

Portfolio:	OPERATIONS	Ref. No.	RES-MGT-016
Department:	Council Secretariat		
Title:	Risk Management		

1. PURPOSE

This policy is an integral component the Royal Australasian College of Surgeons (RACS) commitment to good governance and sound management at all levels of the organisation: from a strategic whole-of-organisational level, to an operational and a project level.

RACS views risk¹ as anything that may hinder the sustainable achievement of its organisational objectives and results, including the failure to exploit opportunities. Management of these risks supports implementation of the RACS Strategic Plan.

The purpose of the RACS Risk Management Policy² is to communicate RACS commitment and approach to risk management throughout the organisation. The objectives of the policy are to:

- improve organisational performance, encourage innovation and support the achievement of objectives (i.e. strategic, operational, and project-specific objectives);
- ensure that risk management is integrated into core governance and management decision-making processes, into all signification functions and activities, and is part of everyone's day-to-day ways of working;
- drive a consistent best practice approach to managing risk across all parts of its strategy implementation, operations and projects with alignment to the international risk standard ISO 31000:2018 Risk Management-Guidelines, February 2018;
- support RACS compliance with governance and legislative obligations;
- emphasise the importance of robust scanning and analysis of changes in RACS external environment that impact on RACS mission and objectives. This analysis will inform management discussions and decisions, and foster organisational agility and adaptation;
- support and maintain RACS' good reputation, legal and regulatory compliance, financial sustainability, security and wellbeing of its people (i.e. staff, Fellows, International Medical Graduates (IMGs), Trainees, volunteers and the community members and organisations that it supports), and the appropriate leveraging of technology, working within the parameters of its values and mission;
- ensure the effective and regular governance oversight and management of risk; and
- drive a proactive approach to identifying, communicating and making decisions about risks by all people covered within the scope of this policy.

2. SCOPE

Risk management is the responsibility of all those who participate in the work of RACS, this includes:

- Councillors and governance committee members;
- RACS staff, Fellows, IMGs and Trainees; and

¹ **Risk is defined as:** The effect of uncertainty on objectives. An **effect** is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats. **Objectives** can have different aspects and categories and can be applied at different levels which can result in opportunities or threats. Objectives include strategic, operational and project objectives and occur at these different levels of the organisation.

² **Risk management is defined as:** Coordinated activities to direct and control the organisation with regard to risk. Risk management involves the effective coordination and efficient use of organisational resources to minimise, monitor and control unforeseen adverse events and maximise the realisation of opportunities.

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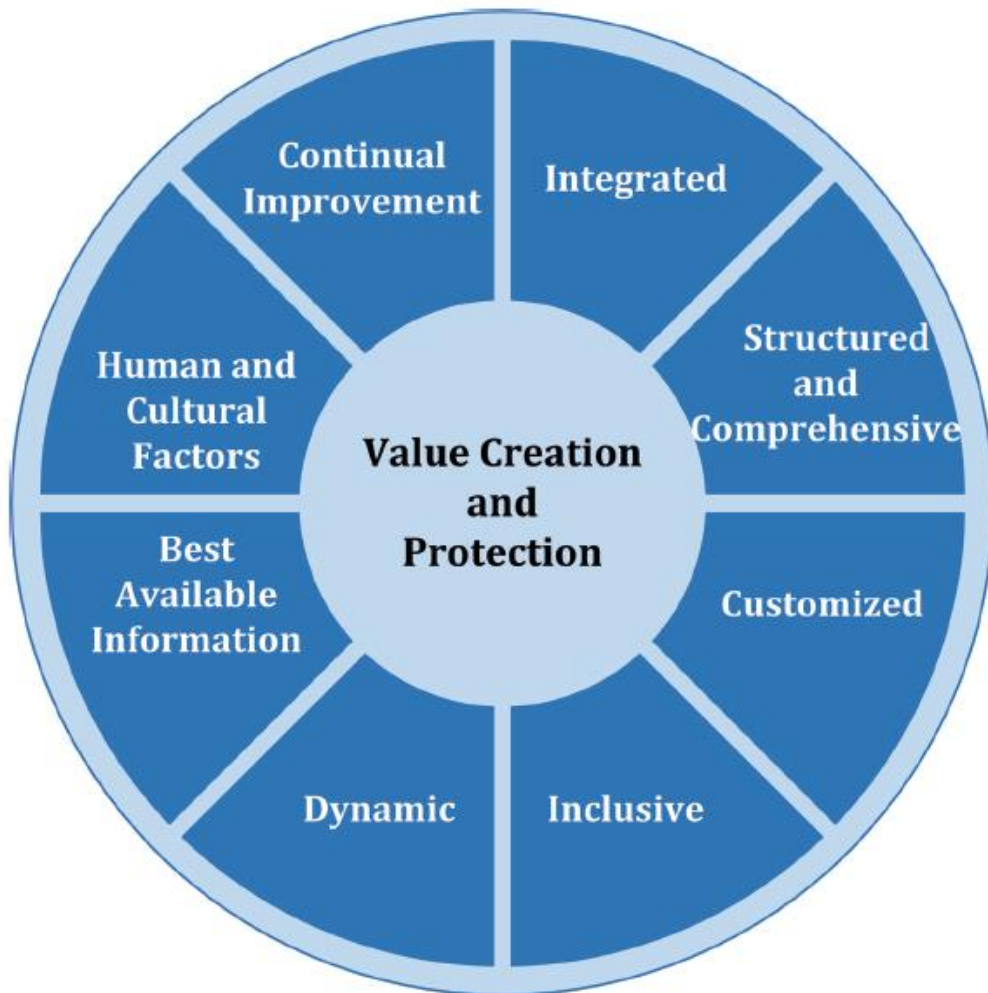
- volunteers, consultants and contractors.

As a condition of partnership, RACS also expects partner organisations to demonstrate effective risk management that complies with the international risk standard ISO 31000:2018 Risk Management-Guidelines, February 2018. Partners who are not able to meet this standard must demonstrate risk management processes that are appropriate to their operational context, and additional RACS oversight and due diligence may be required.

Incidents or issues that occur are covered by the **Incident Management Policy** and procedures.

3. GUIDING PRINCIPLES

RACS risk management approach is consistent with the international risk management standard, and is guided by the following principles as detailed in the accompanying table:



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Integrated	Risk management is integrated into RACS activities and supports the organisation's position as the leading advocate for surgical standards, professionalism and surgical education in Australia and New Zealand.
Structured and comprehensive	RACS risk management approach captures programs and services that operate across New Zealand and Australia as well as internationally. Application of RACS risk management tools contributes to consistent and comparable results across activities.
Customised	RACS risk management program is aligned with strategic planning focusing on standards and professionalism, enduring value, membership and indigenous health. It is also tailored to the college's strategic and operational context.
Inclusive	Appropriate and timely involvement of specialty societies, specialist medical colleges, government, health and education institutions, international program partners, and other stakeholders enables their knowledge, views and perceptions to be considered. This results in improvement awareness and informed risk management.
Dynamic	Risk can emerge, change or disappear as RACS' external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
Best available Information	Inputs to risk management are based on historical and current information, as well as on future expectations. Risk management takes into account limitations and uncertainties associated with such information and expectations. Information should be timely clear and available to all relevant stakeholders
Human and cultural factors	Human behavior and culture significantly influence all aspects of risk management at each level and stage.
Continual improvement	Risk management is continually improved through learning and experience. This learning is key to effective program and service delivery on behalf of RACS Fellows and the community.

4. RISK FRAMEWORK

The RACS Risk Framework encompasses integrating, designing, implementing, evaluating and improving risk management across the organisation and supports RACS to continually review and improve its risk performance.

As outlined in the diagram below, RACS risk management approach is centred on **strong leadership and commitment** where both governance and senior management lead by example, demonstrate a strong commitment to effective risk management, allocate resources to managing risks and outline clear roles, responsibilities and accountabilities for risk management at all levels of the organisation.

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RACS risk approach is supported by a tailored design which takes account of RACS unique external and internal context, in order to confirm its risk appetite, shape its risk commitment statement, assign risk roles, authorities, responsibilities and accountabilities, allocate resources to risk management, and establish communication and consultation processes.

Implementation of the framework involves the development of structured risk management processes and decision-making practices and will support the risk management process to be part of all activities through RACS. It will ensure that the process captures changes in the external and internal contexts and the impact on objectives.

Evaluation of the framework will be undertaken by RACS on a regular basis to test whether its purpose, processes and expected behaviours are still suitable to support RACS achieve its organisational objectives.

Improvement of the framework will be made regularly, informed by regular evaluations so that the frameworks remains suitable and effective. As gaps and opportunities for improvement are identified RACs will assign responsibility for making those improvements.

5. ROLES AND RESPONSIBILITIES

Council and the Finance, Audit and Risk Management Committee are responsible for the oversight of risk and the Risk Management Framework. The Executive Leadership Team is responsible for ensuring that all RACS’s risks are adequately recorded and assessed, and that appropriate actions and measures are in place.

The key roles and responsibilities for risk management are outlined in the Risk Management procedures and embedded in position descriptions.

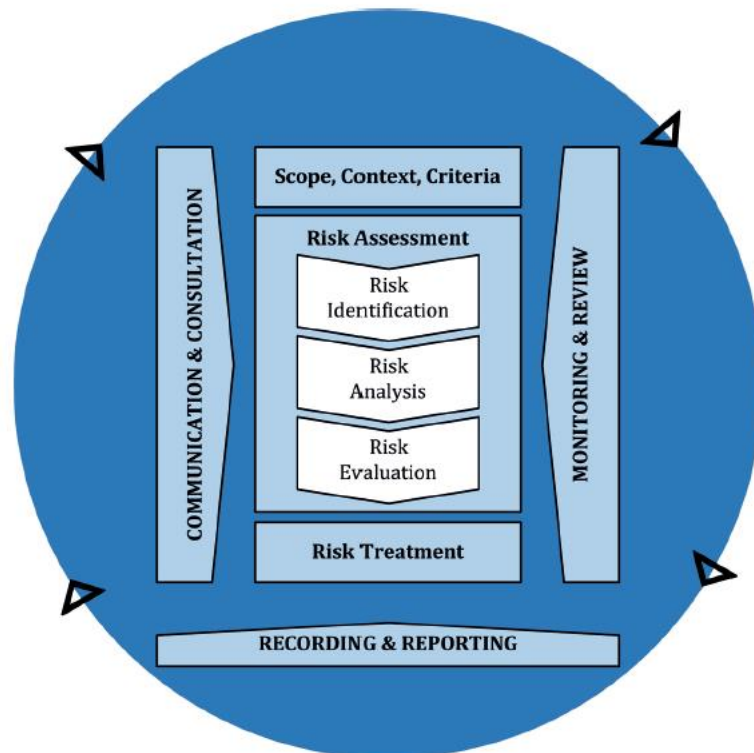
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6. RISK MANAGEMENT PROCESS

At RACS, the risk management process involves the systematic and consistent application of organisational policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.

The table below illustrates the key elements of RACS risk management process as detailed in the **RACS Risk Management procedures**.



7. ASSOCIATED DOCUMENTS

- RACS Risk Statement
- RACS Strategic Plan
- Risk Management procedures
- Risk Registers
- Incident Register
- Finance Audit and Risk Management Terms of Reference
- Delegations Manual
- Business Continuity Plan (including Crisis Management Plan and Disaster Recovery Plan)
- Policy Framework (PPFM)

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