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| **Policy** | name of service will manage organisational risks by identifying, analysing, evaluating, treating, monitoring and communicating organisational risk. |
| **Purpose** | The purpose of this document is to achieve:   * A confident and rigorous basis for decision-making and planning. * Identification of strengths, weaknesses, opportunities and threats (SWOT analysis). * Gaining value from uncertainty and variability. * Pro-active rather than re-active management. * Effective allocation and use of resources. * Reduction in loss and cost of risk including insurance premiums. * Stakeholder confidence and trust. * Compliance with legislation. * Better corporate governance. |
| **Scope** | The processes described in this document apply to all parts and aspects of name of service. |
| **References** | |
| **Type** |  |
| **Legislation** | [Health and Disability Services (Safety) Act 2001](http://www.legislation.govt.nz/act/public/2001/0093/latest/DLM119975.html) |
| **Guidelines/**  **Standards** | [AS/NZS 4360:2004:Risk Management](http://www.standards.co.nz/news/standards-information/risk-managment/)  [SAA HB 436:2004:Risk Management Guidelines](http://shop.standards.co.nz/catalog/436%3A2004(HB)/view)  [NZS 8134:2008:Health and Disability Services Standards](http://shop.standards.co.nz/catalog/8134(SET)%3A2008(NZS)/view)  [HB 266:2010:Guide for managing risk in not-for-profit organizations](http://infostore.saiglobal.com/store/Details.aspx?ProductID=1420426)  [Communitynet Aotearoa Risk Management](http://www.community.net.nz/resources/community-resource-kit/2-7-planning-/)  [Institute of Directors - Risk](https://www.iod.org.nz/Governance-Resources/Resource-library/Risk) |
| name of service  **Documents** | Quality Improvement Framework  Health and Safety Manual  Governance Manual |



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| **Definitions** | |
| **Consequence** | Outcome or impact of an event. |
| **Control** | A process or strategy that acts to minimise negative risk or enhance positive opportunity. |
| **Event** | Occurrence of a particular set of circumstances. |
| **Hazard** | A source of potential harm. |
| **Likelihood** | General description of probability or frequency. |
| **Loss** | Any negative consequence or adverse effect, financial or otherwise |
| **Monitor** | Check, supervise, observe critically or measure the progress of an activity, action or system on a regular basis in order to identify change from the performance level required or expected. |
| **Probability** | Measure of the chance of occurrence. |
| **Risk** | The chance of something happening that will have an impact on objectives. |
| **Benefits of risk management** | |
| * Fewer surprises. * Exploitation of opportunities. * Improved planning, performance and effectiveness. * Economy and efficiency. * Improved stakeholder relationships. * Improved information for decision making. * Enhanced reputation. * Director/Board member protection. * Accountability, assurance and governance. * Personal wellbeing. | |
| name of service **Risk Management processes and the Organisational Risk Management Plan will consider the following:** | |
| **Applications of risk management** | |
| name of service **will develop and maintain a yearly risk management plan in the following areas:** | * Strategic, operational and business planning. * Asset management and resource planning. * Business interruption and continuity. * Organisational, technological and political change. * Environmental issues. * Ethics, fraud and security. * Resource allocation. * Directors’, Board of Trustee and officers liability. * Compliance. * Operations and maintenance systems. * Health and Safety. * Human Resources. * Project Management. * Purchasing and contract management. * Information Management. |

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| **Risk Management Processes**  **The Risk management plan will consider the following processes and systems:** | | |
| **Communication and Consultation** | name of servicewill communicate and consult with internal and identified external stakeholders at each stage of the risk management processes.  The following stakeholders have been identified for this process: | |
| **Internal Stakeholders** | **External Stakeholders** |
| Board of Trustees/Director(s)  CEO/Manager  Health professionals  Support workers  HR manager  Financial manager  Operational manager  Quality manager  Service users | DHB Funding and Planning  DHB Provider Arm  ……….PHO  ........ Accountant  Mana Whenua  Iwi organisations  Other NGO’s /Navigate  Contractors and suppliers  Emergency services  Financial Institutions  Family/whanau of service users  Statutory Agencies  Government Agencies  Client Support Agencies  Family Support Agencies |
| **Establishing the context** | External and internal and risk management context in which the described processes will take place will be established. | |
| **Internal Context** | **External Context** |
| * Organisational culture * Internal stakeholders * Company Structures * Resources:   + Human Resources   + Systems   + Processes   + Capital * Strategic Plan | * Regulatory and Legislative Requirements * Competing Non-Government Organisation * Political environment * Social Obligations * Bi-and multicultural environment * Auckland Council Unitary Plan/Resource Management Plan * Financial environment * Business environment * External stakeholders |
| **Risk Identification** | Where, when, why and how events could prevent, degrade, delay or enhance the achievement of organisational objectives. | |
| **Risk Analysis** | Identification and evaluation of existing controls. Determination of consequences and likelihood = level of risk. The analysis will consider the range of potential consequences and how these could occur. | |
| **Risk Evaluation** | Comparison of estimated levels of risk against the pre-established criteria.  Consideration of the balance between potential benefits and adverse outcomes. | |
| **Risk Treatment** | The plan will show the development and implementation of specific cost-effective strategies and action plans to increase potential benefits and reduce potential costs. | |
| **Monitoring and Review** | The effectiveness of the Risk Management plan will be monitored.  (Examples: Board/Directors meetings, management meetings, strategic and business planning.) | |

**RISK MANAGEMENT PROCESSES - OVERVIEW**

ESTABLISH THE CONTEXT

COMMUNICATE AND CONSULT

MONITOR AND REVIEW

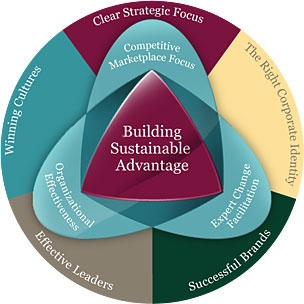
TREAT RISKS

IDENTIFY RISKS

ANALYSE RISKS

EVALUATE RISKS

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| name of service  **Organisational Risk Management Plan Template 201.** | | | | |
| **Risk** | | **Risk Rating** | **Risk Management Strategies/Processes** | **Responsibilities** |
| **Strategic, operational and business planning** | | | | |
|  | |  |  |  |
| **Asset management and resource planning** | | | | |
|  | |  |  |  |
| **Business interruption and continuity** | | | | |
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| **Organisational, technological and political change** | | | | |
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| **Environmental issues** | | | | |
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| **Ethics, fraud and security** | | | | |
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| **Resource allocation** | | | | |
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| **Board of Trustees and officers liability** | | | | |
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| **Risk** | **Risk Rating** | **Risk Management Strategies/Processes** | **Responsibilities** |
| **Compliance** | | | |
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| **Operations and maintenance systems** | | | |
|  |  |  |  |
| **Health and Safety** | | | |
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| **Human Resources** | | | |
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| **Project Management** | | | |
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| **Purchasing and contract management** | | | |
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| **Information Management** | | | |
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| **Risk Rating Guideline** |

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| Extreme | The consequences would threaten:   * The survival of the service , possibly causing major problems for clients and their families * The administration of the programme or for a large part of the Public Sector. * Revenue loss greater than 30% of total revenue being managed would have extreme consequences for the organisation both financially and politically |
| **Very High** | The consequences would threaten:   * The survival or continued effective function of the service * Revenue loss greater than 15% of total revenue being managed * Would have very high consequences for the organisation both financially and politically |
| **Medium** | * The consequences would **not** threaten the programme * But would mean that the administration of the programme could be subject to significant review or changed ways of operating. * Revenue loss greater than 8% of total revenue being managed * Would have ……consequences for the organisation both financially and politically |
| **Low** | The consequences would:   * Threaten the efficiency or effectiveness of some aspects of the service * Be dealt with internally. * A loss of revenue below the tolerance level of 5% * Would be of low consequence |
| **Negligible** | * The consequences are dealt with by routine operations. * A loss of revenue below the programme tolerance level of 3% * Would be of negligible consequence |

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| **Risk Rating Matrix** | | | | | |
| **Consequences** | | | | | |
| Likelihood | **Negligible**  **1** | **Low**  **2** | **Medium**  **3** | **Very High**  **4** | **Extreme**  **5** |
| **A (almost certain)** | N | L | M | E | E |
| **B (likely)** | N | L | M | H | H |
| **C (moderate)** | N | L | M | M | H |
| **D (unlikely)** | N | N | L | M | H |
| **E (rare)** | N | N | L | M | H |

**E:** Extreme Risk; Immediate attention required

**H:** High Risk; senior management attention needed

**M**: Moderate Risk; management responsibility must be specified

**L:** Low Risk; manage by routine procedures

**N:** Negligible; unlikely to need specific application of resources.

# Consultation

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| Group/Role | Date |
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