



Kinark's Approach to Building a Risk Management Framework

Risk Management Framework

1. Start with strategic organizational goals
2. Identify inherent risks
3. Assess impact and likelihood -> importance
4. Determine mitigating actions
5. Assess and rate residual risks
6. Act on recommendations for improvement
7. Verify mitigating actions are working



1. Strategic organizational goals

What do we want to achieve?

- a. The best treatment provider for children and youth with complex needs.
- b. A leader that shapes and strengthens the sectors we serve.
- c. An employer of choice within our sector.
- d. A responsive and strong financial and IT infrastructure.
- e. Quality is at the core of all of our work.

2. Identify inherent risks

- What might go wrong?
- What might thwart meeting a goal?
- Inherent risk: The inability to achieve a goal in the absence of mitigating actions



2. Inherent risk categories

- Examples:

1. Client harm/injury
2. Staff harm/injury
3. Confidentiality/privacy breach
4. Financial loss
5. Lawsuit



2. Risk factors

- For each inherent risk, identify each “bad event” that could happen – called risk factors
- Examples for client harm/injury:
 1. Harm to self (head banging, cutting, ingesting)
 2. Harm by others (fighting, weapons, abuse, trauma from observing others)
 3. Harm from medicines (misdiagnosis, mix ups, theft, side effects)
 4. Harm by accident (sports)
 5. Harm by staff (restraints)



3. Assess impact and likelihood

- **How bad might it be?** Low, Medium or High
 - Financial: loss of **0.5% to 1.0% of funding** for medium
 - Well-being: **3 to 6 months** of illness/harm for medium
- **What is the chance it will happen?** L, M, H
 - Use **30% to 70%** for medium



3. Assess impact and likelihood

		Inherent Risks		
		Number of risk factors		
Likelihood	High	14	5	45
	Medium	2	3	6
	Low	16	4	3
		Low	Medium	High
		Impact		



4. Determine mitigating actions

- What can be done to cost effectively reduce the risk to Kinark's risk appetite or funding constraints?

Insurance

Policies

Controls

Expertise

Procedures



5. Assess and rate residual risks

- What risks remain after the mitigating actions?
- Not all risk can be eliminated

e.g. some complex kids will harm themselves

- How significant are the residual risks?
 - L, M, H



5. Assess and rate residual risks

		Inherent Risks		
		Number of risk factors		
Likelihood	High	14	5	45
	Medium	2	3	6
	Low	16	4	3
		Low	Medium	High
		Impact		

		Residual Risks		
		Number of risk factors		
Likelihood	High	14	16	20
	Medium	2	9	14
	Low	16	4	3
		Low	Medium	High
		Impact		



6. Act on recommendations for improvement

- Ensure all higher inherent risks have appropriate mitigating actions
- Allocate efforts and dollars to mitigating actions that address higher inherent risks



7. Verify mitigating actions

- How do I know that the mitigating actions are effective?
- Test the mitigating actions periodically to:
 - Keep the risk register current
 - Train and remind that risk management is everyone's responsibility every day
 - Ensure that higher inherent risks are reduced to residual risk as codified
 - Avoid surprises



Risk Register Example

Strategic Goal	Inherent Risk	Cause or Event (Risk factor)	Likelihood / Impact / Importance			Mitigating actions	Residual Risk
			Likelihood	Impact	Importance		
	What could go wrong in the absence of controls or mitigating actions?	What are the specific bad events leading to loss, harm or missing our goal?				What is done to reduce the risk to the level wanted (risk appetite) or affordable? Could be a cost benefit decision or a risk reward decision. Brief comment on what we do, reference to policies and procedures, controls, training, expertise, insurance, supervision, etc	What risk is left over? There is always some.
Best treatment provider	Client injury/harm/death	Harm by Self: ingestion; cutting; head banging; throwing self into or over objects; use of illicit drugs/meds; fire setting	3	2	6	Client mental health diagnoses information is available Client risk assessment is completed, safety and management plans completed to address risk Client supervision practices performed De-escalation protocols available Crisis response protocols available Incidents documented and debriefing performed Searches Professional relationship between youth and staff	Medium: clients will still harm themselves with the complexity of their challenges

