



RISK MANAGEMENT POLICY

1. Scope

1.1 Application

This policy applies to all of NTGPE¹'s activities.

1.2 Limitations

Nil

1.3 Related Standards, Policies and documents

Policy: Quality Assurance framework

Policy: Annual Performance Review of Executive Director, NTGPE

1.4 Effective from

10th December 2003

2. Purpose

Define the risks facing NTGPE, and identify and implement risk management strategies to facilitate the achievement of strategic plans while ensuring appropriate management of risks.

3. Principles

3.1 NTGPE constantly faces a range of risks. They vary in likelihood and potential for damage.

3.2 By taking action explicitly to identify and manage the risks most likely to occur and be damaging, the organization will be better placed to eliminate or otherwise manage the risks, and improve its likelihood of sustainability.

3.3 Participation by the Board (that is, NTGPE's key external stakeholders), and staff in the identification, communication and management of the risks will help ensure a higher degree of success in managing risks.

3.4 Confidentiality on some aspects of the risks might be necessary to reduce the likelihood of their occurrence.

3.5 This policy is the means by which risk management strategies and actions will be determined by the Board and enacted through the Board and/or management.

3.6 Identifying risks and their management strategies by considering all aspects of NTGPE's operation, separately and globally is an appropriate approach to ensuring they are comprehensive. A definition of these areas will be taken from the Quality Assurance framework.

¹ Northern Territory General Practice Education Limited, NTGPE

4. Policy

4.1 Risk identification

- 4.1.1 NTGPE will review its risks and their management at its annual review of Strategic Directions and Business Plans, normally in May.
- 4.1.2 Risks will be considered to originate from areas in a quality assurance framework², and globally.
- 4.1.3 In taking responsibility for risk management, the Board will consult, or ensure there is consultation with its constituent organizations, and staff. Limited consultation with other key stakeholder groups may be necessary depending on the Board's assessment of potential risks.

4.2 Risk categorization

- 4.2.1 Once identified, risks will be identified and categorized on the basis of the likelihood of them occurring, and the damage they would inflict if they occur.
- 4.2.2 In identifying risks, the Board will consider the following types:
 - **Opportunity risks:** the possibility that positive events will not occur;
 - **Hazard risks:** the treat that negative events will occur; and
 - **Uncertainty risks:** where results do not match planned outcomes

4.3 Development of risk management strategies

- 4.2.1 Risk management strategies will be developed for those risks that are high probability and have high potential damage.

4.4 Implementation

- 4.2.1 The Board and/or Management will communicate within NTGPE about the risks and management strategies, and develop readiness to implement them, commencing with those rated highest risk.
- 4.2.2 Unanticipated risks that occur from time-to-time between the Board's regular reviews must:
 - Be identified to the Chair and/or Board by the Executive Director; and
 - Have an analysis and management plan developed by the Chair and/or Executive Director; and
 - Be included in the Risk Management Plan at the earliest opportunity, if the Chair believes the risk warrants.

4.5 The inventory of current risks, their priority and management strategies will be appended to this policy as Attachment 1.

4.6 Associated with 2.1, the Board will annually review a compliance schedule that covers risk management techniques, and approve an associated checklist signed off by staff responsible.

4.7 The annual performance review of the Executive Director will contain a performance indicator related to risk identification and management.

² To be developed/approved, October 2003

5. Procedures

- 5.1 The Board's secretariat will incorporate a risk management agenda into each Strategic Directions and Business Planning face-to-face meeting. The review will include the appropriateness of the identification of risks and their management strategies (2.6), a compliance schedule, and checklist (2.9).
- 5.2 The Executive Director will consult with samples of Directors, staff, GPR³s, GPS⁴s and any other key group identified by the Board on their perceptions of risks and their levels of severity. This will lead to a provisional list of risks, priorities for action and management strategies for the Board's consideration.
- 5.3 In considering possible risks, respondents will be encouraged to regard them as potentially in a form identified in 2.5, and originating from one of the following broad areas in a quality assurance framework⁵, or globally

Governance: governing as a business entity, and a training provider

Regional and Community Involvement: engaging with the NT and northern SA

Management: managing our affairs; personnel, financial, infrastructure

Contracting: managing contractual arrangements

Education and Training: managing the design and delivery of training

Program design and review

Program presentation and promotion

Delivery arrangements

Assessment and progression

Trainer Involvement: ensuring that trainers are competent in their roles

Registrar Well-Being: contributing to the well-being of GP Registrars

Record Keeping and Certification: ensuring existence of appropriate records

Complaints and Grievances: handling complaints and grievances

Feedback, Review and Improvement: feedback and review to guide improvement

- 5.4 In grouping risks identified through 3.2 and 3.3, a schema proposed by Enterprise Care⁶ will be used to categorize risks. This uses: financial; strategic; hazard and operational risks as broad groupings to be considered and managed.
- 5.5 Assessment of the severity of risk, and the priority for risk management will be based on the likelihood of occurrence and potential damage.
- 5.6 The Executive Director is responsible for ensuring that any significant unanticipated risk that occurs is:
 - Identified to the Chair and/or Board;
 - Has an analysis and management plan developed by the Chair and/or Executive Director; and
 - Is included in the Risk Management Plan at the earliest opportunity, if the Chair believes the risk warrants.

³ General Practice Registrars, GPRs

⁴ General Practice Supervisors, GPSs

⁵ To be developed, October 2003

⁶ Enterprise Care Consulting Group Pty Ltd, Inspired Strategies: Risk Management Strategies and Techniques for Not for Profits, Hawthorn, 2003

- 5.7 The Board secretariat will be responsible for ensuring the current list of risks, priorities and management strategies is appended to this policy, and previous versions are archived.
- 5.8 The initial risk inventory will be based on that developed by the Board in its Strategic Directions process (May 2003).
- 5.9 The Executive Director will be responsible for ensuring staff are aware of the Board's risk analysis and management strategies and trained to avert risks, and of taking action to ensure readiness to implement strategies when required.
- 5.10 The Executive Director will prepare a compliance schedule and associated checklist (2.10), ensure risk management is appropriately included in staff roles, ensure the compliance schedule and checklist are current, and ensure the Board is provided with these documents for its annual review.
- 5.11 The Chair will ensure that the Executive Director's annual review contains a performance indicator related to risk management.

6. Approval and Authority

The NTGPE Board of Directors endorsed this policy on Tuesday, 9th December 2003. The NTGPE Board of Directors will also act as the Authority for this policy.

Attachment 1: Current Risks

A1.1 Risk Inventory: 2003-4

From *Risks* in the Board's SCORE⁷ Analysis, Strategic Directions Workshop, May 2003

- Loss of Aboriginal training funding M H 3
- GPR non-support for ACRRM curriculum H M-L
- Low GPR numbers H H 3
- (Territory only) Marginalized for GPRs M H 3
- Over-diversification L M
- Commonwealth funding loss M H 3

(Ratings p, i, e: p = probability/potential to occur (L M H)⁸; i = importance/impact if occurs (L M H); Ethical dimensions (1 = low, 3 = high)

A1.2 Risk categorization and ranking

Risk by category (type O, H, U re: 2.5) ⁹	Potential to Occur (H, M, L)	Impact if occurs (H, M, L)	Ethical Issues e = 1 2 3	Ranking (* + e)
Financial Risk category				
Loss of Aboriginal training funding (U)	M	H	3	8
Commonwealth funding loss (U)	M	H	3	8
Strategic risk category				
Low GPR numbers (U)	H	H	3	9
Over-diversification (O)	L	M	2	5
GPR non-support for ACRRM curriculum (O)	H	M-L	2	7
(Territory only) Marginalized for GPRs (O)	M	H	3	8
Absence of positive discrimination policy (from Challenges) (H)	H	H	3	9
Operational risk category				
Staff turnover/burnout (from Challenges) (H)	H	H	3	9
Hazard risk category				
Emergency evacuation (Statutory requirement)	L	H	3	7

(*) Ranking: partial score calculation

	Impact if occurs			
		L	M	H
		1	2	3
	L	2	3	4
	M	3	4	5
Potential to occur	H	4	5	6
	3			

⁷ Strengths, Challenges, Opportunities, **Risks**, Ethical issues, SCORE, plus related areas

⁸ Low, Medium, High (L M H)

⁹ Opportunity, Hazard or Uncertainty risk, (O, H, U)

Attachment 1: Current Risks (continued)

A1.3 Risk Control Review Checklist

<i>Risk</i>	<i>Risk ranking</i>	<i>Control to address risk?</i>	<i>Officially documented?</i>	<i>In operation?</i>	<i>Control ranking (pto)</i>
1 Financial Risk category					
1.1 Loss of Aboriginal training funding	8	yes, multilevel	yes	yes	3, excellent
1.2 Commonwealth funding loss	8	yes, multilevel	yes	yes	3, excellent
2 Strategic risk category					
2.1 Low GPR numbers	9	yes, multilevel	yes	yes	3, excellent
2.2 Over-diversification	5	yes	yes	yes	3, excellent
2.3 GPR non-support for ACRRM curriculum	7	yes	yes	yes	3, excellent
2.4 (Territory only) Marginalized for GPRs	8	yes	yes	yes	3, excellent
2.5 Absence of positive discrimination policy (from Challenges)	9	In train	draft	informally	7, poor
3 Operational risk category					
3.1 Staff turnover/burnout (from Challenges)	9	yes, multilevel, and in train	in train	informally	5, fair
4 Hazard risk category					
4. Emergency evacuation (Statutory requirement)	7	yes	yes	partly	4, good
4.1.1 Internal fire or equivalent emergency hazard		yes	yes	yes	3, excellent
4.1.2 Cyclone					

Attachment 1: Current Risks (continued)**A1.4 Control Practices Ranking Matrix**

Risk: (assessment for each)	<i>Score if 'Yes'</i>	<i>Score if 'Partly'</i>	<i>Score if 'No'</i>	SCORE
<i>Does the control effectively address the risk?</i>	<i>1</i>	<i>3</i>	<i>6</i>	
<i>Is the control officially documented and communicated?</i>	<i>1</i>	<i>2</i>	<i>3</i>	
<i>Is the control in operation and applied consistently?</i>	<i>1</i>	<i>2</i>	<i>3</i>	
Total control ranking (add the 3 individual scores)				

A1.5 Scoring interpretation table

Score	Ranking	Description
<i>7 - 12</i>	<i>Poor</i>	<i>At best, control addresses risk, but is not documented or in operation; at worst control does not address risk and is neither documented nor in operation.</i>
<i>5 – 6</i>	<i>Fair</i>	<i>Control addresses risk, at least partly, but documentation and/or operation of control could be improved.</i>
<i>4</i>	<i>Good</i>	<i>Control addresses risk, but documentation and/or operation of control could be improved.</i>
<i>3</i>	<i>Excellent</i>	<i>Control addresses risk, is officially documented and in operation.</i>

Attachment 1: Current Risks (continued)

A1.5 Risk Treatment Plan

<i>Northern Territory General Practice Education Ltd</i>										
<i>Date completed/updated: November 2003</i>			<i>Risk Treatment Plan # 1</i>							
A <i>Risk</i>	B <i>Category</i>	C <i>Overall Ranking</i>	D <i>Treatment Options</i>	E <i>Implementation Resources</i>	F <i>Staff Responsible</i>	G <i>Start Date</i>	H <i>Finish Date</i>	I <i>Review Date/process</i>	J <i>Success Measure</i>	K <i>Ethical implications</i>
1.1 AHT \$s	Financial	8	rl	Staff/Board time	ED	Dec 02	Ongoing	Dec 03	Viable \$s	3
1.2 GPET \$s	Financial	8	rl	Staff/Board time	ED	Dec 02	Ongoing	Dec 03	Viable \$s	3
2.1 GPR #s	Strategic	9	rl	Staff, PR material	ED (ME RLO)	Apr 02	Ongoing	Dec 03	Meet quota	2
2.2 Diversificati on	Strategic	5	avoid	Board plans	ED, Board	May 03	May 03	Dec 03	Core program #	1
	Strategic	7	avoid	Staff/curriculum	MEs	May 03	Feb 04	Dec 03	GPR satisf'n	2
2.3 Curriculum	Strategic	8	rl	As for 2.1	As for 2.1	Apr 02	Ongoing	Dec 03	# GPRs	2
2.4 NT appeal	Strategic	9	avoid	ED, staff, Board	ED, Board	Sept 03	Dec 03	Dec 03	policy	3
2.5 Antidisc. policy	Operational	9	rl	ED, staff	ED	Apr 02	Ongoing	Dec 03	staff retention	3
	Hazard	7	avoid	Staff	Office Admin'r	Dec 02	Dec 02	Dec 03	evac. Plans	3
3.1 Burn-out	Hazard	7	avoid	Staff	Office Admin'r	Dec 02	Dec 02	Dec 03	emerg. plan	3
4.1.1 Fire & equiv't										
4.1.2 Cyclone										

Column

- A: Description of risk
 B: Category of Risk
 C: Overall ranking of Risk
 D: Treatment option(s) that has been identified as most appropriate: avoid; accept; reduce likelihood (rl); reduce consequences; transfer; retain
 E: Resources necessary to implement the preferred options. This may include budget allocations, outsourced consultants, equipment etc
 F: Project Manager: Who is responsible for this to occur
 G: Start Date: When this should be commenced
 H: Finish Date: When this implementation should be completed
 I: What are the review/monitoring processes
 J: What is the measure of success for the implementation of this plan
 K: What are the ethical implications. The answers to this question should then be factored into the treatment options. (Refer above in SCORE)