>Rare</i>	4	4	4	3	2
<i>Unlikely</i>	4	3	3	2	2
<i>Possible</i>	4	3	2	2	2
<i>Likely</i>	3	2	2	2	1
<i>Almost certain</i>	3	2	2	1	1

#### **LIKELIHOOD RISK DEFINITION AND CLASSIFICATION**

<b>DESCRIPTOR</b>	<b>EXAMPLE DETAIL DESCRIPTION</b>
<b>Almost certain</b>	Expected to occur again either immediately or within a short period of time (likely to or occurs most weeks / months)
<b>Likely</b>	Will probably occur in most circumstances (Or occurs several times a year)
<b>Possible</b>	Might recur at some time (may happen every 1-2 years)
<b>Unlikely</b>	Could recur at some stage (may happen at some time in 2-5 years)
<b>Rare</b>	Unlikely to recur-may occur in exceptional circumstances (may happen every 5-30 years)



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## CONSEQUENCE / IMPACT RISK DEFINITION AND CLASSIFICATION

DESCRIPTOR	EXAMPLE DETAIL DESCRIPTION
<b>Negligible</b>	No injuries to staff or patients, no financial loss, no risk to reputation
<b>Minor</b>	First aid to staff or patient, medium financial loss, potential for risk to reputation
<b>Moderate</b>	Medical treatment required for staff, adverse outcome for patient requiring additional medical intervention, outside assistance, financial loss, Ministerial correspondence
<b>Major</b>	Extensive injury to a staff member or visitor, transfer to higher medical facility for patient, temporary cessation of service delivery, major financial loss, loss of reputation within local community. Loss of accreditation or licensing
<b>Extreme</b>	Death of staff member, sentinel event for patient up to or including death, detrimental effect, financial loss > 50% of annual budget, major loss of reputation. Sanction by funding body or regulator.

*All risks with an inherent risk rating of 3 and above should have a Corrective Action or Quality Improvement Report raised and identified risks with a rating of 2 or greater should be logged on the Risk Register.*

All risks should be treated within the following Hierarchy of Controls:

### HIERACHY OF CONTROLS

<b>1.</b>	<p>All events rated <b>1</b> are <b>EXTREME RISK</b> and require immediate action.</p> <p>The CEO and NAHS chair are to be notified.</p> <p>A root cause analysis investigation (RCA) should be commenced when a clinical or critical incident has occurred</p> <p>Strategies that can be implemented immediately to mitigate the risk are to be implemented within same or next working day; those requiring longer are to be implemented within 5 - 10 working days.</p> <p>Risk Treatment should be overseen by the NAHS Board</p>
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	Incident must be recorded on the Risk Register
<b>2.</b>	All events rated <b>2</b> are <b>HIGH RISK</b> and Senior Management action is required. The CEO is to be notified as soon as practicable Strategies that can be implemented immediately to mitigate the risk are to be implemented within 5 working days; those that require longer are to be implemented within 15 working days. Appropriate adverse event reporting and escalation procedures are required. RCA investigation is to be undertaken at the discretion of the CEO or his delegate Risk must be included on the Risk Register
<b>3.</b>	All events rated <b>3</b> are <b>MODERATE RISK</b> . Relevant Manager or Portfolio Holder responsible for supervision of risk treatment/action plan. Aggregate data collected and quality improvement project undertaken
<b>4.</b>	All events rated <b>4</b> are <b>LOW RISK</b> . Relevant committee or portfolio responsibility for corrective or improvement projection action as specified by the CEO.

### 3.2 Documenting the risk

All risks are to be documented in the LOGIQC Risk Register. The purpose of the Risk Register is to ensure that NAHS complies with ISO 31000 requirements by identifying known risks and demonstrate existing controls, demonstrating the ability to rate risks against Severity Assessment Code levels, to record and track risk treatment and mitigation tasks and to enable top management to have an overview of risk across the business.

Each entry to the Risk Register must include existing controls and uncontrolled (inherent) and controlled (residual) risk ratings.

Risks may be linked to and from all other registers within LOGIQC

As required by the Hierarchy of Controls all risks with a 1 must be notified to the NAHS Board Chair immediately.

The Policy and Compliance Manager, via the CEO, will provide the Board with an annual review of the Risk Register and will report bimonthly on the number of Quality Improvements which have resulted in a reduction of risk for NAHS.



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### 3.3 Risk Control

As part of the risk management plan, the ongoing review of structures and processes within the organisation will identify certain risks. Once identified and assessed, action must be taken to control all risks. Risks must be controlled, by applying the hierarchy of control principals set out in the table below, which are considered to be listed in the order of preference.

<b>Risk Control</b>	
	<p><b>Most Effective</b></p> <p><b>Elimination</b> E.g. Discontinue use of product, equipment, cease work process</p>
	<p><b>Substitution</b> E.g. Replace with a similar item that does the same job but with a lower hazard level</p>
	<p><b>Isolation</b> E.g. Put a barrier between the person and the hazard</p>
	<p><b>Engineering controls</b> E.g. Change the process, equipment or tools so the risk is reduced</p>
	<p><b>Administration controls</b> E.g. Guidelines, policy/procedures, rosters, training etc to minimise the risk</p>
	<p><b>Least Effective</b></p> <p><b>Personal protective equipment</b> E.g. Equipment worn to provide a temporary barrier</p>



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#### **4. Responsibilities**

This policy applies to all persons employed or engaged by Ngangganawili Aboriginal Health Service (including contractors, students, volunteers and agency personnel).

Responsibilities for reporting of Risks to Top Management sit with the CEO and Policy & Compliance Manager respectively.

The policy should be reviewed every 3 years, or sooner if required, by the Policy & Compliance Manager.

#### **5. Evidence Base**

- ISO 9001: 2015. Quality Management Systems. Standard 6.1
- AS/NZS ISO 31000:2018 Risk management - Principles and guidelines

#### **6. Related Documents**

- Doc\_399 NAHS Risk analysis guide for the CEO and Board