

– PsyAx Risk Management Policy –

Purpose of this Policy

At PsyAx we make it a priority to minimise risk to staff, clients, and PsyAx as an organisation.

PsyAx management is responsible for identifying and managing risks that may impact the health and safety of clients and staff, the provision of services, and business continuity. However, all PsyAx staff must assist in identifying risks that occur as a result of performing their usual duties. Further, PsyAx staff are expected to work together when putting strategies into practice.

This policy helps staff at PsyAx minimise risk through:

- identifying and analysing risks;
- prioritising risks; and
- managing and treating risks

At PsyAx we identify, analyse, and document risks in the PsyAx Risk Register. We then add a priority rating to each risk. We also develop and document strategies to manage these. This helps us to monitor risks, prevent adverse events, and solve any issues as they arise.

The PsyAx Risk Register also helps us to maintain clear records around risk management. This can help us to identify and manage any risks sooner.

What is a risk?

Risk involves exposure to danger which may stem from an event or action. This risk or danger may affect the health and safety of our staff and clients, provision of service to clients, or PsyAx as an organisation. This includes potential impacts on financial viability, operations, and reputation. We take a proactive approach to make sure we monitor risks and reduce their potential to cause harm.

Identifying & Analysing Risks

At PsyAx, we use three steps to identify and analyse risks and rate their severity. The three steps are:

1. Exposure and consequence identification
2. Likelihood rating
3. Risk matrix classification

We explain these steps in more detail below.

STEP 1: Exposure and consequence identification

The first step is to use the Risk Classification table to identify which area of PsyAx may be impacted by the risk — the “exposure category”— and then rate the risk severity based on the potential consequences (a “consequence rating”). PsyAx classifies risks into the following categories:

- work health and safety of staff
- provision of services
- business continuity, including financial viability, operations, and reputation

The Risk Classification Table is set out on the next page and includes a number of examples.

Risk Classification Table & Examples

Exposure category	Consequence rating				
	Negligible	Minor	Moderate	Significant	Severe
Work health and safety of staff	<ul style="list-style-type: none"> Workplace incident requiring minor treatment (no leave of absence). No ill health. No staff turnover. 	<ul style="list-style-type: none"> Workplace incident requiring treatment (≤ 1 day leave of absence). Minor health impact. < 5% staff turnover. 	<ul style="list-style-type: none"> Workplace incident requiring treatment (1 < 7 days leave of absence). Short-term health impact. 5 < 10% staff turnover. 	<ul style="list-style-type: none"> Workplace incident requiring extended treatment (> 7 days leave of absence). Long-term health impact. 10 < 50% staff turnover. 	<ul style="list-style-type: none"> Workplace incident causing permanent disability or fatality. Permanent health impact. > 50% staff turnover.
Provision of services	<ul style="list-style-type: none"> No delay in delivering report to client. Client is unsatisfied with services. 	<ul style="list-style-type: none"> Minor delay (~1 day) in delivering report to client but negotiated ahead of time. Client makes an informal complaint to PsyAx. 	<ul style="list-style-type: none"> Minor delay (1-2 days) in delivering report to client not negotiated ahead of time. Client makes a formal complaint to PsyAx. 	<ul style="list-style-type: none"> Major delay (>3 days) in delivering report to client. Client makes a formal complaint to APS, AHPRA, NDIS Commission etc. 	<ul style="list-style-type: none"> Report not delivered to client for major event (court hearing, NDIS review etc). Client takes legal action against PsyAx.
Business continuity	<ul style="list-style-type: none"> Reduced income or increased costs (5% or less). Negligible damage to assets. No interruption to operations. 	<ul style="list-style-type: none"> Reduced income or increased costs (>5% - 15%). Minor damage to assets. Transitory (< 2 days) interruption to operations. 	<ul style="list-style-type: none"> Reduced income or increased costs (>15% - 30%). Moderate damage to assets. Short term (2 - 7 days) interruption to operations. 	<ul style="list-style-type: none"> Reduced income or increased costs (>30% - 50%). Severe damage to assets. Medium term (> 7 days) interruption to operations. 	<ul style="list-style-type: none"> Reduced income or increased costs (> 50%). Loss of assets. Cessation of operations.

STEP 2: Likelihood rating

Step 2 is to use the Likelihood Rating table to identify how often a risk may occur.

Likelihood Rating

Likelihood rating	Example	Frequency indicator
Certain	There is a > 75% the event will occur	Once per week
Likely	There is a >50% to 75% chance the event will occur	Monthly
Possible	There is >25% to 50% chance the event will occur	Every 6 months
Unlikely	There is a >5% to 25% chance the event will occur under some circumstances	Once a year
Rare	There is a <5% chance the event will occur in exceptional circumstances	Less than once a year

STEP 3: Risk matrix classification

Step 3 is to use the consequence rating and likelihood rating to identify a “risk rating” in the Risk Matrix. This helps to prioritise and manage risks.

Risk Matrix

Likelihood rating	Consequence rating				
	Negligible	Minor	Moderate	Significant	Severe
Certain	High	High	Extreme	Extreme	Extreme
Likely	Medium	High	High	Extreme	Extreme
Possible	Medium	Medium	High	High	Extreme
Unlikely	Low	Medium	Medium	High	High
Rare	Low	Low	Medium	Medium	High

Prioritising risks

PsyAx staff can determine whether a risk is low or high priority depending on whether it falls on the left or right side of the dotted line in the Risk Matrix.

- **Low priority risk**. These are risks that fall into a category on the left side of the dotted line. These risks can be monitored and managed easily and PsyAx does not need to change operations in order to manage the risk.
- **High priority risk**. These are risks that fall into a category on the right side of the dotted line. These risks need to be addressed as soon as they are identified. PsyAx staff should consider what options are available to bring the risk down to a low priority level.

Managing & treating risks

PsyAx understands the importance of managing and treating risks that have been identified. We ensure that high priority risks are managed immediately and that low priority risks are actively monitored.

Each risk will have a unique management plan which is documented in the PsyAx Risk Register. Some examples of risk management strategies include:

- Improving workplace setups. This includes:
 - introducing ergonomic equipment, new devices, or changing the configuration of furniture.
- Altering provision of services. This may include:
 - changing the mode, length, style, or location of providing services.
- Increase incoming payments or reduce outgoing costs. This might include:
 - changing service fees, negotiating outgoing costs, or utilising low-cost service provision options.