



**Australian Government**

Aged Care Quality and  
Safety Commission



# Rethinking Risk

Flip Guides have been designed as supplementary supports for the learning modules. The Guides include key messages and insights for your continued reflection.

# Need to Know: Rethinking Risk

The aged care sector has long viewed risk management as a 'compliance exercise', particularly in regard to financial safety and risk. This has led to governing bodies and executives acting reactively to managing incidents and urgent issues and not stopping to think strategically beyond the here and now.

When governing bodies and executives shift their organisation's view of risk, from merely compliance, to **risk as a tool** to guide strategic decision making towards sustainable, safe and high quality consumer outcomes, it can encourage five strategies.

→ *View the following page to learn more about each of the strategies.*



Ultimately, risk management can protect and create value for an organisation. Embedding a cultural shift as to how risk is perceived will require leaders who embed risk management in the values and vision of their organisation, highlighting its importance and relevance.

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# Need to Know: Rethinking Risk



## Strategy One:

Increased consumer voice 'at the table' with consumers involved and consulted in their care and services.



## Strategy Two:

Increased consideration of care risks, including quality of care and continuity of care.



## Strategy Three:

A strategic focus on quality leading to greater profits.



## Strategy Four:

Proactive and strategic governing body and executive discussions, rather than reactive.



## Strategy Five:

Increased foresight, enabling governing bodies to plan for possible disruptive events.

# Risk Management Obligations:

Whilst the perception of risk management must shift in the aged care sector, governing bodies and executives must balance this with fulfilling a range of risk management duties and obligations.

It is essential that governing body members and executives understand their obligations and ensure their management and workforce understand and meet the organisation's legislative and consumer obligations and accountabilities.

→ *View the following pages to learn more about the key obligations.*

Risk management is an everyday task. It requires robust systems and practices to support positive consumer outcomes across a variety of aged care settings. As such, the Aged Care Quality Standards 1, 3 and 8 each include risk elements.



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# Risk Management Obligations:



## Aged Care Quality Standard 8: Organisational Governance

Requirement (3) (d – Governing bodies and executives are expected to have effective systems and processes in place to assess any and all risks to the health, safety and wellbeing of consumers. When risks are identified, organisations are expected to not only manage the identified risk but also to develop systems and processes to encourage continuous improvement. Systems are required for:

- Managing high-impact or high-prevalence risks associated with the care of consumers (Aged Care Quality Standard 3)
- Identifying and responding to abuse and neglect of consumers
- Supporting consumers to live the best life they can by reducing risks and the impact they have
- Managing and preventing incidents, including the use of an incident management system to prevent and respond to incidents.

# Risk Management Obligations:



## Aged Care Quality Standard 3: Personal and Clinical Care

Requirement 3(b) – Providers are required to effectively manage high-impact or high-prevalence risks associated with consumer care. This management should be underpinned by effective clinical governance systems for safety and quality, including continuous improvement centred around consumers' changing needs.

Requirement 3(g) – Providers are expected to continuously assess the risk, and control the spread, of infections. They can do this by determining how to best prevent, detect and control the spread of any infections, including care-based infections.



## Aged Care Quality Standard 1: Consumer Dignity and Choice

Standard 1 outlines that organisations are required to support consumers to improve their autonomy and independence. This relates to dignity of risk.

Dignity of risk is another way of saying that consumers have the right to make decisions about their care and services, even if their choices involve some risk. It's about respecting the rights of consumers and supporting their decisions.

If a consumer makes a choice that is possibly harmful to them, then the organisation is expected to help the consumer understand the risks and how they can be managed. Together, they should look for solutions that are tailored to help the consumer to live the way they choose.

# Role of the Governing Body

Governing body members and executives are ultimately responsible for the risk management processes their provider has in place.

To do this successfully, governing bodies and executives need to:

- Understand risk management in the aged care context
- Have clearly defined roles and responsibilities between governing bodies, executive leaders and risk committees/sub-committees
- Establish an organisational culture that encourages risk management to be perceived as an opportunity to develop and deliver high quality and safe care to consumers
- Understand and comply with any and all legislative requirements.

Governing bodies and executives need to ensure an effective risk management framework is in place, which comprises policies, processes, systems and tools required to effectively identify and manage risks.

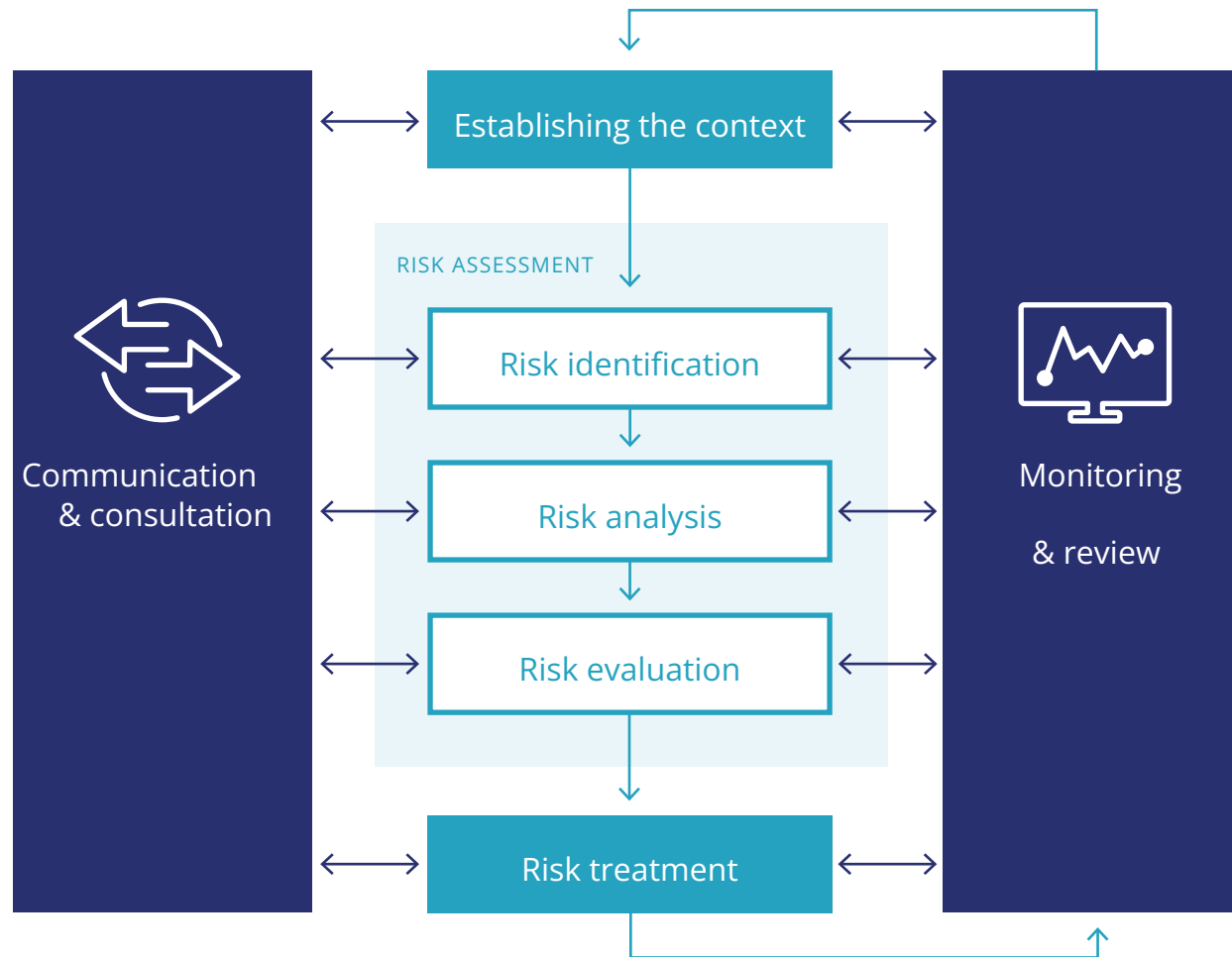
The framework should:

- Align to ISO 31000:2018 Risk Management, which outlines the principles for developing and embedding a framework
- Integrate with your organisation's purpose and objectives to ensure risks are managed without compromising care
- Apply consistently to all risks, including strategic, operational and clinical risks
- Define roles and responsibilities and include regular monitoring and reporting for transparency and accountability

[View the next page to see the Risk Management Framework.](#)

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# Role of the Governing Body





# Tips for Rethinking Risk

## Tip One: Older Australians at the Centre

- Elevate the voice of consumers to ensure their rights and preferences, dignity and independence are balanced with risk management.
- Take an active interest in systems and processes that manage risks to the health, safety and well-being of consumers.
- Remain aware of the consumer's right to informed choice. The preferences of consumers may involve elements of risk that they/their representatives are comfortable with.
- Ongoing discussion of risks with consumers and their representatives is necessary to understand their shifting risk appetite and to determine how risks will be managed.

## Tip Two: Obligations and Accountabilities

- Make sure all members of the governing body understand the organisation's key strategic risks and their oversight role.
- Identify and address risks in a timeframe that matches the level of risk and its effect on the consumer.



# Tips for Rethinking Risk

## Tip Three: Knowledge, skills and experience

- Stay up-to-date with changes to the internal and external risk environment.
- Capture and analyse data where possible to enable deeper insights.

## Tip Four: Leadership and Culture

- Don't be afraid of all risks, or try to eliminate risks in all areas. Set your risk appetite at a level that ensures a proportionate response is taken.
- When incidents occur, endeavour to understand what has happened and apply an incident learning approach.



# Is your governing body across potential or emerging risks for your organisation?

Consider the following prompts and see if you can identify any current or any potential emerging risks for your organisation in each area.

→ *What are my organisation's current risks in this area?*

→ *What is a potential emerging risk in this area?*

→ *What is my governing body currently doing to manage risks in this area?*

**Clinical** – Consumer care is fundamental to service provision both for consumers and for the ongoing viability of the organisation. There are various financial and reputational impacts for those who fail to meet high quality and safe levels of care.

Organisations current risks >

01

Potential emerging risk in this area >

02

How is governing body managing risks >

03

**Political** – Providers must work within the legislative and policy environment of governments, sometimes across multiple jurisdictions, in which funding levels and other supports can change with election cycles or external economic pressures.

Organisations current risks >

01

Potential emerging risk in this area >

02

How is governing body managing risks >

03



# Is your governing body across potential or emerging risks for your organisation?

(continued)

## Financial –

Providers must find ways to maximise outcomes for consumers in a competitive and funding-constrained environment.

Organisations current risks >

01

Potential emerging risk in this area >

02

How is governing body managing risks >

03

**People** – Aged care providers rely on people delivering front-line care. Large numbers of staff, and complex operating environments and systems, expose providers to many workforce management and health, safety and wellbeing challenges.

Organisations current risks >

01

Potential emerging risk in this area >

02

How is governing body managing risks >

03

**Legal** – The aged care sector is highly regulated, and non-compliance with the requirements for the provision of safe and high quality care as well as ongoing compliance requirements as an employer is a key risk.

Organisations current risks >

01

Potential emerging risk in this area >

02

How is governing body managing risks >

03

# Additional Resources



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