**THE RISK MANAGEMENT PROCESS**

1. **RISK IDENTIFICATION**

**INTERNAL FACTORS**

1. What are you / your service responsible for?
2. What are your KPI’s e.g. how successful delivery of (a) is measured or evidenced?
3. Change Mgmt (strategic plans and projects) - What are the intended outcomes?
4. How can we maximise the positives and reduce the potential for negatives.
5. Consult with your sakeholders e.g. staff / consumers / contracted 3rd parties
6. Review complaints / incidents (inc near misses) / audit findings / monitoring observations

**EXTERNAL FACTORS**

How can an external variable (outside of your control) negatively impact your intended outcomes?

* 1. Student / Staff changes in behaviour
  2. Legislation changes / TEC target changes
  3. External competition
  4. Media attention and adverse public opinion
  5. Change of facilities / equipment
  6. Funding (internal and external)
  7. Relationship with external stakeholders e.g. contracted 3rd parties or NGOs
  8. Quality of 3rd party services

1. **REPORT THE RISK**

Escalate your risk concerns with your line management, this provides the opportunity for unknown factors to be discussed…perhaps there are controls already waiting to be implemented. If the risk needs to be added to the risk register, discuss this with the [Risk Manager](mailto:wayne.alcock@otago.ac.nz). Serious risks must also be discussed with your divisional SLT Mgr.

1. **ASSESSING THE ‘INITIAL’ RISK**

***This is the risk before any controls are considered…imagine a parachute jump with no equipment safety checks or training, risk of harm would be ‘extreme’.***

Use the Risk scoring matrix to ‘score’ the risk, wherever possible discuss with colleagues for a consensus.

1. **CONSEQUENCE** - What’s the worst ‘realistic’ outcome? Don’t exaggerate…be realistic, you may have to validate this assertion in the future.
2. **LIKELIHOOD** – How likely is it that the worst case scenario from (1) will happen…has it happened before…here or anywhere? How often are we exposed to this potential consequence?

### RISK TREATMENT

Risk treatment is the process of selecting and implementing the appropriate response to address the risk. Those closest to the risk with the greatest practical knowledge are best to consider the controls that are needed. Whenever possible ideas should be discussed as a group to ensure all options are considered and evaluated.

1. **ASSESSING THE ‘RESIDUAL’ RISK**

***This is the level of risk after controls are implemented…with stringent equipment checks, qualified and experienced staff the risks of a parachute jump are drastically reduced…but not eliminated e.g. the risk of a fatality would now be Medium to Low.***

1. Are there any controls in place to reduce the potential for the negative outcomes identified in (2)? Let’s go back to the parachute jump, equipment is checked before and after every use, all staff and participants are trained to a pre-determined level with refresher training as and when required, weather conditions are checked, emergency plans are in pace for rapid response etc etc.
2. Now repeat the risk assessment undertaken in **(2)** but consider the impact the controls will have on the level of CONSEQUENCE and LIKELIHOOD.
3. **GOVERNANCE**

Risks with a **‘residual score’** of EXTREME or HIGH will be reported on a scheduled basis to the following governance groups for ongoing performance review:

**Council**

**SLT**

1. **NEW CONTROLS**

After completing the steps above, use the information to establish a clear plan of action with ‘SMART’

targets: (Specifically; Measurable; Achievable; Realistic; Timely)

[ALARP](file:///\\dnvfile03\Workspace$\Quality%20&%20Clinical%20Governance\Patient%20Safety%20&%20Risk\Wayne's%20Risk%20Folder\Guidance%20&%20Support\Worksafe%20ALARP.pdf)

***‘ALARP’ is a common phrase in Health and Safety risk management and it can be applied to wider risk. It is based on what the law feels an ‘individual or corporate body’ would deem a reasonable level of risk control, it should be noted that cost is only an obstacle for risk reduction if it is deemed ‘grossly disproportionate to the risk’.***

***The question should always be…’can we do more to reduce the risk?’***

***We are expected to use our knowledge and to learn from our peer group. Do the controls create separate risks? These need to be considered for ALARP too.***

1. **MONITORING**

This is an ongoing requirement it can be passive e.g. observation and discussion or it can be active e.g. audits and interviews etc. Are the controls being implemented? If not, why not?

1. **REVIEW**

This generally follows a formal schedule, with the frequency of the review dependent upon the level of residual risk score, the higher the risk the more frequent the review. The review must check that controls remain effective, if more can be done, either do it or document why it has been disregarded, as per (ALARP).