Risk Management policy

Policy statement

Above and Beyond Disability Solutions Pty Ltd (AABDS) recognises that all organisational activities involve some risk. This policy looks at how AABDS will manage risk by identifying it, analysing it and then evaluating whether the risk should be modified by risk treatment in order to satisfy the organisation's risk criteria.

AABDS will use this policy to implement and continuously improve a framework designed to integrate the process for managing risk into the organisation's overall governance, strategies and planning, management, reporting processes, policies, values and culture.

This policy supports and addresses the core elements of ISO 31000.

Scope

This policy applies to all AABDS employees, participants, families, advocates, contractors and volunteers. This policy is owned by the Governing Body.

Principles
- Risk management creates and protects AABDS's mission, vision, values and principles.
- Risk management contributes to the demonstrable achievement of objectives, improvement of performance and efficiency in operations.
- AABDS understands that risk management is an integral part of all organisational processes, strategic planning and change management processes.
- Risk management is a key part of AABDS's decision making process. It helps the organisation to make informed choices, prioritise actions and distinguish among alternative courses of action.
- AABDS's risk management processes are systematic, structured and timely, which results in consistent, comparable and reliable results.
- Using the AABDS risk management process, the organisation will make decisions based on the best available information.
- AABDS will tailor its risk management and ensure it is aligned with the organisation's external and internal context and risk profile.
- The organisation will always factor participant's, their family, carers and advocates into the risk management process by taking into account various human and cultural factors and differences. We will do this without bias or prejudice, recognising the capabilities, perceptions and intentions of participants, their family, carers and advocates.
- AABDS will be transparent and inclusive in all of their services and operations.
- AABDS recognises that risk management is dynamic and responsive to change. AABDS will use this to respond to change to ensure continual improvement of the organisation.

- All participants have the right to make decisions in relation to participating in activities, which may involve a degree of risk, providing they are deemed to have the mental and physical functional capacity to be able to do so.
- AABDS's care and service delivery is centred on the participant's choice and control, and ensure they are supported with dignity of risk for quality-of-life experiences and freedom of choice.

Practice requirements

- **Framework** - AABDS's risk management framework assists in managing risks effectively through the application of the Risk Management process. The framework ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organisational levels.

- **Accountability** – AABDS ensures there is accountability, authority and appropriate competence for managing risk, including implementing and maintaining the risk management process and ensuring the adequacy, effectiveness and efficiency of any controls.

- **Integration** – AABDS's risk management framework is embedded in the organisation's practices and processes in a way that it is relevant, effective and efficient. AABDS's Directors ensure that risk management is embedded in all of organisational practices and processes.

- **Communication and reporting** – AABDS has internal communication and reporting mechanisms to support and encourage accountability and ownership of risk. AABDS also has processes to communicate with external stakeholders. This includes engaging external stakeholders and ensuring an effective exchange of information; reporting to comply with legal, regulatory, and governance requirements; providing feedback and reporting on communication and consultation; and communicating with stakeholders in the event of a crisis or contingency.

- **Implementation** - risk management is implemented by ensuring that the risk management process is applied through a risk management plan at all relevant levels and functions of the organisation as part of its practices and processes.

- **Monitoring and review** - to ensure that risk management is effective and continues to support the organisation's performance, AABDS will measure risk management performance against indicators. This is periodically:
  o reviewed for appropriateness;
  o measured progress against, and deviation from, the risk management plan;
  o reviewed as to whether the risk management framework, policy and plan are still appropriate;

- o used to report on risk, progress with the risk management plan and how well the risk management policy is being followed;
- o reviewed as to the effectiveness of the risk management framework.

- **Continual improvement** - based on results of monitoring and reviews, AABDS will decide on how the risk management framework, policy and plan can be improved. These decisions should lead to improvements in the organisation's management of risk and its risk management culture.

Related policies

- Code of Conduct policy
- Governance policy
- Continuous Improvement policy
- Safeguarding policy

Related links

- ISO 31000
- National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018
- National Disability Insurance Scheme Act 2013
- National Standards for Disability Services
- National Standards for Mental Health Services.
- NDIS Practice Standards
- NDIS Code of Conduct
- Disability Services and Inclusion Act 2023

Acknowledgements

The organisation promotes the Human Rights principles of the Convention on the Rights of Persons with Disabilities.

AABDS and its employees are obliged to comply with the National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018, which have been developed in line with the National Standards for Disability Services and the National Standards for Mental Health Services.

POLICY HISTORY

Policy name	Risk Management	Policy owners	Governing Body
Policy created	July 2018	Approved by Board	Oct 2018
Policy reviewed	July 2019	Approved by Board	July 2019
Policy reviewed	Oct 2019	Approved by Board	Oct 2019
Policy reviewed	Aug 2021	Approved by Board	Aug 2021
Policy reviewed	Dec 2022	Approved by Board	Dec 2022
Policy reviewed	Jan 2023	Approved by Board	Jan 2023
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Current version no.	3.1	Due for review	Feb 2026

Risk Management procedure

This procedure supports the implementation of the Risk Management policy and looks at how AABDS will manage risk by identifying it, analysing it and then evaluating whether the risk should be modified by risk treatment in order to satisfy the organisation's risk criteria.

This policy supports and addresses the core elements of ISO 31000.

Planning and support

Risk management and ensuring its ongoing effectiveness requires a strong and sustained commitment by AABDS management, as well as strategic and rigorous planning to achieve commitment at all levels of the organisation.

AABDS management:

- have defined and endorsed the risk management policy;
- have ensured that the organisation's culture and risk management policy are aligned;
- have determined risk management performance indicators that align with performance indicators of the organisation;
- have aligned risk management objectives with the objectives and strategies of the organisation;
- have ensured legal and regulatory compliance;
- will assign accountabilities and responsibilities at appropriate levels within the organisation;
- will always ensure that the necessary resources are allocated to risk management;
- will always communicate the benefits of risk management to all stakeholders; and
- will always ensure that the framework for managing risk continues to remain appropriate.

Procedures

The following procedures are to be implemented to enable AABDS to continuously improve and integrate the process for managing risk into the organisation's overall governance, strategy and planning, management, reporting processes, policies, values and culture.
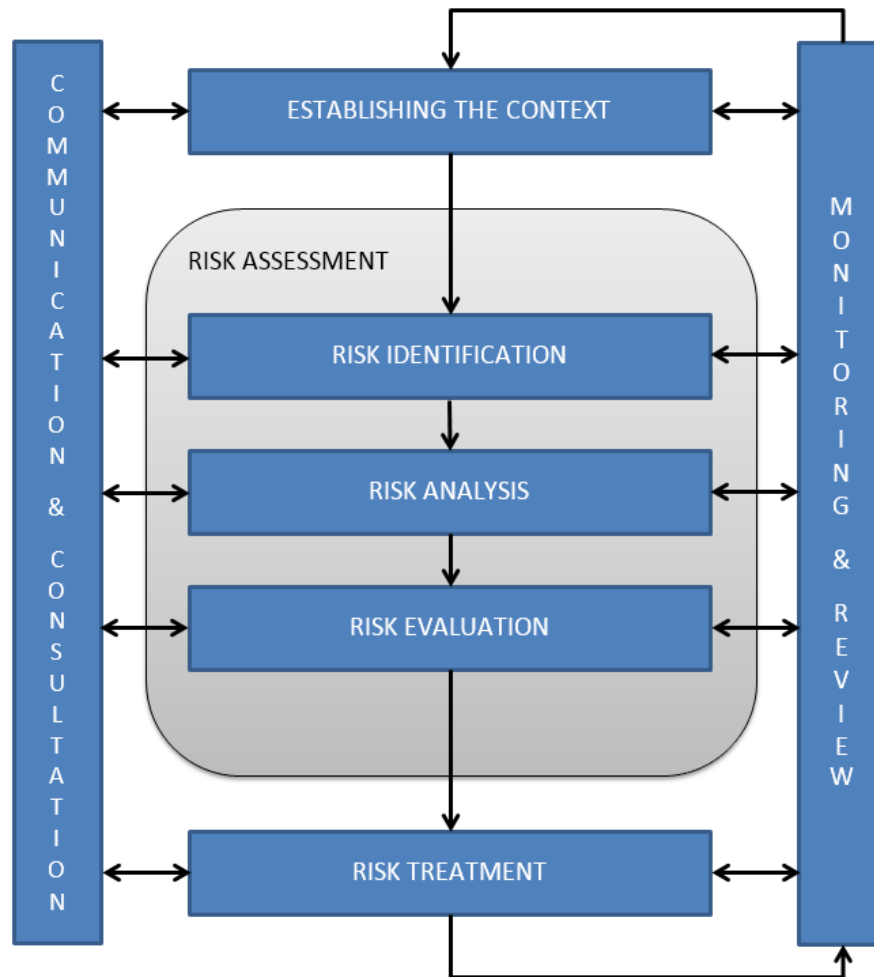
- **Establish context** – By establishing the context, AABDS articulates its objectives and defines the external and internal parameters to be taken into account when managing risk and sets the scope and risk criteria for the remaining process. These parameters may include, but are not limited to:

  - AABDS's organisational structure;
  - the organisation's policies, objectives and strategies;
  - the perceptions and values of AABDS employees;
  - AABDS's culture and decision-making processes;
  - the social and cultural, political, legal, regulatory, financial, technological, economic, natural and competitive environment;
  - key drivers and trends having impact on the objectives of AABDS;
  - relationships with, perceptions and values of participants, their family, carer, advocates and other external stakeholders.

- **Risk assessment** – this includes identifying, analysing and evaluating the risk.

AABDS will *identify sources of risk*, areas of impacts, events (including changes in circumstances) and their causes and their potential consequences. The aim of this step is to generate a comprehensive list of risks based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of AABDS's objectives.

At this point, the risk is formally recorded on AABDS's Risk register; a central starting point whereby risk reporting and risk treatment plans can be recorded, monitored and regularly reviewed. The register systematically documents and records identified risks, as illustrated below. From AABDS's centralised risk register, the organisation is able to extract information for other reports like risk reports, risk treatment plans and risk profiles.

Strategic Objective	Risk Event	Controls	Control Effectiveness	L	C	R	Risk Owner
Improve safety	Client injury	Signage installed	Good	P	E	H	Jim Smith

L = Likelihood   C = Consequence   R = Level of Risk

It's important AABDS understands all risks. *Risk analysis* provides an input to risk evaluation and to decisions on whether risks need to be treated, and on the most appropriate risk treatment strategies and methods. AABDS's risk analysis provides an input into the organisations' decision-making process where choices must be made and the options involve different types and levels of risk.

At this point, AABDS must consider the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Factors that affect consequences and likelihood are also identified at this point.

AABDS uses a risk matrix for ranking and displaying risks by defining risk categories, levels of likelihood and ranges for consequences. The level of risk is the magnitude of risk measured in terms of the combination of likelihood (L) and their consequences ©, where:
- likelihood = probability or frequency of a risk event occurring, or chance of something happening.
- consequence = the effect on AABDS of a risk event occurring expressed qualitatively or quantitatively or changes in circumstances affecting the achievement of objectives.

The last step of risk assessment is to *evaluate the risk*. AABDS compares the level of risk found during the analysis process with risk criteria established when the context was considered. Based on this comparison, AABDS management will consider the need for treatment.

- **Risk treatment** – At this stage of the process, AABDS management will choose one or more options for modifying risks, and implementing those options. This involves a cyclical process of assessing the risk treatment and deciding whether residual risk levels are tolerable. If they aren't, AABDS will generate a new risk treatment and assess the effectiveness of that treatment.

  AABDS recognises that risk treatment options are not necessarily mutually exclusive or appropriate in all circumstances, so may choose to:
  - avoid the risk by deciding not to start or continue with the activity;
  - take or increase the risk in order to pursue an opportunity;
  - remove the risk source;
  - change the likelihood;
  - change the consequences;
  - share the risk with another party or parties;
  - retain the risk by informed decision.

- **Monitor and review –** AABDS will use the results from implementing risk treatment plans to provide a performance measure. The results will then be incorporated into the organisation's overall performance management, measurement and external and internal reporting activities. They will also be used an input to the review of AABDS's risk management framework.

- **Communicate and consult** – AABDS is committed to ensuring the organisation's risk management activities are traceable, in order to provide the foundation for improvement in methods and tools, as well as in the overall process.

- **Dignity of Risk -** All participants have the right to make decisions, which may involve a degree of risk, providing they are deemed to have the mental and physical functional capacity to be able to do so. AABDS's care and service delivery is centred on the participant's choice and control, and ensuring the organisation supports dignity of risk for quality-of-life experiences and freedom of choice. When high-risk behaviour by a participant is identified, AABDS will:

  - Define the risk – What is the risk of concern? Who is the risk to or for? What does the participant (or family) want? How do they view the risk? Is it a risk or just something different to the norm?

  - Understand the risk – Why does the participant want to take the risk? Establish why each person (participant, family, staff) has their view on the risk. What is each person worried about (participant, family, staff etc)? What is the degree of risk?

- o Problem solve – In a person-centred approach, AABDS will discuss with the participant (or family member/carer) and document using the Dignity of Risk Consent form:
  - all possible ideas and solutions around the risk;
  - any risks that cannot be easily solved;
  - any possible controls that could be used to mitigate/alleviate/reduce the risk from each person's perspective;
  - any other people who could/should be involved (e.g. Doctor, Allied Health, other).

- o Agree the outcome – Establish agreed issues and concerns and document them in the Dignity of Risk Consent form and agree on a shared risk plan with actions going forward. A review timeframe will be detailed within the Dignity of Risk Consent form. This form will be scanned and uploaded to the participant's file and a task will be created in MYP for planned review date.

Responsibility

AABDS participants, family, carers, advocates are responsible for:
- speaking up at any time to raise any concerns they have about potential risks.

AABDS employees are responsible for:
- risk identification and reporting;
- making positive risk-based decisions;
- following the risk management process.

AABDS managers are responsible for:
- day-to-day risk awareness;
- risk identification and reporting;
- following the risk management process;
- communicating risk management processes to employees.

AABDS Directors are responsible for:
- the development and implementation of the organisational risk management plan;
- all risk management governance;
- risk management improvements.

Key contact

Questions about how to implement this procedure should be directed to Kristy McPherson, Director on 0417 069 124.

PROCEDURE HISTORY

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