

TRIM: 72919

Risk Management Approach

Health service organisations will need to meet all core actions in the National Safety and Quality Health Service (NSQHS) Standards to achieve accreditation.

Using a risk management approach will provide health service organisations with a framework to assess and address risks identified in the organisation.

Health service organisations will need to assess the risks associated with an action and develop a plan of action that is prioritised in accordance with the findings of the risk assessment. Health services may also need to complete a sample audit to establish baseline data for the identified risks.

To determine if a standardised risk management approach has been set for your health service organisation, it is recommended you contact your state or territory health department or health service ownership group, for information on the recommended risk framework.

Who is at risk?

- Patients - some patients more than others. For example the elderly; 'surgical patients'; neonates; or patients with indwelling devices
- Health care workforce - the workforce are also health consumers and may have extensive exposure to the risk
- The organisation - this could be corporate or clinical risk.

Who has to address the risk management issues?

- The health system - the risk may be outside the control of an organisation
- The organisation - the risk may be corporate or clinical in nature
- The team who are delivering the care - the risk may come from the pattern of work or team dynamics
- The individual - the risk may be skills, knowledge or situationally based

What are the principles of risk management?

The 5 basic principles of risk management are to:

- Avoid risk – Identify appropriate strategies that can be used to avoid the risk whenever possible, if a risk cannot be eliminated then it must be managed
- Identify risk – Assess the risk, identify the nature of the risk and who is involved
- Analyse risk – By examining how a risk can occur; what the likelihood; and what are the consequences of this risk occurring
- Evaluate risk – Determine how the risk can be reduced or eliminated. Document the process and response/outcomes.
- Treat risks – Manage the risk by determining who is responsible for taking actions, when and how this will be monitored.

What are the steps to minimise risks?

To minimise risks, you will need to identify:

1. Who is at risk?
2. What is involved?
3. Why can it happen?
4. How likely is it?
5. What are the consequences?
6. What can be done?
7. Is the solution applied to the situation/risk identified?

You can use a risk management approach such as that set out in the *Australian / New Zealand Standard Risk Management – Principles and guidelines*, or your organisation may use a general risk analysis matrix, such as the matrix below: To assist with implementation of Standard 3, specialised risk matrices have been developed using this approach.

Likelihood	Consequences				
	Negligible	Minor	Moderate	Major	Extreme
Rare	Low	Low	Low	Medium	High
Unlikely	Low	Medium	Medium	High	Very high
Possible	Low	Medium	High	Very high	Very high
Likely	Medium	High	Very high	Very high	Extreme
Almost certain	Medium	Very high	Very high	Extreme	Extreme
Low risk	Manage by routine procedures.				
Medium risk	Manage by specific monitoring or audit procedures.				
High risk Very high risk Extreme risk	This is serious and must be addressed immediately. The magnitude of the consequences of an event, should it occur, and the likelihood of that event occurring, are assessed in the context of the effectiveness of existing strategies and controls.				

Source: Australian Guidelines for the Prevention and Control of Infection in Health Care (NHMRC 2010)
Table A 2.1

How will we know how often the risk is likely to happen and what is the impact of the risk?

The risk assessment requires you to assess whether the risk is likely to be common or rare, or severe or mild. The sources of data that may help you understand how likely the risk will occur in the clinical or corporate environment include:

- Monitoring and audit results to identify frequency or scope of risk
- Surveillance data
- Complaints
- Observations
- Literature
- Benchmarking

What are successful risk management strategies?

A range of strategies are available to address the risk identified, refer to the Australian Guidelines for the Prevention and Control of Infections in Healthcare (NHMRC 2010). These strategies will be influenced by a base-line review or gap analysis conducted by the organisation assessing the current governance arrangements, systems, processes, practices and their effectiveness.

Health services will need to develop an action plan to prioritise strategies and resources to address the risks. This plan should consider time frames for action.

How can collaboration help reduce risk?

Collaborating with others may help you to:

- Identify risks that are not always obvious to those in, or providing, the services
- Recognise how risks impact upon other areas (e.g. Workplace Health and Safety, Human Resources, education and consumers)
- Develop and utilise a standardised tool for identification and analysis of risk
- Implement, monitor and evaluate the effectiveness of risk management strategies
- Minimise duplication of resources required to develop and undertake risk assessment and management.

Specialised risk matrixes exist for specific purposes, such as

- [Aseptic Technique Risk Matrix](#)
- [Workforce Immunisation Risk Matrix](#)