



Algoma Nurse Practitioner-Led Clinic

Risk mitigation review

April 5, 2024

KPMG LLP

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Table of contents

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Executive Summary

04

Recommendations

07

Appendices

12

Appendix A – Staff involvement and documentation reviewed

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Executive summary

Executive summary

Introduction: We have undertaken a review of the risk register and associated mitigation plans at Algoma NPLC.

Summary of findings

The risk register is a crucial tool as it provides a comprehensive overview of potential risks, fosters a culture of shared responsibility for risk management, guides decision-making processes, and helps organizations effectively manage unique risks across different operational areas. The presence of a risk register at Algoma NPLC is a significant strength and demonstrates a proactive approach to risk management, which is not common among healthcare organizations of a similar size. This maturity in risk management indicates that management is prepared to identify, assess, and mitigate potential risks, thereby helping to support business continuity and stability. To further enrich risk management at Algoma NPLC, we noted improvement opportunities related to adding and updating existing risks, consolidating related risks, refining mitigation strategies and reporting high-rated and newly emerged risks to the Board.

The risk register, which was developed in 2020, has not been updated since, potentially leading to outdated information and the omission of newly emerged risks. Management should establish a regular review and update cycle (e.g., annually) to ensure its accuracy in reflecting the current risks and mitigation strategies and continue to seek input from relevant stakeholders throughout this process.

We examined the risk register and noted that currently, the document does not encompass risks related to cybersecurity, insufficient funds for a new facility and a potential affiliation with the local hospital as proposed by Ontario Health Teams (OHT). While the current risk register does acknowledge the risks associated with healthcare staffing, this landscape has significantly shifted in the wake of the pandemic. Issues such as short-term staffing shortages and the departure of key personnel have become more prominent and given the area's limited pool of healthcare professionals, these changes should be accurately reflected in risk scoring.

Although the risk register is comprehensive and thorough for the risks captured, the extensive amount of the information included, and the duplication of some information could potentially pose challenges in identifying and addressing critical risks. Management should consolidate related risks wherever possible, enabling the identification of risk patterns and interrelationships. Furthermore, a separate, high-level version of the risk register should be developed for the Board to review on an annual basis, enabling oversight of the most significant risks and strategic decision-making.

Executive summary

Objectives

Below we set out the agreed objectives for this review.

Objective	Description of work undertaken
Objective one Review of previous risk assessment	We reviewed the previous risk assessment document to understand the previously identified risks and specifically the mitigation strategies suggested to manage and mitigate the risks.
Objective two Interviews and document review	To inform a refreshed risk register and understand the action taken against the identified mitigation activities, we held discussions with key members of the clinic team, IT and the Board Chair and Vice Chair and reviewed key documents.
Objective three Gap identification and reporting	To finalize our review, we performed a comparison against leading sector practices for mitigation strategies and documented our observations and recommendations in a report.

Recommendations

Recommendations

The following slides outline the issues and related recommendations identified through our review.

#	Issue noted by KPMG	Recommendation
1	<p>Regular re-assessment and modification of the risk register in response to post-Covid changes</p> <p>The risk register was originally developed in 2020, however there have been no subsequent updates to it since that time.</p> <p>The absence of regular updates to the risk register can result in outdated information, potentially influencing decision-making processes. New risks that have emerged during this period may not be captured, leaving the clinic vulnerable to unexpected threats. Furthermore, without regular updates, it may be challenging for management to assess the effectiveness of current mitigation strategies and changes in roles and responsibilities over time may not be reflected in the document.</p>	<p>Management should review and update the register on a regular basis (e.g., annually) to ensure its accuracy in reflecting the current risks and mitigation strategies. This will facilitate necessary adjustments in response to changes within the clinic or its external environment. The following risks should be added, with descriptions, potential impacts, mitigation strategies, and assigned responsibilities:</p> <ul style="list-style-type: none"> • Cybersecurity: The growing dependence on digital systems elevates the risk of cyber threats such as data breaches, ransomware attacks, and other cybercrimes, potentially disrupting operations and jeopardizing patient data. • Lack of appropriate funding for a new facility: The clinic has been planning to relocate to a new facility since 2017 and the lack of funding could further delay the project, impacting the clinic's service delivery plans. • Potential affiliation: Although having an affiliation between the clinic and the local hospital may enhance efficiency and resource sharing, it could also result in the loss of autonomy and potential conflicts. <p>Staffing in healthcare has become a bigger risk after Covid-19 due to increased patient loads and staff burnout. Risk scores related to recruitment and retention should be updated to reflect this.</p> <ul style="list-style-type: none"> • Short-term staffing shortage affecting patient care: The limited pool of healthcare professionals in the area further exacerbates the problem, as it may be challenging to find replacements or additional staff. • Departure of key personnel and lack of succession planning: Key personnel departures, especially without a succession plan, can disrupt operations, particularly if the clinic is overly reliant on a few staff. <p>Finally, the pandemic has led to an increase in violence against healthcare staff. Risk scores pertaining to violence/disruptive behaviors should be revised to accurately represent the current situation.</p>

Recommendations

#	Issue noted by KPMG	Recommendation
2	Refining mitigation strategies and establishing timelines for implementation	
	<p>The current mitigation strategies in the risk register are a great starting point but could benefit from further enhancement to increase their comprehensiveness. They often refer to policies, forms, or general training, which, while important, do not constitute a complete mitigation strategy. For example, when considering the risk of financial inefficiencies stemming from insufficient staff knowledge or competence, the mitigation strategy of providing appropriate training and support does not directly address the risk.</p> <p>Moreover, the absence of established target timelines within mitigation strategies could potentially lead to a slower implementation process and inadvertently provide an opportunity for the risk to manifest before the necessary countermeasures are implemented.</p> <p>While the risk register does specify the party responsible and the party accountable for the mitigation strategy, it does not differentiate between these two roles. We also noted instances where the same party is designated as both responsible and accountable, limiting clarity (e.g., cost risk profile under the Financial risk domain).</p>	<p>To promote a proactive approach to risk management, mitigation strategies should be revised to be action-oriented, specific, and directly linked to the identified risks. A mitigation strategy should delineate explicit actions for minimizing the risk's impact or probability. For example, rather than noting appropriate training and support, management should specify what type of role-specific training is required (e.g., Finance and business processes), who will provide it, and how it will be evaluated for effectiveness as well as the importance of hiring candidates with these specific qualifications. We have outlined some additional considerations in Appendix A.</p> <p>Each mitigation strategy should have a clear timeline for implementation to help ensure timely execution and prevent delays that could allow risks to materialize. Furthermore, the roles of the responsible and accountable parties should be clearly defined and differentiated. If the same party is both responsible and accountable, this should be clearly justified and explained to avoid overlap.</p> <p>Furthermore, management should maintain a history of additions and deletions which will provide valuable insights into strategies that did not yield the desired results. This historical record can serve as a learning tool for refining future risk management approaches.</p>

Recommendations

#	Issue noted by KPMG	Recommendation
3	Consolidating related risks	
	<p>Although the risk register is comprehensive and thorough, the extensive nature of the information could potentially pose challenges in promptly identifying and addressing critical risks. We also noted instances of repetitive content in the document, which could unintentionally result in duplicated efforts in risk management and inefficient resource allocation.</p> <p>Furthermore, if not all related risks are grouped together, the risk register may not offer a comprehensive perspective of the risk landscape, potentially obstructing the identification of risk patterns and connections.</p>	<p>To reduce information overload and redundancy, related risks should be consolidated wherever possible. For instance, within the domain of Human Resources, risks associated with staff engagement and staff shortage could be consolidated with those of retention. In the Leadership domain, the risk pertaining to strategic projects could be amalgamated with strategic alignment. Refer to Appendix A for additional considerations.</p> <p>By combining related risks, patterns and interrelationships between different risks can be identified. This will aid in strategic decision-making and planning, and provide a more holistic view of the risk environment.</p>

Recommendations

#	Issue noted by KPMG	Recommendation
4	Consulting with all key stakeholders and creating a high-level risk register	
	<p>As per the Board Manual, the Board sets the Risk Management Plan for the clinic and is responsible for ensuring that the risks inherent in the running of the clinic are minimized. However, through our discussions we noted that the Board may not be fully acquainted with the risk register, potentially limiting its capacity to oversee and manage the key risks facing the clinic.</p>	<p>In accordance with leading practices, it is recommended that management create a separate, high-level version of the risk register to allow the Board to concentrate their efforts on reviewing and managing the high-rated risks, particularly those related to the clinic’s strategic plan.</p> <p>The Board should prioritize high-rated risks from the risk register due to their potential significant impact. Detailed information about these risks, including impact, likelihood, mitigation strategies, and responsible parties, should be provided for informed decision-making. However, a summary of medium and low-rated risks as well as any newly added risks should also be provided to ensure comprehensive risk awareness.</p> <p>Furthermore, the Board should review the risk register on an annual basis to ensure that the clinic is aware of and prepared for potential risks as well as assess the effectiveness of mitigation strategies.</p>

Appendix A

Appendix A – Detailed comments

Below we have outlined some updates and revisions that management can consider incorporating into the risk register.

Risk domain	Risk profile	Risk	Comments
Financial	Costs	Due to variability of operations and services, actual costs may vary from budget. Possibility of being in a deficit or large surplus at the end of the fiscal year	Consider adding a risk around financial accounting, processing and reporting (e.g., errors in financial reporting, inefficiencies in financial processing and non-compliance with accounting standards). (Recommendation 1)
	Fraud	Fraud & theft	<ul style="list-style-type: none"> Consider adding risks around: (Recommendation 1) <ul style="list-style-type: none"> Asset safeguarding Staff misuse of the group benefits plan Inventory management processes and the Code of Conduct for employees should be incorporated as part of the mitigation strategy (Recommendation 2) The mitigation strategy should be updated for the Abuse and Neglect policy (i.e., whistle blower provisions) and expense reimbursement forms and procedures (Recommendation 2)
	Inefficiencies	<ul style="list-style-type: none"> Situations where policies and procedures are insufficient to offer guidance and consistent processes Insufficient staff knowledge/ competence 	<ul style="list-style-type: none"> This appears to be a rather broad risk and may be more closely related to and consolidated with Strategic Alignment (Recommendation 3) The mitigation strategy should be more specific and actionable (Recommendation 2)
	Revenue	<ul style="list-style-type: none"> Funding reduction from MOHLTC with little notice & inability to demonstrate value Having a large year end surplus 	<ul style="list-style-type: none"> The mitigating action should be articulated more precisely and consider a review or update of the strategy (Recommendation 2)

Appendix A – Detailed comments

Risk domain	Risk profile	Risk	Comments
Human Resources	Recruitment	<ul style="list-style-type: none"> Inability to recruit staff Unqualified/unlicensed staff & inadequate short-term staffing 	The mitigation strategy should be more specific and actionable and a timeline set in place for the implementation of the hiring checklist (Recommendation 2)
	Retention	<ul style="list-style-type: none"> Inability to retain staff Sudden departure of key staff 	<ul style="list-style-type: none"> Consider adding a risk around non-compliance with labor laws due to failure to appropriately compensate employees for overtime work and/or provide eligible benefits (Recommendation 1) Updates to mitigation actions: (Recommendation 2) <ul style="list-style-type: none"> The mitigating action should consider how to measure staff satisfaction (e.g., staff surveys) Cross training and partnerships with local schools for new, fresh talent could be potential mitigation actions Management should ensure that policies/procedures are up-to-date to facilitate staff knowledge transfer
	Physical Injuries	<ul style="list-style-type: none"> Poor ergonomics Improper handling of sharps Manual handling of heavy loads Misuse or failure of equipment Inadequate safety training - slips/trips/falls 	<ul style="list-style-type: none"> Consider updating the risk for incomplete health and safety training (Recommendation 1) Health and safety training and the incident response process should be included as part of mitigation activities (Recommendation 2)
	Staff Engagement	Compromised staff commitment to organization’s mission, vision and values.	<ul style="list-style-type: none"> This risk could be merged with Retention to avoid duplication (Recommendation 3)

Appendix A – Detailed comments

Risk domain	Risk profile	Risk	Comments
Human Resources continued	Staff Shortage	Inadequate short-term staffing. Suboptimal HR capacity to meet organizational duties	This risk could be merged with Recruitment or Retention to avoid duplication (Recommendation 3)
	Violence/Disruptive Behavior	Violent events involving colleagues and/or clients	This risk could be re-worded to hostile situations with clients, family and/or staff, where violence is the outcome (Recommendation 1)
Care	Access	Inability to provide continuity of care and or timely care	<ul style="list-style-type: none"> Consider adding a risk around the delivery of virtual care (Recommendation 1) Incorporate waitlist and cancellation/rescheduling monitoring into the mitigation strategies (Recommendation 2)
	Adverse Events/ Medication	Unintended harm to patient	Consider adding risks around: (Recommendation 1) <ul style="list-style-type: none"> Disparities in the patient experience and outcome of care due to unconscious bias (i.e., EDI considerations) Processing of mislabeled patient specimens
	Infection Prevention and Control	<ul style="list-style-type: none"> Infection from staff Infection from patients 	<ul style="list-style-type: none"> Consider adding a risk around cleaning/disinfection/sterilization failures (Recommendation 1) Update mitigation strategies with pandemic lessons learned (e.g., PPE usage, virtual appointments etc.) (Recommendation 2)
External Relations	MOHLTC Relations	<ul style="list-style-type: none"> Suboptimal relationship with Ministry representative Inability to understand local context 	Consider adding a risk around OHT affiliation (Recommendation 1)

Appendix A – Detailed comments

Risk domain	Risk profile	Risk	Comments
Facilities	Aging Maintenance	Aging infrastructure and ineffective maintenance	Consider adding risks around: (Recommendation 1) <ul style="list-style-type: none"> Flood/water damage, loss of heating or air-conditioning systems and fire with harm to patients, staff and/or visitors Potential requirement by the college for the current space (i.e., challenge of finding a suitable and affordable alternative location)
	Failure	<ul style="list-style-type: none"> Failure of vaccine fridge Failure of AED 	<ul style="list-style-type: none"> Consider adding risks around electrical failure, hazardous materials management and loss of water supply (Recommendation 1) Update mitigation strategies with any maintenance records and processes either through Public Health Ontario or the college (Recommendation 2)
IT	Breach/ Loss of Information	<ul style="list-style-type: none"> System breach Loss of information System/data held ransom 	Consider adding cyber as a risk with details around external security threats to critical systems or malicious activity to data, impacting clinical care and/or patient privacy (Recommendation 1)
	Failure	<ul style="list-style-type: none"> Networked systems EMR 	The mitigation strategies should be updated to include more detail around data retention, data loss prevention and the Disaster Recovery Plan (Recommendation 2)

Appendix A – Detailed comments

Risk domain	Risk profile	Risk	Comments
Leadership	Governance	<ul style="list-style-type: none"> • Inability to recruit board members with the right skillset • Inability to retain board members • Inability to have a proper succession plan for board members • Ineffective accountability processes • Insufficient reporting for board oversight and decision-making • Inability to align strategy • Inability to regularly review strategic plan • Inability to manage stakeholder relationship 	Refer to Recommendation 4 .
	Strategic Projects	<ul style="list-style-type: none"> • Deficiencies/failures in large scale projects • Excessive number of organizational priorities/projects which may fail due to lack of capacity in planning and execution 	<ul style="list-style-type: none"> • This risk could be merged with Strategic Priorities to avoid duplication (Recommendation 3) • Update mitigation activities with any project management procedures (Recommendation 2)

Appendix B

Appendix B – Staff involvement & documentation reviewed

Staff involvement

We undertook interviews in February to March 2024 to inform this work, including:

- Dominic Noel, Executive Director
- Ashley Gearing, Office & HR Administrator
- Theresa Scott, Algoma NPLC Board Chair
- Susan Schikofsky, Algoma NPLC Board Vice Chair
- Greg Hughes, President, Algoma Business Computers

Documentation reviewed

We received the following documentation over the course of our fieldwork:

- Algoma NPLC Risk Management Template
- 2022-2023 Financial Statements
- 2022 Strategic Plan
- New Board Member Orientation Checklist
- IT Disaster Recovery Policy and Business Continuity Plan
- Board Manual
- How to Check Fridge Temperature Procedure
- Cold Chain Process Procedure
- Incident/Accident Reporting Form
- Expense Report – Employee Reimbursement Form
- Professional Development and Training Policy
- Code of Conduct Policy
- Abuse and Neglect Policy
- Documentation related to the Board of Directors (e.g., policies and procedures, schedules, evaluations, terms of reference)



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