

**BOARD MANUAL**

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<b>SUBJECT:</b>	<b>Enterprise Risk Management</b>		

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**Policy**

In its duty to provide governance oversight and as stipulated by Accreditation Canada in the standard set for governance oversight of risk management the board oversees the hospital's risk management program. GRH's board adheres to an enterprise risk management approach. This approach brings together the risks of the organization under one framework, providing a corporate-wide view of the potential risk exposure of the hospital. Enterprise risk will encompass business, resource, compliance, financial controls, and hospital reputation risk.

The board will promote a blame-free culture; one in which people are made to feel safe and encouraged to report errors and failings as a means to more effectively identify and manage enterprise risk.

The board will ensure that management has an effective enterprise risk management cycle process that is implemented, monitored and regularly evaluated. This process will effectively:

- **Identify risks:** identify risks through an organization-wide assessment of risks that threaten the hospital's achievement of its objectives
- **Analyze and quantify risks:** understand the context of identified risks and create likelihood and severity assessments of identified risks
- **Integrate risks:** aggregate all risks reflecting correlations, associations, and effects on the hospital, and express the results in terms of the impact on the hospital's key strategic and operational priorities.
- **Assess/prioritize risks:** determine the contribution of each risk to the aggregate risk profile and prioritize accordingly for mitigation
- **Mitigate/control risks:** employ any number of strategies including decision to avoid, reduce, or transfer risk.
- **Monitor and review:** continually gauge the risk environment and performance of the risk management strategies.

Using an enterprise risk management framework created for health care, management will review all aspects of the hospital's operation with a view to uncovering explicit and implicit risks. This assessment will be conducted biennially through the departments of Risk Management and Internal Audit. The resulting enterprise risk management plan advises the annual GRH operating plan in the identification of priority hospital initiatives.

## **Accountability**

The Governance Committee has the accountability, on behalf of the Board, to ensure that management has an adequate process in place for enterprise risk management. The Governance Committee will ensure that management has processes and tools in place that effectively identifies: unusual risks to the organization, and mechanisms to monitor plans to prevent and manage such risk.

The Audit Committee has the accountability, on behalf of the Board, to oversee the GRH enterprise risk management program, i.e., provide oversight of the process and ensure that the identified risks are being addressed by the appropriate board committee and management. The Audit Committee will ensure that there is appropriate progress and completion of plans to mitigate risks identified through the risk management program.

Board committees will be responsible for overseeing risk management in their assigned risk groups. The risk groups assigned to board committees are: business risk to Quality and Patient Safety Committee, resource risk to Resources Committee, compliance risk to Governance Committee, financial controls risk to Audit Committee, and hospital reputation risk to Community Engagement Committee. A table of risk groups and categories within each group is defined in Appendix A.

## **Reporting**

Management will report on risk management to the Board no less than annually on the status of the risk management program.

Management will report no less than annually to the Governance Committee on the process in place for enterprise risk management vis a vis the annual review of the Board policy for Enterprise Risk Management.

Management will report no less than semi-annually to the Audit Committee on the status of the enterprise risk management program. The report to the Audit Committee will include an update report on the hospital's progress and completion of plans identified in the risk management program.

Management will report no less than semi-annually to the appropriate board committees on the status of the risk mitigation plans identified in the respectively assigned risk groups.

**Business Risk**  
**Quality and Patient Safety Committee**

Risks that may relate to the delivery of health care that include internal and external factors impacting on the operations of the organization

**Quality Care & Patient Safety**

- Admission, transfer and discharge process
- Patient assessment
- Infection control
- Treatments/procedures/surgery
- Consults/referrals
- Safe medications
- Care & service availability
- Care standards

**Policies**

- Clinical policies
- Administrative policies
- Internal guidelines

**Operations & Business Support**

- Quality & risk management
- Supply chain management
- Food, laundry
- Facilities management
- Health information management
- Security services
- Communication

**Standards**

- Accreditation standards
- Professional regulatory bodies

**Resource Risk**  
**Resources Committee**

Risks related to the resources used by the organization to accomplish its objectives

**Human Resources & Staff Relations**

- Human resource planning
- Competency and staff development
- Performance management
- Labour relations

**Financial**

- Funding allocation
- Planning and budgeting
- Insurance
- Fraud

**Information Systems/Technology**

- E-Health strategy
- Infrastructure
- Access control
- Data integrity

**Physical Assets**

- Asset management
- Equipment acquisition, maintenance,
- Equipment replacement & obsolescence
- Capital construction

**Compliance Risk**  
**Governance Committee**

Risks that originate from the requirement to comply with a regulatory framework, policies, directives or legal agreements

**Environment, Health & Safety**

- Environmental impact
- Hazardous material handling
- Occupational Safety
- Occupational Health
- Disaster management

**Legal & Regulatory**

- Professional staff by-laws
- Legislation and regulations
- Contracts and agreements
- Professional licensing/credentialing
- Organizational structure

**Corporate Governance**

- Strategic goals and objectives
- Performance reporting and measurement
- Governance Relations

**Financial Controls Risk**  
**Audit Committee**

**Financial**

- Financial Internal Controls

**Hospital Reputation Risk**  
**Community Engagement Committee**

**Reputation & Public Image**

- Community Relations
- Board Culture and ethics
- Community partnerships