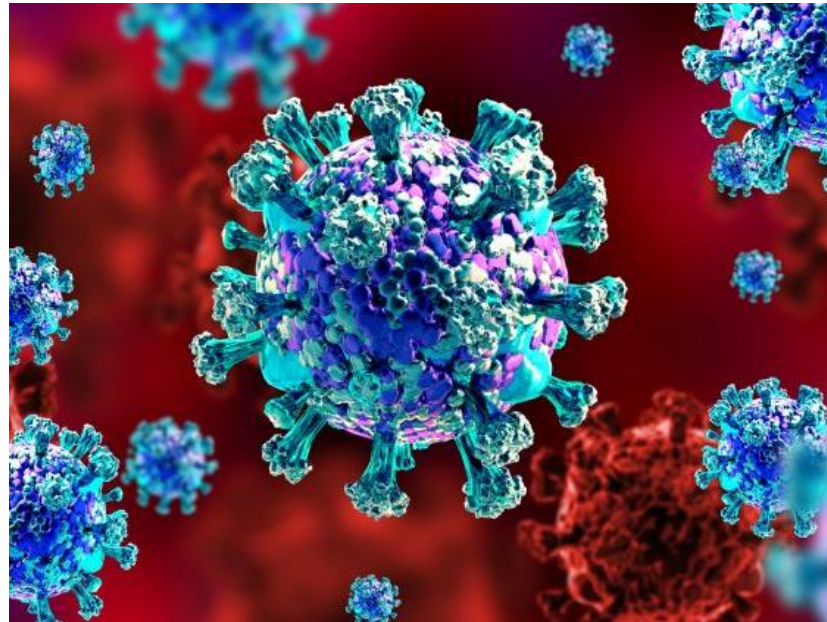


RISK MANAGEMENT DURING COVID-19 PANDEMIC – A PRIVATE PATHOLOGY PERSPECTIVE

Sean Peters (PhD)

National Quality and Risk Manager

Australian Clinical Labs



The World Health Organization (WHO) on March 11 2020 declared COVID-19 a pandemic, pointing to the over 118,000 cases of the coronavirus illness in over 110 countries and territories around the world and the sustained risk of further global spread.

“This is not just a public health crisis, it is a crisis that will touch every sector,” said Dr. Tedros Adhanom Ghebreyesus, WHO director-general, at a media briefing. “So every sector and every individual must be involved in the fights.”

WHAT IS ERM? It is the capability to effectively answer the following questions:



- Circular depiction is highly intentional
- Components are meant to be dynamic (reviewed back/forth in any sequence)
- Having the right culture is key

Operational Risk: Risks that impact the Organisation's ability to maintain operational activities or risks that are inherent to normal business processes.
Strategic Risk: Risks related to the direction and future objectives of the Organisation.

Sub-Category	Risk Issue
Clinical	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Delayed or inaccurate reporting of pathology results; • Notification about critical test results or clinically significant events; or • Transfusion events including delays in provision of products or incorrect processes/actions.
Compliance/ Regulatory	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Governance (internal and external); • Government policy and legislation (federal and state), regulatory bodies; • Accreditation; or • Compliance with service level agreements and other formal relationships.
Environmental	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Effluents, emissions, wastes, resource depletion etc., arising out of the Company's operational activities.
Human Resources	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Training; • Recruitment and retention; • Work Health and Safety (WHS); or • Industrial relationships.
Financial	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Contract management (internal and external); • Financial system integrity; • Ability to meet financial obligations; or • Revenue.
IT/Information Management	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Information security; • IT systems and processes; or • Sub-contractor/service provider relationships providing IT systems or support.
Project	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Project delivery; or • Realisation of financial/efficiency/service outcomes.
Service Delivery	Risks relating to, but not limited to: <ul style="list-style-type: none"> • Management or maintenance of the Company's key assets including property, plant and testing equipment; • Systems, policies, practices and procedures during any pre- or post-analytical phase • Technological failure (key systems including hardware and software); or • Delegation of Authority and decision-making.

Risk Appetite

5 PROCESS/METHODOLOGY

5.1 SETTING THE RISK APPETITE

The Clinical Labs Board of Directors (BOD) is responsible for determining the level of risk exposure, i.e. risk appetite that is considered acceptable in pursuit of the Company's strategic business objectives.

The acceptable level of risk exposure for operational and project objectives is set by the Group Chief Executive Officer (CEO) and the Executive Team.

Clinical Labs has a low appetite for risks relating to:

- Health, safety and wellbeing of patients, staff, volunteers, contractors and the general public;
- Administration of finances and assets;
- Legislative and regulatory compliance;
- Reputation; and
- Infrastructure and disruption to services that impact the timely and accurate delivery of results.

Clinical Labs has a medium appetite for risks associated with applying new approaches or innovation and is willing to accept limited risk if the outcome is rewarding, e.g. increased efficiency and effectiveness, whilst maintaining a high standard of service delivery.

Governance and Risk Reporting

Risk Review Frequency

Risk Category	Residual Risk Rating	Review Frequency	Risk Reviewer
Strategic	Extreme or High	Monthly	BOD
Strategic	Medium or Low	Quarterly	BGRC
Operational	Extreme or High	Monthly	Executive Team
Operational	Medium	Quarterly	Executive Team
Operational	Low	Biennially	National Quality and Risk Manager and/or State CEO (state-based risks)

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		Page 1 of 1