# Risk Management

**Applies Jurisdiction:** ☒ ALL

**Division:** ☒ ALL

**Reference Number:** COR-OPS-001

**Version Number:** V5

**Author(s):** Seamus Dillon
**Title:** Chief Risk Officer
**Date:** May 2019

**Approver(s):** Pauline Newnham
**Title:** Director of Quality & Governance
**Date:** May 2019
**Signature:**

**Effective From:** February 2019
**Review Date:** February 2020

# Table of Contents

## Contents

# Rehab Group – Risk Management

## 1.0 POLICY STATEMENT

Risk management and oversight is a Rehab Group wide responsibility that calls for the active involvement and cooperation of management and staff. The Board of the Rehab Group is ultimately responsible for exercising oversight over the Rehab Group's system of risk management. The SLT is responsible for operational oversight of risk management with direct management of the most significant identified risks.

The Chief Risk Officer is responsible for the ongoing development and day-to-day management of the Rehab Groups risk management function. The function will report regularly on risks and their management to the SLT, Quality & Safety Board Subcommittee and the Audit & Risk Board Subcommittee.

Risk registers will be maintained at each operational unit level with risk escalated to a more senior level based on the rating of that risk. Operational and Functional Managers are responsible for the day-to-day management of risks under their control. They will be assisted in this role by more senior management as necessary and will work with the Risk Management Function.

The SLT will advise the Board on risk management strategies and provide periodic reports and analysis of risk findings.

## 2.0 PURPOSE

The purpose of this policy is to ensure that risks to Rehab Groups strategic plan are identified, analyzed and managed so that they are maintained at acceptable levels. The goal is to identify risks and determine how they may be treated, tolerated, transferred or terminated and to support staff in utilising a consistent structured approach of risk assessment and risk management.

Rehab Group is committed to establishing and maintaining a systematic approach to the identification and management of risk.

## 3.0 SCOPE

This Policy applies to all areas of Rehab Group activities.

# Rehab Group – Risk Management

## 4.0 DEFINITIONS

**Risk** is the chance or possibility of a loss, damage or injury or the failure to achieve an objective.

**Risk Matrix:**  A tool to facilitate a structure method of determining the consequence of an incident/near miss and the probability of reoccurrence.

**Hazard:**  Anything that can cause harm.

**Adverse Incident:** Any unexpected occurrence that causes harm physical or psychological to a person that uses our service, staff member, or visitor or harm to the environment.

**Near Miss:** An occurrence which but for luck or skilled management would in all possibility have become an incident.

**Complaint:** An expression of dissatisfaction with a service or person(s).

**Just Culture**: A just culture seeks to balance the need to learn from mistakes and the need to take disciplinary action.

**Open Disclosure:** An open, consistent approach to communicating with people that use our services when things go wrong. This includes expressing regret for what has happened, keeping the person informed, providing feedback on investigations and the steps taken to prevent a recurrence of the adverse event.

# Rehab Group – Risk Management

## 5.0 Risk Management Process

### Introduction

Risk management is an indispensable element of good management. As such, its implementation is crucial to the Rehab Group and essential to its ability to achieve its goals and objectives.

The risk management policy has been designed to support managers and staff in ensuring that the Rehab Group is able to discharge its risk management responsibility in a consistent manner.

The risk management policy outlines the objectives, benefits and approach to ensure that risks and opportunities are successfully managed. Risk management is about improving our ability to deliver positive outcomes for Rehab Group and people who use its services by managing threats, enhancing opportunities and creating an environment that allows Rehab Group and people who use its services to achieve their goals and objectives.
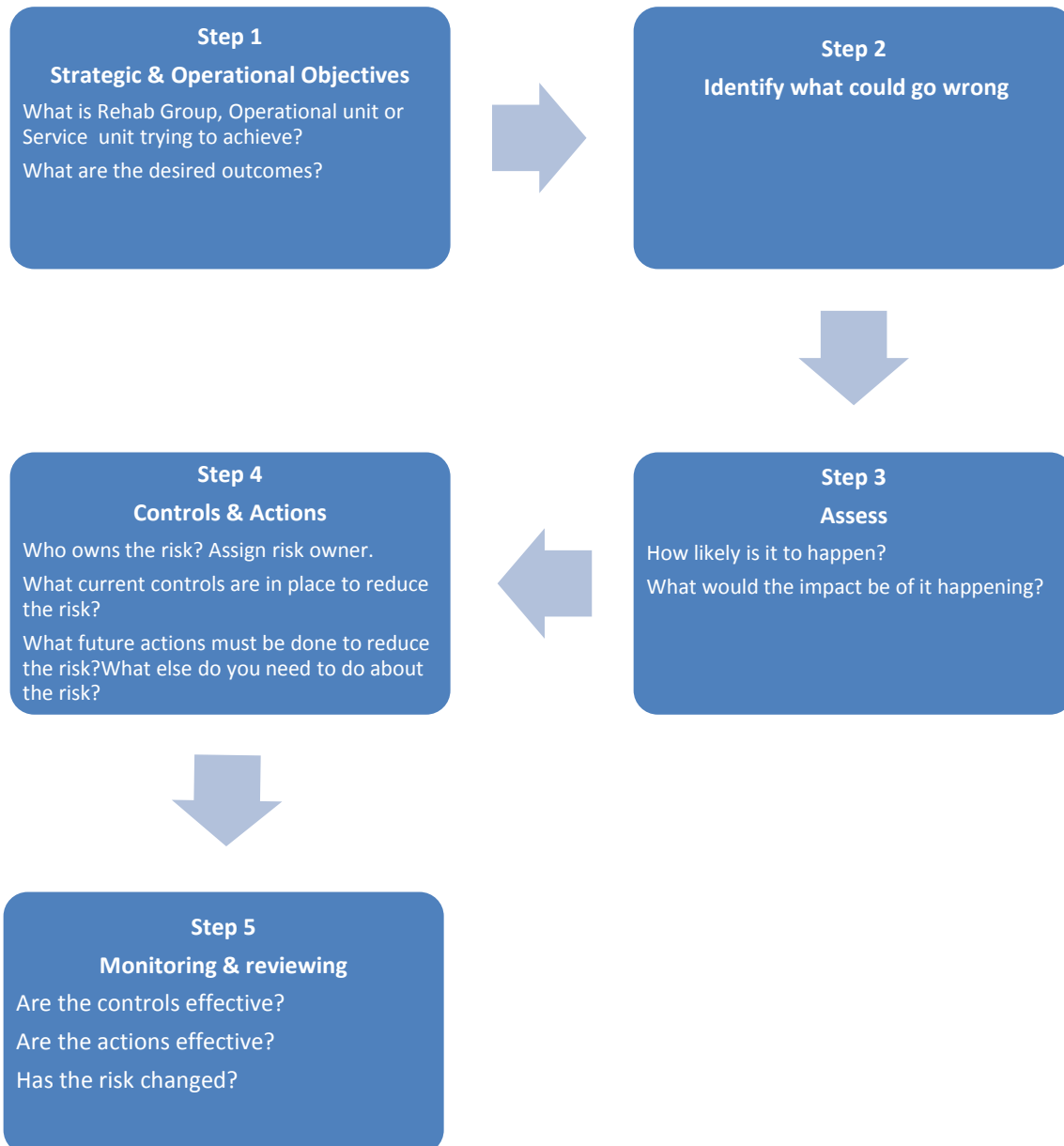
Risk management is a key part of corporate governance. Corporate governance is the way an organisation manages its business, determines strategy and objectives and goes about achieving those objectives. Good risk management will help identify and deal with key corporate risks facing the Rehab in the pursuit of its goals and is a key part of good management, not simply a compliance exercise.

# Rehab Group – Risk Management

## Risk Management - 5 Steps

The starting point for risk management is a clear understanding of what the Rehab Group is trying to achieve. Risk management is about managing the **threats** that may hinder delivery of Rehab Groups strategic aims, objectives, and maximising the **opportunities** that will help to deliver them. Therefore, effective risk management should be clearly aligned to the following processes:

**Step 1**

**Strategic & Operational Objectives**

What is Rehab Group, Operational unit or Service unit trying to achieve?

What are the desired outcomes?

**Step 2**

**Identify what could go wrong**

**Step 4**

**Controls & Actions**

Who owns the risk? Assign risk owner.

What current controls are in place to reduce the risk?

What future actions must be done to reduce the risk?What else do you need to do about the risk?

**Step 3**

**Assess**

How likely is it to happen?

What would the impact be of it happening?

**Step 5**

**Monitoring & reviewing**

Are the controls effective?

Are the actions effective?

Has the risk changed?

# Rehab Group – Risk Management

## Step 1: Linking identified risks to Strategic and Operational objectives

It is very important to ensure that the identified risk is a risk to the achievement of Rehab Groups mission, vision and strategic objectives under the following headings:

### *Corporate Excellence*
Rehab will build a sustainable model of services by maximising value, efficiency, transparency and governance across the Group.

### *Integration*
Rehab will use all of its capabilities to provide a personalised pathway to independence for the people who use our services.

### *Voice*
Rehab will champion the rights, needs and the voice of the people we support by promoting inclusion and challenging exclusion.

### *Innovation*
Rehab will foster innovation, be at the forefront of evidence-based practice and will enable our people to be leaders in their fields.

### *People Transformation*
Rehab will work together as one team building a strong unified culture, investing in the development of our employees and building a flexible skill set to deliver our services.

## Step 2: Identify Risks
Identify the potential risks or opportunities that may arise. Where taking risks that may benefit Rehab, managing these opportunities increases the chance of success and reduces the possibility of failure. By managing our opportunities well, we will be in a better position to provide a better service.

Risks will be considered under the following headings:
- Strategic Advancement risks [1]
- Operational Management risks[2]
- Governance, Compliance & Quality Risks
- Financial
- Reputational
- Information Technology
- Human Resource risks
- Property Management risks

# Rehab Group – Risk Management

Each risk needs to be allocated to an owner who will be responsible and lead on the management of that risk, taking forward any action to minimise the risk.

## Step 3: Assess Risks

Having identified the risks it is then necessary to assess which are going to pose the greatest threat or opportunity by looking at both the **likelihood** of the risk occurring and the **impact** that might result, producing the overall **risk rating.**

See Table 1 and Table 2 for the criteria to be used when assessing risks. These Risk Ratings are not intended to provide precise measurements of risk but to provide a useful basis for identifying vulnerabilities or opportunities, ensuring that any necessary actions are undertaken.

The risk rating needs to be regularly reviewed at strategic and operational level to:

- Check that existing controls are effective
- Assess any changes have occurred that might affect those risks
- Consider if there are any new risks.

## Table 1 – Likelihood [5-step scale]

Risk owners assess the **likelihood of each risk** using the five point scale which is shown in outline below.
Risk should be assessed by considering the controls which are currently in place to mitigate it.

---

[1] **Strategic Advancement risks:** External and internal forces that may have a significant impact on achieving key strategic objectives. The causes of these risks include such things as national and global economies and significant government policy. Often, they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risk mean they are often best identified and monitored by the SLT as part of their strategic planning, horizon-scanning and review mechanisms.

[2] **Operational Management risks:** Inherent in the ongoing activities that are performed across the Group. These are the risks associated with such things as day-to-day operations and the risk inherent in service provision and delivery

# Rehab Group – Risk Management

| RATING | SCORE 1-5 Scale | Threat | | | OPPORTUNITY |
|---|---|---|---|---|---|
| | | **Actual Frequency** | **Probability** | **Description** | |
| **Almost Certain** | **5** | At least Monthly | 99% | Expected to occur or a common occurrence | Favourable outcome is likely within 6 months |
| **Likely** | **4** | Bimonthly | 75% | Will probably occur in most circumstances | Favourable outcome is likely within one year |
| **Possible** | **3** | Occurs every 1-2 years | 50% | Might occur at some point | Some chance of favourable outcome |
| **Unlikely** | **2** | Occurs every 2-5 years | 10% | Small chance of occurring at some point | Some chance of favourable outcome in the long term 10% - 30% |
| **Rare** | **1** | Occurs every 5 years or more | 1% | Only in exceptional circumstance | Less than 10% of occurrence |

# Rehab Group – Risk Management

**Table 2 –Impact –(5-step scale]** Risk owners assess the **likelihood of each risk** using the five point scale which is shown in outline below.
Risk should be assessed by considering the controls which are currently in place to mitigate it.

| | Negligible 1 | Minor - 2 | Moderate- 3 | Major -4 | Extreme -5 |
|---|---|---|---|---|---|
| Injury | Adverse event leading to minor injury not requiring first aid. No impaired Psychosocial functioning | Minor injury or illness, first aid treatment required <3 days absence < 3 days extended hospital stay Impaired psychosocial functioning greater than 3 days less than one month | Significant injury requiring medical treatment e.g. Fracture and/or counselling. Agency reportable, e.g. HSA, Gardaí (violent and aggressive acts). >3 Days absence 3-8 Days extended hospital Stay Impaired psychosocial functioning greater than one month less than six months | Major injuries/long term incapacity or disability (loss of limb) requiring medical treatment and/or counselling Impaired psychosocial functioning greater than six months | Incident leading to death or major permanent incapacity. Event which impacts on large number of patients or member of the public Permanent psychosocial functioning incapacity. |
| Service User Experience | Reduced quality of service user experience related to inadequate provision of information | Unsatisfactory service user experience related to less than optimal treatment and/or inadequate information, not being to talked to & treated as an equal; or not being treated with honesty, dignity & respect – readily resolvable | Unsatisfactory service user experience related to less than optimal treatment resulting in short term effects (less than 1 week) | Unsatisfactory service user experience related to poor treatment resulting in long term effects | Totally unsatisfactory service user outcome resulting in long term effects, or extremely poor experience of care provision |
| Compliance With Standards (Statutory, Clinical, Professional & Management) | Minor non compliance with internal standards. Small number of minor issues requiring improvement | Single failure to meet internal standards or follow protocol. Minor recommendations which can be easily addressed by local management | Repeated failure to meet internal standards or follow protocols. Important recommendations that can be addressed with an appropriate management action plan. | Repeated failure to meet external standards. Failure to meet national norms and standards / Regulations (e.g. Mental Health, Child Care Act etc). Critical report or substantial number of significant findings and/or lack of adherence to regulations. | Gross failure to meet external standards Repeated failure to meet national norms and standards / regulations. Severely critical report with possible major reputational or financial implications. |
| Objectives/ Projects | Barely noticeable reduction in scope, quality or schedule. | Minor reduction in scope, quality or schedule. | Reduction in scope or quality of project; project objectives or schedule. | Significant project over – run. | Inability to meet project objectives. Reputation of the organisation seriously damaged. |
| Business Continuity | Interruption in a service which does not impact on the delivery of service user care or the ability to continue to provide service. | Short term disruption to service with minor impact on service user care. | Some disruption in service with unacceptable impact on service user care. Temporary loss of ability to provide service | Sustained loss of service which has serious impact on delivery of service user care or service resulting in major contingency plans being involved | Permanent loss of core service or facility. Disruption to facility leading to significant 'knock on' effect |
| Adverse publicity/ Reputation | Rumours, no media coverage. No public concerns voiced. Little effect on staff morale. No review/investigation necessary. | Local media coverage – short term. Some public concern. Minor effect on staff morale / public attitudes. Internal review necessary. | Local media – adverse publicity. Significant effect on staff morale & public perception of the organisation. Public calls (at local level) for specific remedial actions. Comprehensive review/investigation necessary. | National media/ adverse publicity, less than 3 days. News stories & features in national papers. Local media – long term adverse publicity. Public confidence in the organisation undermined. HSE use of resources questioned. Minister may make | National/International media/ adverse publicity, > than 3 days. Editorial follows days of news stories & features in National papers. Public confidence in the organisation undermined. HSE use of resources questioned. CEO's performance questioned. Calls for individual HSE officials to be sanctioned. |

# Rehab Group – Risk Management

| | | | | comment. Possible questions in the Dáil. Public calls (at national level) for specific remedial actions to be taken possible HSE review/investigation | Taoiseach/Minister forced to comment or intervene. Questions in the Dail. Public calls (at national level) for specific remedial actions to be taken. Court action. Public (independent) Inquiry. |
|---|---|---|---|---|---|
| Financial Loss (per local Contact) | <€1k | €1k – €10k | €10k – €100k | €100k – €1m | >€1m |
| Environment | Nuisance Release. | On site release contained by organisation. | On site release contained by organisation. | Release affecting minimal off-site area requiring external assistance (fire brigade, radiation, protection service etc.) | Toxic release affecting off-site with detrimental effect requiring outside assistance |

## Step 4: Control Risks

This stage of the process is to confirm the risk owner who must then decide on a course of action to address the risks identified, to ensure that they do not develop into an issue, where the potential threat is realised. There are four approaches that can be taken to address the risks that have been identified and assessed, these being terminate, transfer, treat and tolerate.

# Rehab Group – Risk Management

## Table 4 - Risk control approaches [The 4 Ts]

Risk Control approaches are concerned with the actions/measures taken to reduce the impact or likelihood of risks, not wholly to terminate or transfer.

### Terminate
A decision is made not to undertake the activity that is likely to trigger the risk. Where the risks outweigh the possible benefits, terminate the risk by doing things differently and thereby removing the risk.

### Eliminate
Avoid by withdrawing

Rehab Group is no longer prepared to take the risk.

### Transfer
Share the exposure, either totally or in part, with a partner or contractor, or through insurance. Any partnership will need to be carefully monitored as it may not be possible to transfer all risks and certain aspects may remain, such as loss of reputation.

### Pass on
Transfer or share risk via:

Insurance,

Partnerships,

Outsourcing,

Sub contracting etc

### Treat
The most common approach is to introduce preventative actions to reduce the probability or impact if the risk occurs and maximise the potential for success.

### Reduce
Use of internal controls and actions, training, supervision, risk awareness, diversification, marketing and strategic planning

### Tolerate
The ability of an effective action against some risks may be limited or the cost of taking such action may be disproportionate to the potential benefits gained.

### Accept
Accept the risk

*Table 5  - Risk Management Guideline*

# Rehab Group – Risk Management

| LEVEL OF RISK | LEVEL OF CONCERN | TARGET RESOLUTION & REVIEW PERIOD | RISK CONTROL APPROACH OPTIONS |
|---|---|---|---|
| Extreme RR 20-25 | An extreme risk is unacceptable. SLT consideration is required and a detailed mitigation plan must be put in place. Monitoring and reporting to the Board is necessary. | **Target resolution:** 3- 6 months<br><br>**Review period:** every month by SLT or as and when a significant change occurs | Terminate<br>Transfer<br>Treat |
| High RR 15-16 | A high risk is usually unacceptable. SLT consideration is required and a detailed mitigation plan **must** be developed. Regular monitoring and reporting to the UMT | **Target resolution:** 6-12 months<br>**Review period:** every month by SLT or as and when a significant change occurs | Terminate<br>Transfer<br>Treat |
| Medium RR 3-12 | A mitigation / action plan must be developed; existing controls, consequences and likelihood do not substantially change. | **Target resolution:** 12 -24 months<br>**Review period** every 3 months or as and when a significant change occurs | Terminate<br>Transfer<br>Treat |
| Low RR 1-3 | Risk is tolerable. Manage by well established, routine processes and procedures and be mindful of changes to the nature of the risks | Review annually or as and when a change occurs. | Tolerate |

## Step 5: Monitor and Review Risks

Few risks remain static. New issues and risks are likely to emerge and existing risks may change. Having identified the risks assessed them and put control measures in place, it is essential that they are routinely reviewed and updated. (See Table 4 - Risk Review & Update)

# Rehab Group – Risk Management

Risk management needs to be seen as a continuous process. It is essential that the incidence of risk be reviewed to see whether it has changed over time.

Risk Management is a dynamic process which means new risks will be identified. Some will be terminated and control measures will need to be updated in response to changing internal and external events. The assessment of the impact and likelihood will also need to be reviewed in light of management actions.

Monitoring progress and regular reviews provide:
- Assurance that progress is being made towards controlling risks
- Assurance that controls are effective
- Knowledge of any changes to the risk brought about by shifting circumstances or business priorities.
- When undertaking the monitor and review process, guidance is given below on the sorts of questions that should be taken into account:
- Are the risks still relevant?
- Has anything occurred that could impact on them?
- Are performance indicators appropriate?
- Are the controls in place effective?
- Have risk scores changed, and if so are they decreasing or increasing?
- If risk profiles are increasing, what further controls might be needed?
- If risk profiles are decreasing, can controls be relaxed?

The monitoring and review process should be integrated into existing business processes so that it adds value and supports the successful achievement of objectives and is not just seen as a 'bolt on'.

Where objectives have not been achieved or are not on course to be achieved, the cause(s) should be investigated to inform and improve the risk assessment process.

# 6 .0 ROLES & RESPONSILBITIES

**Chief Executive Officer:** The Chief Executive Officer is accountable to the Board and has accountability and responsibility for ensuring it meets

its statutory, legal and regulatory requirements.  This responsibility incorporates risk management, health and safety, financial and organisational controls and governance.

As in line with good governance practices, the CEO has delegated leadership for the Risk Agenda to the Quality & Governance Directorate.

**Senior Leaders Team**
- Identification of risks.
- Review of risks and mitigating actions.
- Consider risk when making decisions.
- Articulate a risk appetite when making decisions.

**Audit & Risk Committee**
- Quarterly high level review of the risk register and mitigation of risks, ensuring that the risk management process works properly.
- The provision of advice on the strategic process for risk, control and governance and the Statement on Internal Control.
- Identification of additional corporate risks.

**Regional Operating Officers**
- To identify risks to the achievement of their unit's objectives
- To identify any relevant mitigating actions, to include these within their unit's business plan, and to ensure the business plan is met
- Seek to identify other risks that might develop.

**All staff**
- To be alert to possible corporate risks and to raise risks they have identified with their managers.

# 7 .0 Appendices

# Appendix 1 – Risk Review & Update Guidance
# Appendix 2 – List Of Reviewers

# Rehab Group – Risk Management

## Appendix 1 - Risk Review & Update Guidance

| | |
|---|---|
| **Risk Rating /Review** | <ul><li>Risks are rated on a 5 x 5 matrix using the agreed Risk Matrix.</li><li>Risks should be reviewed at least quarterly - more frequently if the risk changes, controls change or the risk is rated above 12.</li><li>All risks should have a named individual as a risk owner.</li><li>Risk owners need to be attached to the directorate that the risk relates to e.g. Owners of HR risks need to be belong to the HR Directorate, IT risks to the IT Directorate.</li><li>The owner of a risk needs to be involved in the update of that risk.</li><li>Risks rated above 12 will feature in the corporate risk register **and should have an allocated member of the SLT as Risk Owner.**</li><li>Risks rated below 3 will no longer feature on divisional / functional risk registers.</li></ul> |
| **Additional Controls** | <ul><li>Additional controls should progress into current controls as soon as the additional controls have been implemented.</li><li>Additional controls should have a named owner and expected implementation date.</li><li>The Risk Owner is responsible for informing owners of additional controls of their responsibilities.</li><li>The Owners of additional controls are responsible for providing implementation updates to the Risk Owner.</li></ul> |
| **Adding a new Risk** | <ul><li>In order to add a new risk click on the following link  "Add New Risk" and then click "add document".</li><li>Complete the risk form.</li><li>Click "save as" and name the form with the current time and date.</li><li>Inform all owners that have responsibilities related to the risk.</li></ul> |
| **Risk Review** | <ul><li>Read down through all risks applicable to your operational area (geographical or by functional speciality).</li><li>If there is a change needed, contact the risk owner with the proposed change for them to update the risk.</li></ul> |
| **Risk Update** | <ul><li>Risks are read by the risk owner and updated if needed.  The "Date of Last Review" field is updated to include notes of any changes made.</li><li>If no changes are needed – just update the "Date of Last Review" date.</li><li>The following form part of a Risk Review and Risk Update.<ul><li>Risk statement</li><li>Current controls</li><li>Risk rating</li><li>Additional controls</li><li>Residual Risk.</li></ul></li></ul> |

# Rehab Group – Risk Management

# Appendix 2 – List of Reviewers

**Authors List for New/ Reviewed Policy Area**

The following names individual authors/ reviewers to this policy area.

| Division/Other | Name(s) |
|---|---|
| Rehab Group | Seamus Dillon - Chief Risk Officer |
| Rehab Group | Pauline Newnham – Director of Quality and Governance |

*Note that it is not obligatory for each division to be involved in a new policy/ review if the policy is not relevant; this should be decided by each division on a case-by-case basis.

# Rehab Group – Risk Management

## *Appendix 3 – Specific Risk Management Measures*

<u>**Note – This is Applicable to Residential and Respite Services ONLY**</u>
Details of the measures in place to manage the following risks within designated centres can be found in the Risk Management Framework:
1. The unexpected absence of any resident
2. Aggression and Violence
3. Self-Harm

The Risk Management Framework is held locally in each designated centre.

**Accidental Injury**
Details of the measures and actions in place to control accidental injury to residents, visitors and staff can be found in the Safety Statement.

**Learning from Incidents**
All incidents that are reported within Rehab Group are managed by the operational team directly involved with the incident – in Rehab Care residential services for example - the residential team managed by the PIC manage incidents.
Oversight and support for this is provided by PPIM, the Health, Safety & Risk Team and other clinical and non-clinical support.
Polices such as – Safeguarding policy, Serious Incident management policy, Medication Policy ect guide staff how to manage in various incident areas.
Incidents are reviewed as part of a serious of scheduled con calls with stakeholders or by way of an ad hoc call -  The latter primarily being used to address single serious issues as they arises. Stakeholders include the Health, Safety & Risk Team, PIC, PPIM and Behavioural Therapists
Learnings from the con calls are communicated through the con calls, safety alerts, H&S committee meetings and local / regional team meetings. These learnings inform future policy development while also allowing the identification and replication of best practice.

**Proportionate Control Measures**
Controls implemented need to be proportionate to the risk they are intended to address and not unjustifiably impede on Services User's ability to live their own lives or inappropriately utilise resources- Please see page 13 table 5 as a guide to proportionality.
Please also see the Rehab Group Positive Risk Taking Policy as a guide to balancing the Rehab Group fulfilling its duty of Care for its Service User with Service Users need to take risks as part of a fulfilled life.