

## BOARD MANUAL

<b>SUBJECT:</b> Integrated Risk Management	<b>NO.:</b> 2-C-20
<b>SECTION:</b> Corporate Performance and Oversight	
<b>APPROVED BY:</b> Board of Directors	<b>DATE:</b> November 30, 2022

### Policy:

The Board oversees the Hospital's risk management program as part of its duty to provide governance oversight and as stipulated by Accreditation Canada in the standard set for governance oversight of risk management. Cambridge Memorial Hospital has adopted an integrated 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. The approach to integrated risk management encompasses risks associated with patient care, human resources, financial processes, leadership, external relations, information management/technology, facilities, regulatory and teaching. As a means to more effectively identify and manage risk, the Board promotes a fair and just culture; one in which people are made to feel safe and encouraged to report errors, omissions and failings.

It is the Board's expectation that management has an effective integrated risk management 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 likelihood of occurrence and potential for mitigation.
- **Mitigate/control risks:** employ appropriate strategies including decision to avoid, reduce, accept, share, transfer, or in certain cases, exploit the residual risk.
- **Monitor and review:** continually gauge the risk environment and the performance of the risk management strategies.

Using an integrated risk management framework created for health care, management reviews all aspects of the hospital's operation with a view to uncovering explicit and implicit risks. This assessment is conducted at least annually by the staff assigned to risk management. The resulting integrated risk management plan informs the annual CMH operating plan by identifying priority Hospital initiatives.

**Accountability:**

The Board is responsible for setting the tone for a culture of integrity and compliance throughout the organization.

The Governance Committee has the accountability, on behalf of the Board, to ensure that an adequate policy for integrated risk management exists.

The Audit Committee has the accountability, on behalf of the Board, to oversee the CMH integrated risk management framework and ensure that management has processes and tools in place that effectively identify risks to CMH and mechanisms to monitor plans to prevent and manage such risks. The Audit Committee will ensure that the identified risks are being addressed by the appropriate Board committees and management. The Audit Committee will monitor the appropriate progress and completion of plans to mitigate risks identified through the risk management framework.

Board committees are responsible for overseeing risk management for their assigned risk category. A summary of the risk categories, examples of risks within each category and the associated Board/Board committee responsibilities are detailed in Appendix A.

Management is responsible for the development, implementation and administration of the risk management framework and program.

**Reporting:**

**Mitigation plans:** Management will report at least annually to the appropriate Board committees on the status of the risk mitigation plans identified in the respectively assigned risk groups. The Board committees will provide an update at least annually to the Audit Committee on the status of their assigned risk groups. The Audit Committee will report to the Board at least annually on the status of the risk mitigation plans.

**Integrated risk management framework:** Management will report at least annually to the Audit Committee on the status of the integrated risk management framework. The Audit Committee will report to the Board at least annually on the status of the risk management framework.

<b>DEVELOPED: November 28, 2012</b>		
<b>REVISED/REVIEWED:</b>		
June 25, 2014	March 1, 2017	November 27, 2019
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## Appendix A: Risk Oversight Ownership

Risk Category	Examples	Board/Board Committee	Terms of Reference
Care <sup>1</sup>	medication errors, communication/ coordination, infection control, adverse events, falls, security/ assault, access issues, diagnostic errors, discharge/transitions, care/consent conflicts, laboratory/ radiology errors, wrong patient/site, supply shortages, complaints management, monitoring (e.g. vital signs), patient experience/ relations, multi-patient events, pressure ulcers, suicide, birth trauma, abduction, restraints/ entangle/entrapment, retained foreign objects, acuity, length of stay, contracted services monitoring, pain management, clinical documentation, policies	Quality	5 (a) 5 (b) 5 (c) 5 (d) i A
Human Resources	shortage, physical injuries, engagement, recruitment/retention, development, labour relations, violence/disruptive behavior, scope of practice, agency issues, benefits/overtime, wrongful dismissal	Resources	4 (e)
Financial	revenue funding, inefficiencies, reporting, investments, procurement, fines/liabilities, fraud, costs	Resources Audit	4 (e) 4 (g)
Leadership	governance, change management, emergency response, culture, strategy alignment, strategic projects, information gaps, succession, new program/ technology, conflict of interest	Board	4 (a) 4 (b) 4 (g) 4 (i) 4(j)
External Relations	partner relations, community relations, media relations, government relations, donor relations	Board	4 (g) 4 (j)
Information Management/ Technology <sup>1</sup>	technology needs, systems failure, breach/loss of information, systems integration, technology failure, technology use, systems reliability, systems project, systems need	Resources	4 (e)
Facilities	plant/systems failure, building access, aging/maintenance, building project/construction, property damage, visitor falls, hazardous materials	Resources	4 (e)
Regulatory	Regulations/legislation, privacy, accreditation, credentialing, performance agreements, unauthorized medical records access	Audit Resources Quality Governance	4 (g) 4 (e) I A 5 (b) (d), (f) 4 (j)
Teaching	Accreditation, student experience	MAC Quality	5 (b), (d)

<sup>1</sup> At times, there can be a linkage between “Care” risks and “Information Management/Technology” risks. In those cases, the relevant Board Committees will assume the risk oversight ownership.

**Appendix B:**  
**CMH Integrated Risk Management Framework**

