



NMHS Risk Assessment Tables (adapted from the Risk Assessment Tables for the WA Health System. Effective from 1 October 2019)

Step 1 - Having identified the risk, **identify the current CONTROLS in place** to prevent an incident and contain its potential consequences. Assess the adequacy of the Overall Aggregate Controls in place to manage the risk using the tables below.

Level	Description
Excellent	Comprehensive effective controls are fully in place to manage the risk. Regular monitoring, review and/or testing is undertaken. There is limited value in improving the controls.
Satisfactory	Sufficiently effective controls are substantially in place to manage the risk. Periodic monitoring, review and/or testing is undertaken. Some minor improvements to the controls should be considered.
Marginal	Controls are only partially effective and/or partially in place to manage the risk. Some limited monitoring, review and/or testing is undertaken. Improvement opportunities to controls should be implemented.
Weak	Controls are either non-existent, not in place or not effective to manage the risk. No or very limited monitoring, review and/or testing is undertaken. There is significant value in corrective and/or improvement actions.

Step 2 - Given those existing controls in place, identify the worst REALISTIC, primary CONSEQUENCE(S) should the risk occur. Pick the best fit on the 1 to 5 scale from the table below. It is not necessary to address each category (it is recommended no more than three categories).

Consequence Rating		1	2	3	4	5
Categories	Code	Insignificant	Minor	Moderate	Major	Catastrophic
Health impact on patients	HP	Increased level of care (minimal). No increase in length of stay. Not disabling.	Increased level of care (minimal). Increased length of stay (up to 72 hours). Recovery without complication or permanent disability.	Increased level of care (moderate). Extended length of stay (72 hours to 1 week). Recovery without significant complication or significant permanent disability.	Increased level of care (significant). Extended length of stay (greater than 1 week). Significant complication and/or significant permanent disability.	Death or permanent total disability.
Health impact on staff or others	HS	First aid or equivalent only.	Routine medical attention required. Up to 1 week incapacity/time lost. No disability.	Increased level of medical attention required. 1 week to 1 month incapacity/time lost. No significant permanent disability.	Severe health crisis and/or injuries. Prolonged incapacity or absence for more than 1 month. Significant permanent disability.	Death or permanent total disability.
Critical services interruption	CS	No material disruption to dependent work.	Short-term temporary suspension of work. Backlog cleared in day. No public impact.	Medium-term temporary suspension of work. Backlog requires extended work, overtime or additional resources to clear. Manageable impact.	Prolonged suspension of work. Additional resources, budget and/or management assistance required. Performance criteria compromised.	Indeterminate prolonged suspension of work. Impact not manageable. Non-performance. Other providers appointed.
Performance to budget (over or underspend)	PB	< 1% temporary variance	1% to 2% temporary variance	> 2% to 5% temporary variance	> 5% to 10% variance <u>not</u> recoverable within the financial year	> 10% variance <u>not</u> recoverable within the financial year, or being unable to pay staff, creditors or finance critical services
Financial loss	FL	Less than \$5,000	\$5,000 to less than \$100,000	\$100,000 to less than \$3M	\$3M to less than \$20M	\$20M or more
Organisational objectives or outcomes	OO	Little impact.	Inconvenient delays.	Material delays. Marginal under achievement of target performance.	Significant delays. Performance significantly under target.	Non-achievement of objective / outcome. Total performance failure.
Reputation and image damage	RI	Non-headline exposure. Not at fault. Settled quickly. No impact.	Non-headline exposure. Clear fault. Settled quickly by Departmental response. Negligible impact.	Repeated non-headline exposure. Slow resolution. Ministerial enquiry/briefing. Qualified Accreditation.	Headline profile. Repeated exposure. At fault or unresolved complexities impacting public or key groups. Ministerial involvement. High priority recommendation to preserve accreditation.	Maximum multiple high-level exposure. Ministerial censure. Direct intervention. Loss of credibility and public / key stakeholder support. Accreditation withdrawn.
KPI variation	PI	< 2% variation	2% to < 5% variation	5% to < 15% variation	15% to < 30% variation	≥ 30% variation

Consequence Rating		1	2	3	4	5
Categories	Code	Insignificant	Minor	Moderate	Major	Catastrophic
Non-compliance	NC	Innocent procedural breach. Evidence of good faith by degree of care/diligence. Little impact.	Breach, objection/complaint lodged. Minor harm with investigation. Evidence of good faith arguable.	Negligent breach. Lack of good faith evident. Performance review initiated. Material harm caused. Misconduct established.	Deliberate breach or gross negligence. Significant harm. Formal investigation. Disciplinary action. Ministerial involvement. Serious misconduct.	Serious and wilful breach. Criminal negligence or act. Litigation or prosecution with significant penalty. Dismissal. Ministerial censure. Criminal misconduct.
Environmental impact	EN	Negligible impact. Spontaneous recovery by natural processes. No disruption to access or exposure.	Low level impact. Quick recovery with minimal intervention. Minimal disruption to access or exposure.	Moderate impact. Medium level intervention indicated to bring about recovery. Short to medium-term restriction of access or exposure.	High level but recoverable, unacceptable damage or contamination of a significant resource or area of the environment. Significant intervention. Permanent cessation of harmful activity. Long-term suspended access, presence or use of resource.	Extensive, very long-term or permanent, significant, unacceptable damage to or contamination of a significant resource or area of the environment. Very long-term or permanent denial of access or exposure.
Project deliverables	PD	≤ 1% variation to deliverables	> 1% to 5% variation to deliverables	> 5% to 10% variation to deliverables	> 10% to 20% variation to deliverables	> 20% variation to deliverables
Project budget	PU	≤ 1% over budget	> 1% to 5% over budget	> 5% to 10% over budget	> 10% to 20% over budget	> 20% over budget
Project time delay	PT	≤ 5% delay	> 5% to 10% delay	> 10% to 25% delay	> 25% to 100% delay	> 100% delay

Step 3 - Using your judgement, incident data or other sources, **assess the LIKELIHOOD** of the risk occurring, bearing in mind the consequences you assessed in Step 2, and the overall effectiveness of the existing controls in place as assessed at Step 1. Pick the best fit on the 1 to 5 scale.

Likelihood Rating		Clinical	Corporate	
Level	Descriptor	Per Separations/ Occurrences of Service Code "C" (Clinical)	% Chance during life of project or financial year for budget risk Code "%" (% Chance)	Time Scale for ongoing non-project activities or exposures Code "T" (Time)
1	Rare	1 in 100,000 or more	≤ 5%	Once in more than 10 years
2	Unlikely	1 in 10,000	> 5% to 30%	Once in 5 to 10 years
3	Possible	1 in 1,000	> 30% to 60%	Once in 3 to 5 years
4	Likely	1 in 100	> 60% to 90%	Once in 1 to 3 years
5	Very Likely	1 or more in 10	> 90%	More than once a year

Step 4 - Multiply your assessed Consequence Level x Likelihood Level to determine the **LEVEL OF RISK** (range 1-25).

Risk Level Matrix		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Very Likely
Consequence	5 Catastrophic	Medium	High	High	Extreme	Extreme
	4 Major	Low	Medium	High	High	Extreme
	3 Moderate	Low	Medium	Medium	High	High
	2 Minor	Low	Low	Medium	Medium	High
	1 Insignificant	Low	Low	Low	Low	Medium

Step 5 - Decisions regarding risk acceptance and further treatment should be made with reference to the **RISK ACCEPTANCE/TOLERANCE** criteria below, the NMHS Board risk appetite, the specific risk criteria and cost benefit analysis.

If the risk is not acceptable **decide on the most appropriate risk treatment**: 1) Avoid the risk by ceasing the activity, 2) improve the controls through implementation of Treatment Action Plans, to reduce the consequences and/or likelihood of the risk happening, 3) Share or transfer the risk. Ensure decisions and the reasoning in each case is documented.

Risk Rating	Risk Acceptance/Tolerance Criteria
Low	<ul style="list-style-type: none"> • Risk is generally acceptable. • Aggregate Control Assessment should be satisfactory. • Review risk at least annually. • Risk owned by Tier 5 officers.
Medium	<ul style="list-style-type: none"> • Risk is generally tolerable. • Aggregate Control Assessment should be satisfactory and reviewed frequently. • Risk to be reviewed at least six-monthly. • Risk owned by Tier 3 or 4 officers.
High	<ul style="list-style-type: none"> • Risk is generally intolerable. • Aggregate Control Assessment should be at least Satisfactory and improved to Excellent as soon as is practicable and monitored. • Risk to be reviewed at least every two months. • Risk owned by at least a Tier 2 officer or higher.
Extreme	<ul style="list-style-type: none"> • Risk is generally intolerable. • Aggregate Control Assessment should be improved to Excellent immediately and closely monitored. • Risk to be reviewed monthly. • Risk owned by at least a Tier 2 officer or higher.

Specific Risk Criteria from the Risk Assessment Tables for the WA Health System has been included to guide decision making.

Category	Description
Harm to patients	<ul style="list-style-type: none">• The patient or their representative for this purpose determines acceptability of clinical risk from their perspective in the health care offered to them. (See Informed Consent and related processes).• There is "zero tolerance" for the risk of sentinel events occurring.
Harm to Workforce	<ul style="list-style-type: none">• There is "zero tolerance" for workplace violence.
Harm to the Public	<ul style="list-style-type: none">• Any foreseeable risk of injury to others or loss or damage to their property must be reduced to be the standard expected in law and provide proper discharge of any duty of care owed.
Budget Management	<ul style="list-style-type: none">• There is no acceptable level of risk for budget over-runs
Compliance	<ul style="list-style-type: none">• There is "zero tolerance" of any material risk of breach of legislative, regulatory, or other Government requirements.

All that is practicable, within our power and resources to do and that any reasonable person would be expected to do in the circumstances, or is required by law or otherwise required, is to be done in controlling and treating these risks and fulfilling our duty of care.

Difference between Risks and Issues:

The distinction between an *issue* and a *risk* is important. An *issue* is something that has *already occurred*, while a *risk* is an event *that may happen*. An issue needs to be resolved, while a risk needs a mitigation plan to be developed that should eliminate the possibility of the risk occurring or reduce the impacts if it does occur.

- **Issue** - An issue is an event that has in fact occurred and is present focused. Responsive action and resolution steps are taken to address issues.
- **Risk** - The chance of something happening that will have an impact upon objectives. A risk is an event that may or may not occur and is future focussed. Prevention and mitigation steps are taken to address risks.

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