

## IRM POLICY TEMPLATE

### INTRODUCTION (Optional)

- **Include a brief introduction to the IRM program to describe:**
  - That IRM has been adopted by the organization to proactively manage and analyze risk as part of the ability of the organization to achieve its strategic goals and objectives
  - That the program addresses the requirements of the Canadian Council on Health Services Accreditation (CCHSA), the requirements of HIROC's Risk Assessment Checklists, and reflects and is aligned with the Mission, Vision and Strategic Priorities of the organization

### PURPOSE

- **Include key messages such as:**
  - To ensure a safe environment for the organization's patients , their families, staff, physicians, volunteers and visitors
  - To set out the policy of organization wide management of risk within your organization
  - To provide a framework that encourages consistency in the organization's approach to risk assessment, risk management and risk mitigation activities (see Appendix A)
  - To make it clear that management responsibilities are pervasive to the organization and not restricted to risk management specialists

### POLICY STATEMENT

- **Set out the policy statement of organization in respect to IRM such as:**
  - For the policy, the terms integrated risk management (IRM) and enterprise risk management (ERM) are synonymous
  - As IRM aligns with Accreditation standards, the organization will use that terminology
  - Risk management is an integral part of corporate objectives and plans
  - The organization is committed to building increased awareness and a shared responsibility for risk management at all levels of the organization through an IRM program that includes:
    - Clearly defined accountabilities and responsibilities
    - A framework to analyze risk
    - A risk register of key organizational risks
    - A Board reporting schedule

### PROCEDURE

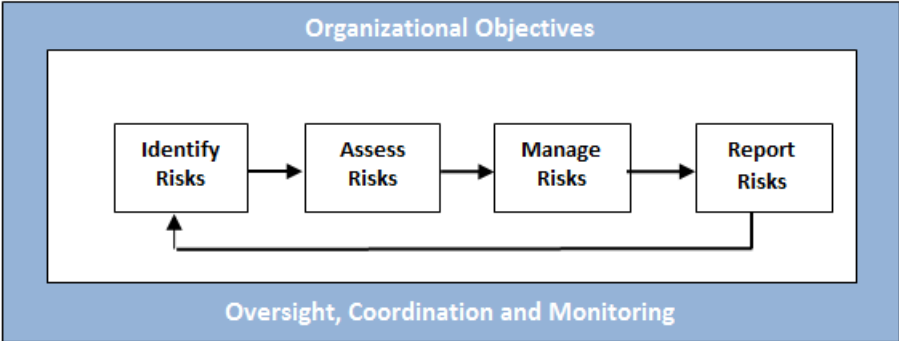
- **Set out accountabilities (and reporting structure) for the IRM program**
  - e.g. Board
    - Provides IRM oversight
    - Ensures appropriate systems and processes are in place to identify and manage organizational-wide risks

- Delegates authority and responsibility to the CEO to ensure management of all aspects of the IRM process
  - e.g. CEO
    - Supports the organization’s risk management philosophy (open communication, knowledge sharing, best practices, transparent risk reporting etc.)
    - Is accountable for IRM in the organization
    - Ensures management implements and is accountable for the IRM program
    - Provides annual report to the Board of top organizational-wide risks and mitigation strategies in place for those risks
  - e.g. Senior Leads/VP’s
    - Oversee the identification and management of corporate risks and support the CEO in reporting on corporate risks to the Board.
  - e.g. Directors/ Managers
    - Responsible for identifying Program/Department risks, assigning risk ownership, developing, implementing and monitoring risk management strategies
  - e.g. Staff
    - Responsible for identifying and reporting risks to management on an ongoing basis
  - e.g. Coordinator
    - Responsible to coordinate the IRM program
- **The (organization) will confirm organizational strategic objectives**
  - Consider the core (limited) set of strategic objectives related to the following major categories
    - Care
    - Human resources
    - Finance
    - Leadership and governance
    - Community engagement
    - Community health
    - Information systems and technology
    - Facilities
    - Regulatory compliance
    - Teaching and research (as appropriate) Note: Include risks in each that could result in patient harm, staff harm, and loss of resources or services
  - Map the strategic objective to each of the major categories e.g. strategic objective related to Care : Deliver High Quality of Care, Compassionate, Respectful and Safe Care or strategic objective related to External Relations: Listen to the Needs of Our Community)
  - Review existing sources of risk information including:
    - Strategic plan
    - Patient/family complaints
    - Patient satisfaction surveys
    - HIROC risk assessments checklists (RAC)
    - Recommendations and reports from external agencies (e.g. Accreditation Canada reports)
    - Key performance indicators
    - Coroner’s reports
    - Product/hazard alerts, recalls
    - Staff complaints/engagement surveys
    - Incident reports and critical incident reviews

- Audit reports
  - Insurance claims and self-assessments
  - Health system reports
  - HIROC Taxonomy of Healthcare Organizational Risks
- **The (organization) will identify key organization risks (*what can go wrong?*)**
    - Identify strategic risks that represent major threats to achieving the organizational strategic objectives
    - Focus on events that could give rise to a loss or injury in the future (downside risks)
    - Focus on the most significant risks that might require the attention of senior leadership and the board
    - Focus on residual risks (risks that remain with mitigation strategies in place)
    - Use plain language to describe these risks
    - Limit the number of risks identified
    - Aggregate risks where possible (e.g. healthcare acquired infections)
    - Recognize that risks are interrelated and that clear delineation between risks is not always possible
  - **The (organization) will assess risk impacts (*how bad?*)**
    - Consider the losses or consequences that could result if a particular risk were to be realized in the following domains:
      - Physical or psychological harm (to patients, staff, visitors, research subjects)
      - Disengaged staff/physicians
      - Financial loss
      - Reputational loss
      - Service/business interruption
      - Statutory non-compliance
      - Failed strategic initiatives
    - Establish domain-specific, incremental definitions for the consequence scale (refer to Appendix B)
  - **The (organization) will assess risk likelihoods (*how often?*)**
    - Consider the controls already in place
    - Consider the frequency of occurrence (e.g. once per month or once per year)
    - Establish incremental definitions for the risk likelihood scale
    - Develop specific definitions for the likelihood scale
  - **The (organization) will develop a risk assessment scale**
    - Recognizing the limitations, consider the use of a risk matrix to categorize and prioritize risks
  - **The (organization) will manage risks (*is there a need for action?*)**
    - Assess current risk mitigation strategies and determine if existing controls are still appropriate and/or being consistently applied
    - If existing controls are not adequate, develop additional mitigation plans and assign accountability for their implementation
    - If a specific risk is not at a tolerable level, consider a number of risk management options such as:
      - Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk

- Removing the hazard
- Reducing the likelihood
- Reducing the consequence (e.g. through early warning/detection systems)
- Sharing the risk with another party or parties (e.g. contracts and insurance)
- Retaining the risk by informed decision
- Consider new control strategies or initiatives to improve compliance with existing controls(e.g. hand hygiene practices)
- Establish best practices to identify possible options, or consider implementing a quality improvement project to work towards a solution
- Conduct periodic audits of mitigation strategies for high priority risks
  
- **The organization will report risks**
  - Document the risk assessment results and summarize in reports to senior leadership and the board
  - Develop a risk register
  - Using the risk register, compare and evaluate the risks
  - Use the risk register to form the basis for IRM reporting to senior leaders and the board.
  - Include one or more of the following when reporting:
    - The top 5, 10, or 20 ranked risks
    - All risks above a certain threshold rating
    - Risks linked to specific strategic objectives
    - Risks requiring significant remedial action
    - Changes made to the register between reporting cycles
  
- **Risk review and monitoring**
  - Continually monitor and review risks to assess the effectiveness of the controls implemented to mitigate loss/harm

# Appendix A - Sample IRM Framework



## Appendix B - Sample Risk Assessment Scales

### Potential Impact Scale

Dimension	Very Low	Low	Medium	High	Very High
Physical/ psychological harm	<ul style="list-style-type: none"> <li>Minimal harm, no/minimal intervention or treatment</li> <li>No time off work</li> </ul>	<ul style="list-style-type: none"> <li>Minor harm or illness, minor intervention</li> <li>Time off work for &lt;3 days</li> <li>Increase in LOS by 1-3 days</li> </ul>	<ul style="list-style-type: none"> <li>Moderate harm, professional intervention</li> <li>Time off work for 4-14 days</li> <li>Increase in LOS by 4-15 days</li> <li>Small number of patients</li> </ul>	<ul style="list-style-type: none"> <li>Major harm leading to long-term incapacity disability</li> <li>Time off work for &gt;14 days</li> <li>Increase in LOS by &gt;15 days</li> <li>Mismanagement of patient care with long-term effects</li> </ul>	<ul style="list-style-type: none"> <li>Incident may lead to death</li> <li>Multiple permanent instances of harm, irreversible health effects</li> <li>Large number of patients</li> </ul>
Disengaged staff/ physicians	<ul style="list-style-type: none"> <li>Low level of internal grievances</li> </ul>	<ul style="list-style-type: none"> <li>Grievances occurring but not in large numbers</li> </ul>	<ul style="list-style-type: none"> <li>Grievances show an increasing pattern</li> <li>Low staff morale</li> </ul>	<ul style="list-style-type: none"> <li>Grievances are increasing and more pervasive</li> <li>Very low staff morale</li> </ul>	<ul style="list-style-type: none"> <li>Grievances preoccupy the organization, arbitration and external review</li> <li>Loss of several key staff</li> </ul>
Financial loss	<ul style="list-style-type: none"> <li>Small loss</li> </ul>	<ul style="list-style-type: none"> <li>1% of budget</li> </ul>	<ul style="list-style-type: none"> <li>1-2% of budget</li> </ul>	<ul style="list-style-type: none"> <li>2-5% of budget</li> </ul>	<ul style="list-style-type: none"> <li>&gt;5% of budget</li> </ul>
Reputation with stakeholders (including: community, donor, media, gov't, public, partners)	<ul style="list-style-type: none"> <li>Rumours</li> <li>Potential stakeholder concern</li> </ul>	<ul style="list-style-type: none"> <li>Local media coverage (short term)</li> <li>Elements of stakeholder expectation not being met</li> </ul>	<ul style="list-style-type: none"> <li>Local media coverage (sustained)</li> <li>Short-term reduction in stakeholder confidence</li> </ul>	<ul style="list-style-type: none"> <li>National media coverage (short-term)</li> <li>Potential for political involvement</li> <li>Longer-term reduction in stakeholder confidence</li> </ul>	<ul style="list-style-type: none"> <li>National media coverage (sustained)</li> <li>Political intervention</li> <li>Sr. leader termination</li> <li>Long-term reduction in stakeholder confidence</li> </ul>
Service/ business interruption	<ul style="list-style-type: none"> <li>Interruption of &gt;1 hour</li> </ul>	<ul style="list-style-type: none"> <li>Interruption of &gt;8 hours</li> </ul>	<ul style="list-style-type: none"> <li>Interruption of &gt;1 day</li> </ul>	<ul style="list-style-type: none"> <li>Interruption of &gt;1 week</li> </ul>	<ul style="list-style-type: none"> <li>Permanent loss of service or facility</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>Minor non-compliance statutory duty</li> </ul>	<ul style="list-style-type: none"> <li>Single failure to meet external standards or follow protocol</li> <li>Recommendations to comply with external agency</li> </ul>	<ul style="list-style-type: none"> <li>Repeated failures to meet external standards</li> <li>Orders issued, report required by external agency</li> </ul>	<ul style="list-style-type: none"> <li>Multiple statutory breaches /non-compliance with external standards</li> <li>Prolonged inspection, significant findings</li> <li>Prosecution initiated for non-compliance</li> </ul>	<ul style="list-style-type: none"> <li>Gross failure to meet standards</li> <li>Maximum fines</li> <li>Criminal code violation</li> <li>Impact on affiliation agreements</li> </ul>
Business objectives/ projects	<ul style="list-style-type: none"> <li>Insignificant schedule delay</li> </ul>	<ul style="list-style-type: none"> <li>Minor schedule delay</li> <li>Small number of objectives not met</li> </ul>	<ul style="list-style-type: none"> <li>Moderate schedule delay</li> <li>Some objectives not met</li> </ul>	<ul style="list-style-type: none"> <li>Significant schedule delay</li> <li>Key objectives not met</li> </ul>	<ul style="list-style-type: none"> <li>Initiative not implemented</li> <li>Key objectives not met</li> </ul>

### Likelihood Scale

Category	Very low	Low	Medium	High	Very high
Broad descriptors	<ul style="list-style-type: none"> <li>Will probably never occur/recur</li> </ul>	<ul style="list-style-type: none"> <li>Do not expect it to happen/recur but it is possible</li> </ul>	<ul style="list-style-type: none"> <li>Might happen or recur occasionally</li> </ul>	<ul style="list-style-type: none"> <li>Will probably happen/recur</li> </ul>	<ul style="list-style-type: none"> <li>Will undoubtedly happen/recur, possibly frequently</li> </ul>
Time-frame	<ul style="list-style-type: none"> <li>Not expected to occur for years</li> </ul>	<ul style="list-style-type: none"> <li>Expected to occur at least annually</li> </ul>	<ul style="list-style-type: none"> <li>Expected to occur at least monthly</li> </ul>	<ul style="list-style-type: none"> <li>Expected to occur at least weekly</li> </ul>	<ul style="list-style-type: none"> <li>Expect to occur at least daily</li> </ul>
Probability	<ul style="list-style-type: none"> <li>&lt;0.1%</li> </ul>	<ul style="list-style-type: none"> <li>0.1-1%</li> </ul>	<ul style="list-style-type: none"> <li>1-10%</li> </ul>	<ul style="list-style-type: none"> <li>10-50%</li> </ul>	<ul style="list-style-type: none"> <li>&gt;50%</li> </ul>

Adapted from NPSA, 2008

**Appendix C- Definitions including some or all and others  
you prefer:**