1. **Statement**

The Department of Health (the department) is committed to effectively managing risks and opportunities. This is achieved through compliance with legislation, alignment to objectives, and integration with strategies and performance, planning, change management, project and program management, innovation, business continuity and good governance.

A practical approach is taken that carefully plans for and prioritises risks and opportunities that balances the costs and benefits of actions and delivers timely and prudent communication to inform decision-making and governance oversight.

2. **Purpose**

The intent of this policy is to:

- Ensure how we manage risk and opportunities is aligned with and adopted from AS/NZS ISO 31000:2009, AS/NZS 5050:2010 as better practice and the department further adapts elements of the Queensland Treasury guidelines where appropriate to do so within our operating context.
- Ensure the levels of acceptable risk and risk appetite are clearly set and communicated to all staff.
- Ensure a consistent risk management process is followed throughout all divisions and business units in the department.
- Ensure risk management is documented as part of all formal decision-making processes, planning, change management, project and program management, and business continuity management.
- Promote staff awareness of their responsibilities in proactively identifying, reporting and managing risks and opportunities.

3. **Scope**

This policy applies to all employees, contractors and consultants within the Department of Health, and relates to the management of the department and health system risks.

This policy does not apply to Hospital and Health Services. Clinical and workplace incident management is not within the scope of this policy.

4. **Principles**

The department aligns its risk management approach to the principles of *AS/NZS ISO 31000:2009* as detailed below.

- **Creates and protects value**: achieves objectives, performance and financial efficiency.
- **Is an integral part of all organisational processes**: risk management is integrated with all with strategies and performance, planning, change management, project and program management, innovation, business continuity and governance processes.
• **Is a part of decision making:** risks are communicated in a timely and accurate manner that informs decisions, prioritises actions and identifies alternative options to ensure resources and finances are used appropriately and effectively to deliver benefits to the community.

• **Explicitly addresses uncertainty:** risks are analysed and reviewed, ensuring uncertainty is understood and adequately moderated within the department's risk appetite.

• **Is systematic, structured and timely:** risks and opportunities will follow a structured pathway for reporting and management that contributes to efficiency and to consistent, comparable and reliable results that align with the department's no surprises policy.

• **Is based on the best available information:** all sources of valid information are used in discussion and review of risks and opportunities.

• **Is tailored:** consistent with the department's principles, processes and tools while taking into account local context and any additional requirements or needs.

• **Takes human and cultural factors into account:** rational, open, unbiased consideration of risk and opportunities.

• **Is transparent and inclusive:** All divisions and business units understand and moderate risks within the department and will involve partners and other key stakeholders in the management and communication.

• **Is dynamic, iterative and responsive to change:** adaptive to change and uncertainties which may change priorities and/or the frequency of reviews of some risks and opportunities.

• **Facilitates continual improvement of the organisation:** supports the pursuit of opportunities and innovation and delivers performance improvements and efficiency. Innovation and other performance and efficiency opportunities are pursued while risks are well managed to ensure improvements are realised.

5. **Legislation**

- Public Sector Ethics Act 1994
- Financial Accountability Act 2009
- Financial and Performance Management Standard 2009
- Hospital and Health Boards Regulation 2012

6. **Supporting documents**

- Risk Management Implementation Standard (QH-IMP-070-1)
- Risk Assessment and Treatment Guideline (included Risk Analysis Matrix) (QH-GDL-070-1-1)
- Department of Health Risk appetite statement
- Department of Health Executive risk decision map and communication guide
- AS/NZS 5050:2010 Business continuity – Managing disruption-related risk
### 7. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch/team risks</td>
<td>Risks that may affect the effectiveness of a branch or team in delivering its required outcomes. Branch risks should be regularly reviewed and communicated with the appropriate divisional leadership team. A branch risk may be transferred to a divisional level risk profile if it requires moderation by multiple branches/teams in the division or is identified as a risk shared by more than one branch/team in that division.</td>
</tr>
<tr>
<td>Corporate risks</td>
<td>Major risks that may affect the department's ability to execute its Strategic Plan and/or require cross divisional moderation. If realised, corporate risks affect strategic objectives and operational plan delivery. Corporate risks are typically monitored by the Department Leadership Team (DLT), executive committees/boards and governing bodies or functional working groups (including program and project boards). They are managed collectively on a functional basis due to their interdependencies. Divisional risks may be transferred to the corporate risk profile where cross-divisional moderation is required.</td>
</tr>
<tr>
<td>Divisional/business unit risks</td>
<td>Risks that may affect the division/business units ability to execute their operational plan and/or require divisional oversight (e.g. by the senior leadership team) or moderation by multiple branches/teams in the division/Business unit. These risks should be regularly monitored and reviewed by the division/business unit's leadership team. Where a risk requires cross divisional moderation or affects multiple divisions/business units the risk may be transferred to the corporate risk profile. A division risk profile may also only include those risks posed by the program or project to the business. Risk to the portfolio, program or project may be subject to other specified governance oversight. Refer to definition for program/project risks.</td>
</tr>
<tr>
<td>Executive Risk Profile</td>
<td>The Executive Risk Profile is made up of Strategic, Corporate and System risks. This profile is regularly provided to DLT for monitoring and oversight.</td>
</tr>
<tr>
<td>Program/Project risks</td>
<td>Risks that may affect or are created by objectives/deliverables of a defined program or project. These risks are to be regularly reviewed and communicated with the project executive (Senior Responsible Officer) and/or the program/project board or program office. Risk outside the delegations of the program or project and those risks which may pose a risk to the delivery of an objective or strategy in the Strategic Plan are to be reported and/or escalated to an appropriate level of management. This may result in the risk transferring to the corporate risk profile for moderation.</td>
</tr>
<tr>
<td>Risk</td>
<td>Effect of uncertainty on objectives. (Sourced from AS/NZS ISO 31000:2009) An effect is a deviation from the expected – positive and/or negative. Objectives can be strategic, operational or functional (such as financial, fraud, clinical or OHS) and can apply at different levels (such as system, corporate, division/business unit, branch/team, program/project).</td>
</tr>
</tbody>
</table>
Risk Appetite  
Amount and type of risk that management within an organisation are willing to pursue or retain. (Sourced from ISO 73:2009)

Strategic risks  
Risks that may affect or are created by the department's Strategic Plan and strategic objectives. These risks are typically owned and monitored by the DLT.

System risks  
Risks that may affect or are created by the overarching Queensland Health strategic direction and objectives. These risks require moderation by Department of Health and multiple HHSs and are typically owned and monitored by the DLT.

Version Control

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1</td>
<td>14 November 2013</td>
<td>Original issue</td>
</tr>
<tr>
<td>Version 1.1</td>
<td>6 November 2014</td>
<td>Review post implementation evaluation</td>
</tr>
<tr>
<td>Version 1.3</td>
<td>24 February 2017</td>
<td>Review post risk maturity evaluation</td>
</tr>
</tbody>
</table>