Policy Directive: compliance is mandatory
Risk Management Policy Directive

Objective file number: 2014-10820/1
Policy developed by: Risk and Assurance Services
Approved at Portfolio Executive on: 7 October 2010
Next review due: 30 November 2017

Summary
The Risk Management Policy Directive and its accompanying framework provides for the consistent application of risk management principles and practices across SA Health. It sets the minimum standard for risk management practices along with provision of practical guidance and tools to support the successful application of risk management.

Keywords
Risk, Risk Management, Risk Management Policy, Risk Management Framework, Risk Management Reporting, SA Health Risk and Audit Committee

Policy history
Is this a new policy? No
Does this policy amend or update an existing policy? Yes
Does this policy replace an existing policy? No
If so, which policies?
SA Health Risk Management Policy 2010 D207 v3.0

Applies to
All SA Health Portfolio
All Department for Health and Ageing Divisions
All Health Networks and Services
CALHN, SALHN, NALHN, WCHN, CHSALHN, SAAS
Other

Staff impact
All Staff

PDS reference D0207

Version control and change history

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<th>Version</th>
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<th>Date to</th>
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<td>06/11/2014</td>
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Risk Management Policy Directive
## Document control information

<table>
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<tr>
<th>Document owner</th>
<th>Group Director, Risk &amp; Assurance Services</th>
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| **Contributors** | Principal Risk Management Consultant, Risk & Assurance Services  
Risk Management Consultant, Risk & Assurance Services  
Risk Consultants, Health Networks and Services  
Risk Facilitators, Department of Health and Ageing |
| **Document location** | SA Health internet - ‘policies page’  
SA Health intranet only – ‘policies page’  
SA Health Intranet – Risk Management – Risk Management Resources |
| Reference | N/A |
| Valid from | 12/08/2016 |
| Review date | November 2017 |

## Document history

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## Endorsements

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## Approvals

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<td>27/10/2014</td>
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1. Objective

This policy directive, and its accompanying framework provides for the consistent application of risk management principles and practices across SA Health.

2. Scope

This policy directive and its supporting framework is applicable for all risk management activities across SA Health, including the Department and the Health Networks & Services.

3. Principles

SA Health is committed to developing and maintaining effective risk management principles and practices to protect itself and its employees, the government and Minister from situations or events that would prevent it from achieving its strategic goals and objectives.

4. Detail

SA Health’s commitment to risk management includes:

- Applying consistent risk management principles across SA Health;
- Aligning risk identification activities with the strategies and objectives of SA Health and its individual business areas;
- Ensuring all significant decisions are supported by effective risk management processes;
- Encouraging all employees to report and take ownership of their own risks within their span of control;
- Providing mechanisms for the escalation of risks;
- Allocating of responsibilities and accountabilities for risk management at appropriate levels;
- Allocating adequate risk management resources;
- Monitoring risk management performance;
- Educating and developing staff knowledge in risk management;
- Continuing to improve risk management within SA Health; and
- Implementing risk management processes across all key business processes.

This policy directive is to be read in conjunction with the SA Health Risk Management Framework which can be found here.
5. Roles and Responsibilities

5.1 The SA Health Chief Executive is responsible for:
- Ensuring that risk management across SA Health is in accordance with this policy directive and accompanying framework; and,
- Compliance with the requirements under the SA Government Risk Management Policy Statement and Treasurer’s Instruction 2 and 28.

5.2 The SA Health Risk Management and Audit Committee will support the Chief Executive through:
- Oversight of risk management activities and risk information across SA Health;
- Review and comment on the currency and comprehensiveness of the SA Health Risk Management Policy and associated framework;
- Comment on the approach that has been followed in managing SA Health’s major risks;
- Determine the adequacy and effectiveness of the project risk management strategies and processes; and
- Ongoing monitoring of compliance with this policy directive and framework.

5.3 SA Health Executive (Department and Health Networks & Services) will:
- Foster a culture that encourages, educates and embeds risk management throughout all decision making processes, including strategic and business planning;
- Ensure sufficient resources are in place to enable effective discharge of their risk management responsibilities;
- Establish register(s) of key risks applicable to their Division or Health Network/Service aligned with the strategic, clinical, project or business objectives;
- Allocate risks to a relevant governance committee for additional oversight where appropriate;
- Conduct six monthly review of existing strategic and operational risk registers for currency or gaps;
- Perform a formal annual risk assessment workshop to carry out a full review of their strategic risks, along with a 6 monthly desktop review;
- Monitor implementation of treatments for strategic risks by their Due Date; and
- Understand and contribute to the management of shared risks.

5.4 Health Network/Service Chief Executive Officers will:
- Ensure appropriate governance structures are in place to support effective risk management including responsibility for oversight over their individual risk management activities and compliance with the SA Health Risk Management Policy Directive and framework;
- Promote and provide access for staff to the risk management eLearning resource to establish consistent risk management principles across the system and meet National Standard criteria 1.5;
- Develop appropriate processes, procedures and guidelines to support the successful implementation and adoption of this policy directive and its related framework within their Health Network/Service; and
- Develop and implement a Risk Management Plan on an annual basis.
5.5 All SA Health employees will:
- Adhere to the principles and aims of this policy directive and ensure they operate in accordance with its associated framework;
- Complete risk management related education if appropriate; and
- Contribute to the identification, management and reporting of risks.

6. Reporting

6.1 SA Health Executive (Department and Health Networks & Services) will:
- Provide a quarterly declaration of compliance with the risk management policy directive and framework for designated Major Projects;
- Provide a bi-annual declaration of compliance with the risk management policy directive and framework for strategic and operational risks; and
- Report on implementation status of treatments for strategic risks by their Due Date.

6.2 Exemption Authority
N/A

7. Associated Policy Directives / Policy Guidelines
- SA Health Risk Management Framework

8. References, Resources and Related Documents
- SA Government Risk Management Policy Statement
- Treasurer’s Instructions 2 and 28
- ASX Corporate Governance Principles and Recommendations 2nd Edition
  Principle 7 – Recognise and manage risk
- COSO Enterprise Risk Management - Integrated Framework
- Australian Prudential Regulatory Authority Risk Management Guidance
- Commonwealth Risk Management Policy
9. National Safety and Quality Health Service Standards

The Risk Management policy directive contributes to National Standard 1 as it forms part of the integrated system of governance required to manage patient safety and quality risks.

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<td>Preventing Falls &amp; Harm from Falls</td>
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10. Evaluation

Compliance with this policy directive is measured through quarterly and bi-annual reports to the SA Health Risk Management and Audit Committee, Local Health Network and Services Risk Management and Audit Committees, periodic reviews by Risk & Assurance Services and level of staff participation in eLearning resource.

11. Definitions

In the context of this document:
- **Risk** means the effect of uncertainty on objectives (AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines). It can be described as something that may happen in the future that can have a negative or positive impact on the performance of an organisation or division; and
- **Risk Management** means the coordinated activities to direct and control an organisation with regard to risk.