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<b>SUBJECT:</b>	<b>RISK MANAGEMENT</b>		

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The Board of Directors must be knowledgeable about risks inherent in Hospital operations and ensure that appropriate risk analysis is performed as part of its decision-making. In particular, the Board of Directors:

- Oversees the organization’s risk management program;
- Ensures that appropriate programs and processes are in place to protect against risk;
- Expects management to identify unusual risks to the organization and ensure that there are plans in place to prevent and manage such risks;
- Expects management to identify and assesses the associated risks to the organization when reviewing and approving resource allocation decisions;
- Anticipates financial needs and potential risks, and develops contingency plans; and
- Works with the Chief Executive Officer (CEO) to reduce risks to the organization and promote ongoing quality improvement.

The Board of Directors is responsible for ensuring that appropriate risk management practices are in place in the organization, and reviewing and approving the Hospital's variance and risk tolerance levels.

The CEO is accountable for:

- identifying the principal risks of the Hospital’s business;
- determining the organization's exposure to risk; and
- developing and implementing an organizational-wide risk management framework.

The Board of Directors of Health Sciences North (HSN), through its Audit Committee, will annually monitor and assess the Hospital’s quantification of risks, including asset protection, and how those risks are addressed.

## **DEFINITIONS**

1. **Risk** is the “chance or possibility of danger, loss, or injury. For health services organizations, this can relate to the health and well-being of patients and families, employees, physicians, volunteers, students, visitors, contractors and vendor; property; reputation; environment; organizational functioning, financial stability, market share; and other things of value”. *(Modified from Accreditation Canada)*

2. **Risk management** is a systematic process of planning, organizing, leading, and controlling the activities of an organization in order to minimize the effects of risk on that organization, including financial, strategic, operational, and other risks.  
*(Accreditation Canada)*