

Risk Management Policy

VG-P135

1. Document Control.

1.1. Document Approval

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2. Introduction

Vocare acknowledges that the services it provides and the way in which services are provided carry unavoidable and inherent risk. The identification and recognition of these risks together with the proactive management, mitigation and, where possible, elimination of these risks is essential for the efficient and effective delivery of safe and high-quality services.

Risk management is an integral part of the organisation's quality, governance and performance management processes. All staff have a role in considering risk and helping to ensure that it does not prevent the delivery of safe and high-quality services.

The Board with the support of its committees (see Section 2.5) has a key role in ensuring that there is a robust risk management culture and that the risk management system is effectively embedded and maintained across the organisation. This is evidenced by its strategy and plans, which set out its appetite and priorities in respect of the mitigation of risk.

2.1. Purpose

The purpose of this policy is to:

- Inform staff:
 - What risk and risk management is in the context of a healthcare organisation
 - Of the committees and staff groups that have responsibility for the management and mitigation of risk
 - Of the role of risk registers
 - About how risks are to be escalated through the organisation
- Set out how to provide assurances that effective risk management is being undertaken at all levels of Vocare
- Describe how information is used to identify risk patterns
- Describe how the organisation will learn lessons from themes identified from risks

2.2. Scope

This policy is an organisation-wide document and it applies equally to all members of staff, either permanent or temporary and to those working within or for the organization under contracted services including staff booked through agencies.

2.3. Definitions

Risk is the threat or possibility that an action or event will adversely or beneficially affect the organisation's ability to achieve its objectives. It is measured in terms of likelihood and impact (consequence).

Risk management is about the organisation's culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse events. The risk management process covers all methods involved in identifying, assessing and judging risks, assigning ownership, taking action to mitigate or anticipate them, and monitoring and reviewing progress.

Risk assessment is a systematic process of assessing the likelihood of something happening (frequency or probability) and the consequence if the risk actually happens (impact or magnitude).

Strategic risks are those that represent a threat to achieving the organisation's strategic objectives or

to its continued existence. They also include risks that are widespread beyond the local area and risks for which the cost of control is significantly beyond the scope of the local budget holder. Strategic risks must be reported to the Board of the Directors and should be managed at executive level, directly or by close supervision.

Operational risks are by-products of the day-to-day running of the organisation and include a broad spectrum of risks including clinical risk, financial risk (including fraud), legal risks (arising from employment law or health and safety regulation), regulatory risk, risk of loss or damage to assets or system failures etc.

Risk registers are repositories for electronically recording and dynamically managing risks that have been appropriately assessed. Risk registers are available at different organisational levels across Vocare.

Risk appetite is the type and amount of risk that the organisation is prepared to tolerate and explain in the context of its strategy.

Governance is the systems and processes by which the organisation leads, directs and controls its functions in order to achieve its organisational objectives, safety, and quality of services, and in which it relates to the wider community and partner organisations.

Internal controls are the organisation's policies, procedures, practices, behaviours or organisational structures to manage risks and achieve objectives.

Assurance is the confidence the organisation has, based on sufficient evidence, that controls are in place, operating effectively and its objectives are being achieved.

Action is a response to control or mitigate a risk.

Further definitions can be found in Appendix 1.

2.4. Responsibilities

Risk management is everybody's responsibility. Responsibilities for key staff are outlined below:

- The **Board of Directors** is responsible for ensuring the organisation has effective systems for managing risk.
- The **Managing Director** as the "accountable officer" has overall accountability for risk management within the organisation, ensuring the implementation and maintenance of a sound system of internal control including risk management.
- The **Managing Director** as Senior Information Risk Owner (SIRO) is the nominated executive lead to ensure the organisation's information risk is properly identified and managed and that appropriate assurance mechanisms exist.
- The **Director of Quality and Nursing** has a responsibility to ensure that the organisation has a robust Risk Management Strategy and policy in place, integrated with the organisation's strategic business plan and the organisation's governance structure. This includes ensuring that there is a robust and effective Board Assurance Framework.

- The **Risk Manager** has delegated responsibility for ensuring effective systems for risk management are in place across Vocare. The Risk Manager will support the Director of Quality and Nursing in the day to day management of the organisation's corporate risk register and Board Assurance Framework. The Risk Manager supports the review, development and embedding of the Risk Management Strategy and policy across the organisation to ensure that there is an effective risk management system in place.
- The **Risk Manager** and the **Health and Safety Manager as specialists** have a responsibility to:
 - Support and contribute to the development of the organisation-wide and regional risk management arrangements
 - Provide specialist advice to ensure compliance with statutory requirements and best practice
 - Be involved in the development of relevant policies and procedures
 - Identify and disseminate relevant new legislation and guidance
 - Share information and good practice
 - Support relevant investigations and reviews as required
 - Provide education and training
 - Participate in specialist risk related groups as required
- **Executive Directors and Regional Directors** have delegated responsibility for managing risks in accordance with their portfolios and as reflected in their job descriptions. For example, the Director of Finance has executive responsibility for financial governance and associated financial risks. They are responsible for ensuring effective systems for risk management, compatible with this Policy, are in place within their directorate/region. Specifically, they must ensure:
 - Suitably competent staff are identified to lead on risk management in the directorate/region and that their role and responsibilities are clearly understood
 - Staff are familiar with the Policy and aware of their responsibility for risk
 - Staff attend appropriate risk training (including induction and mandatory training)
 - Risks (strategic and operational) are effectively managed i.e. identified, assessed and that action plans to mitigate risks are developed, documented and regularly reviewed.
 - Service developments, business cases and capital plans are formally risk assessed
- **Regional Clinical Directors, and Regional Medical Directors** are responsible for working with their direct reports and with Regional Directors to ensure that effective systems for risk management are in place within their regions, and that their staff are aware of the Risk Management Policy. They have specific responsibility for the management of clinical risk in their region.
- **Clinical Service Managers, Lead Practitioners, Operations Managers, Service Managers and Operational Team Leaders** are responsible for ensuring effective systems for risk management are in place at service level.
- The **Regional Quality and Governance Managers** are responsible for coordinating risk management processes in the services in their regions and maintaining the regional Risk Register.
- All **Line Managers** are responsible for ensuring that their direct reports have completed mandatory training in health and safety and risk management as appropriate to their job role.
- All **Staff (including contractors and agency staff)** must ensure they are familiar and comply with the organisation's risk-related policies and relevant professional guidelines and standards. Management of risk is a fundamental duty of all staff. All staff must ensure that identified risks and incidents are reported in order to ensure appropriate actions are taken. These requirements extend to agency

staff.

All staff (including contractors and agency staff) should also comply with mandatory training requirements as they relate to risk management and health and safety.

- **Partner organisations and contractors** – specific risks identified in the organisation will be shared with any other relevant organisation working in partnership with Vocare.

2.5. Organisational Arrangements

The organisational management of risk forms part of the organisation's overall approach to governance. The key forums for the management of risk in Vocare are outlined below:

- **Board of Directors** - the Board is responsible and accountable for ensuring the organisation has effective systems and processes for managing risk. It approves the Risk Management Policy. It receives and reviews high-level and strategic risks via the Risk Report (reported monthly) and the Board Assurance Framework (reported monthly). In addition, it receives relevant risk reports from committees of the Board as outlined below.
- **Executive Team** – this is the executive directors of the Board. This group receives and review high level and strategic risks as required in between Board meetings.
- **Risk Management Committee** – the Risk Management Committee is a Board committee with responsibility for the organisational operational management of risk, ensuring that local systems and processes are in place and are operating effectively to ensure appropriate reporting and escalation. It reports directly to the Board. The Risk Management Committee meets on a monthly basis to review all risks with a score of 15 and above and in addition will have oversight of the management of all risks, through the Risk Manager's monitoring of the risk register. This committee also has responsibility for identifying organisational themes and trends in risk and identifying mitigating actions, for producing a monthly Risk Report for the Quality and Safety Committee and for the Board of Directors, and for sharing relevant learning from the risk management process.
- **Risk Validation Group** – this group is accountable to the Risk Management Committee and is responsible for: reviewing new and existing risks scored as 4 and above, validating the risk score and the grade; scrutinising and challenging the adequacy of the risk description, the controls and the mitigating action plan; and considering any cross-cutting issues and the implications for risk aggregation. Findings will be discussed with the risk owner and appropriate changes agreed. The group also reviews closed risks and considers the appropriateness of the decision to close. This group meets on a weekly basis.
- **Quality and Safety Committee** – the Quality and Safety Committee meets on a monthly basis and as part of its responsibilities will review the monthly Risk Report with a particular focus on clinical risks.
- **Regional Quality Meetings** – the regional Quality Meetings undertake a review of all regional risks with a particular focus on clinical risks.
- **Regional Board Meetings** – these meetings occur on a monthly basis and have responsibility for ensuring that their region has effective risk management systems and processes in place and that risks are regularly reviewed and updated on the risk register.
- **Health and Safety Committee** – has specific responsibility for health and safety risk management.

2.6. Risk Appetite

Risk appetite is the level of risk the Vocare Board deem acceptable or unacceptable based on the specific risk category and circumstances/situation being faced by the organisation. This allows the organisation to measure, monitor and adjust, as necessary the actual risk positions against the agreed risk appetite.

Risk Appetite Statement

Vocare recognises that its long-term sustainability depends upon the delivery of its strategic objectives and the quality of the services it provides to service users and to commissioners. As such Vocare will not accept risks that materially provide a negative impact upon the delivery of its strategic objectives or service quality.

In the context of the risk appetite statement and the aim to manage risks at the lowest level of the organisation Vocare has developed a risk appetite matrix which identifies where risks as determined by a risk score will be managed (Figure 1).

Risk Types	Risk Score	Management Level
Business Continuity	0-3	Service
	4 - 14	Region
	15 - 25	Risk Management Committee
Business Development	0 - 25	Board
Clinical	0-3	Service
	4-14	Regional Quality Group
	15 - 25	Quality and Safety Committee
Contractual	0 - 14	Region
	15 - 25	Risk Management Committee
Operational	0 - 14	Region
	15 - 25	Risk Management Committee
Facilities	0-3	Service
	4-14	Region
	15-25	Health and Safety Committee
Financial	0-14	Region
	15-25	Risk Management Committee
Fire	0-3	Service
	4-14	Region
	15-25	Health and Safety Committee
Governance	0-14	Regional Quality Group
	15-25	Quality and Safety Committee
Health and Safety	0-3	Service
	4-14	Region
	15-25	Health and Safety Committee
Human Resources	0-14	Region
	15-25	Risk Management Committee
Information and Communications Technology	0-14	Vocare Digital
	15-25	Risk Management Committee
Logistics Support	0-14	Region
	15-25	Risk Management Committee
Operational	0-3	Service

Risk Types	Risk Score	Management Level
	4-14	Region
	15-25	Risk Management Committee
Reputational	0-25	Executive Group/Board
Strategic	0-25	Board

Figure 1

3. Process

The Institute of Risk Management defines risk management as:

“The process which aims to help organisations understand, evaluate and take action on all of their risks with a view to increasing the probability of success and reducing the likelihood of failure”

The risk management process is made up of several interlinked activities which are undertaken in a systematic manner as shown in the process outlined in

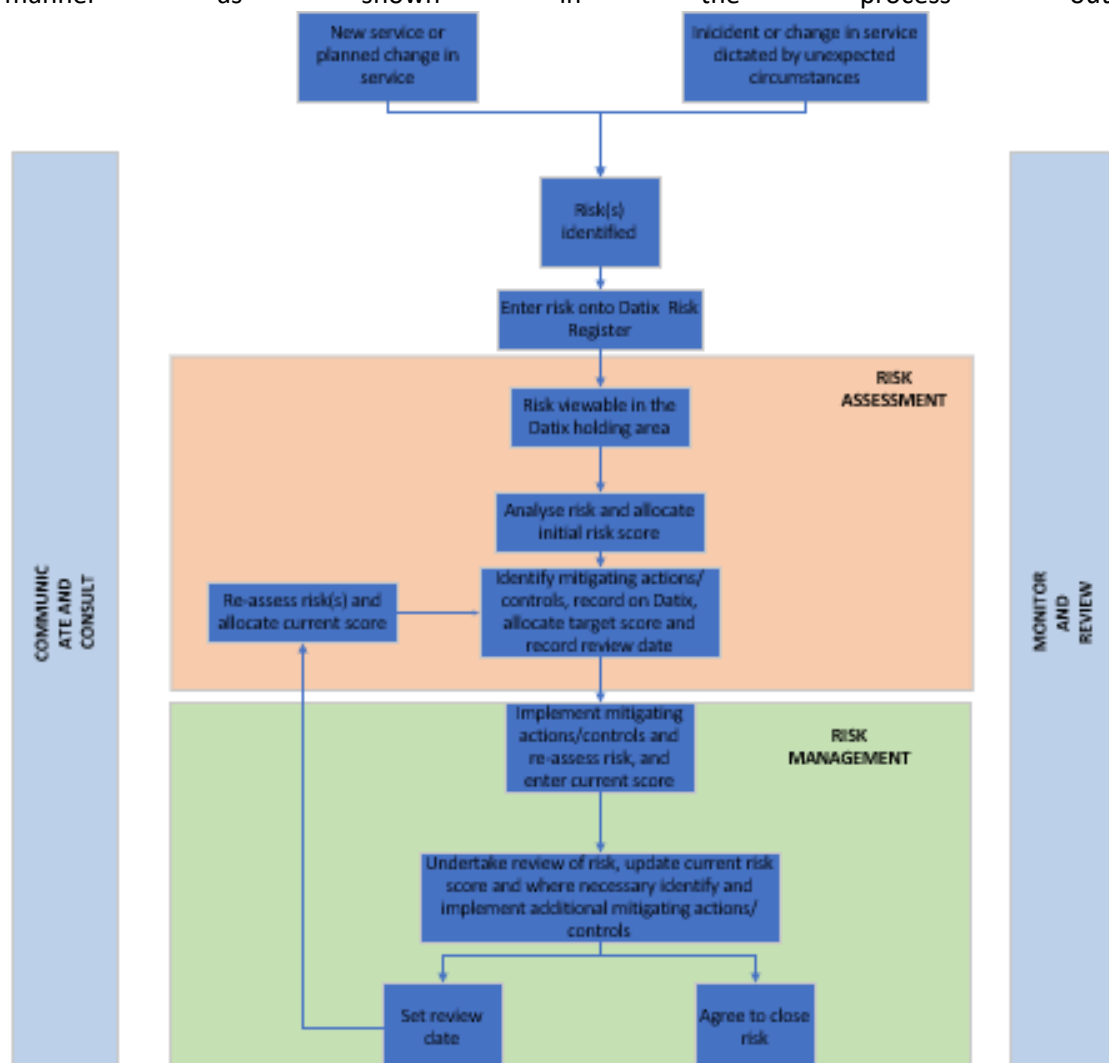


Figure 2. Further guidance on the risk management process is provided in Appendix 2.

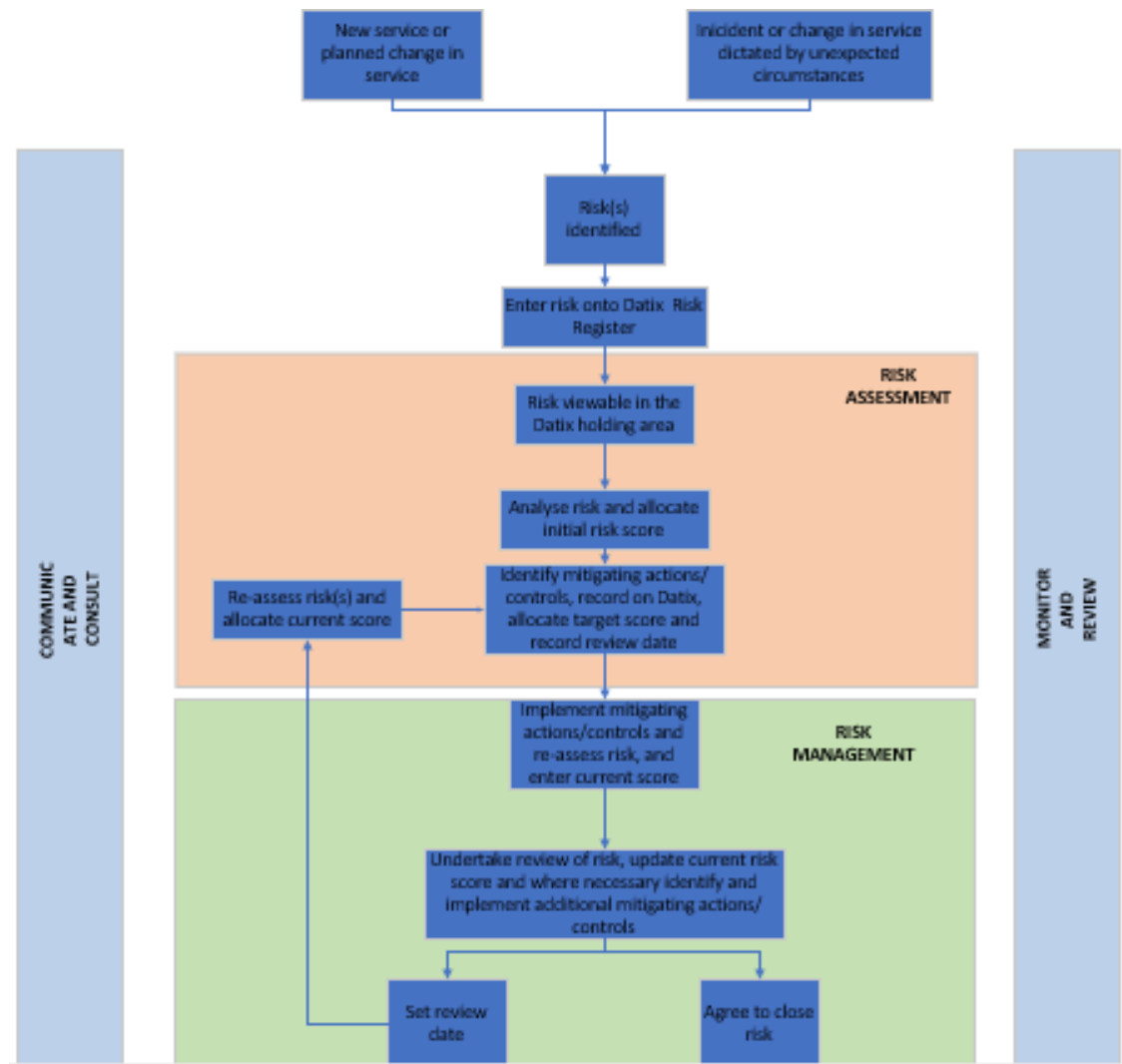


Figure 2

3.1. Identifying Risks

Risks facing the organisation will be identified from a number of sources including:

- Risk arising out of the delivery of day to day work related tasks or activities
- The review of strategic or operational ambitions
- As a result of an incident or the outcome of investigations following a complaint, claim or patient or other feedback
- As a result of health and safety inspections/assessments, external review or audit reports
- National requirements and guidance

3.2. Analysing Risks

The purpose of assessing and scoring a risk is to estimate the level of exposure to a particular risk. This helps to inform the actions that can be taken to reduce or better manage a risk. It also assists in identifying which risks should be escalated. When assessing a risk there is a need to consider:

- Who is affected and what the potential impact will be should the risk occur, that is how bad the consequences could be
- Estimate the likelihood of a risk occurring
- Consider whether this is a standalone risk or whether this could combine with other potential risks,

that is be aggregated

- Assess and score the exposure to the risk, noting that guidance is provided in Appendix 2
- Escalate to the line manager, governance team for further discussion and possible inclusion on the risk register

3.3. Allocating a Score

Risks are scored using a risk scoring matrix. The organisation has adopted a 5 x 5 matrix which takes account of the impact and likelihood of a risk occurring. Scoring of risk is a three-stage process as described below.

Stage 1 – evaluate the impact of a risk occurring using the template below.

Score	Impact Descriptor	Impact Description
1	Negligible/Insignificant	See Appendix 2 for further guidance
2	Minor	
3	Moderate	
4	Major	
5	Catastrophic	

Stage 2 – evaluate the likelihood that the risk will occur using the template below.

Score	Likelihood Descriptor	Likelihood Description
1	Negligible/Insignificant	May only occur in exceptional circumstances 0-9% chance of occurrence
2	Minor	Not expected, but could occur infrequently. 10-29% chance of occurrence
3	Moderate	May/will occur at some time 30-59% chance of occurrence
4	Major	Will probably occur, but not a persistent issue 60-89% chance of occurrence
5	Catastrophic	Likely to occur on many occasions, a persistent issue. 90-100% chance of occurrence

Stage 3 – calculate the score by multiplying the impact score by the likelihood score, that is:

IMPACT SCORE X LIKELIHOOD SCORE = RISK SCORE

		IMPACT/SEVERITY OF CONSEQUENCE				
		Insignificant/Negligible	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	5 Moderate Risk	10 High Risk	15 Extreme Risk	20 Extreme Risk	25 Extreme Risk
Likely	4	4 Moderate Risk	8 High Risk	12 High Risk	16 Extreme Risk	20 Extreme Risk
Possible	3	3 Low Risk	6 Moderate Risk	9 High Risk	12 High Risk	15 Extreme Risk
Unlikely	2	2 Low Risk	4 Moderate	6 Moderate	8 High Risk	10 High Risk

			Risk	Risk		
Rare	1	1 Low Risk	2 Low Risk	3 Low Risk	4 Moderate Risk	5 Moderate Risk

Each risk will be assigned three risk scores:

- **Initial Risk Score** – this is the score before any controls or mitigating actions are applied
- **Current Risk Score** – this is the risk score which reflects the risk once mitigating actions and controls have been implemented
- **Target Risk Score** – this is the score that is expected after improved actions and controls have been added

Further guidance of allocating a score is attached in the Risk Management Guidance in Appendix 2.

3.4. Mitigation, Controls and Action Planning

Where risk is identified the approach to managing it will also need to be identified; this can include:

1. The avoidance of the risk, that is by not proceeding with an action which will produce a risk
2. The removal/elimination of risk, by stopping the activity which has created the risk for example
3. The reduction of the likelihood of a risk occurring or should it occur the reduction of the potential impact of the risk occurring.
4. The transfer of the risk to another party, either in part or as a whole
5. The retention of the risk after it has been reduced or transferred even though there are residual risks

Where a risk remains to be managed actions are taken to mitigate the risk; this involves putting controls into place. Controls are actions which are put into place to eliminate or reduce an identified risk. Examples of controls include:

- a. Physical controls such as building design, alarm systems, staffing levels, equipment, contracts and service level agreements, transferring a patient to another service
- b. Procedural controls such as the use of safe systems of working, supervision arrangements, maintenance arrangements, policies and procedures, applying exclusion criteria for certain patients.
- c. Training on policies and procedures, on the correct use of equipment.

All controls/mitigating actions should be input into the action plan screen in Datix risk register module.

3.5. Escalation of Risks

Vocare supports staff to manage risk at the lowest and most appropriate level of the organisation. Risks should only be escalated when action is required outside of the control of the current owner. The process for risk escalation is shown in

RISK ESCALATION PROCESS

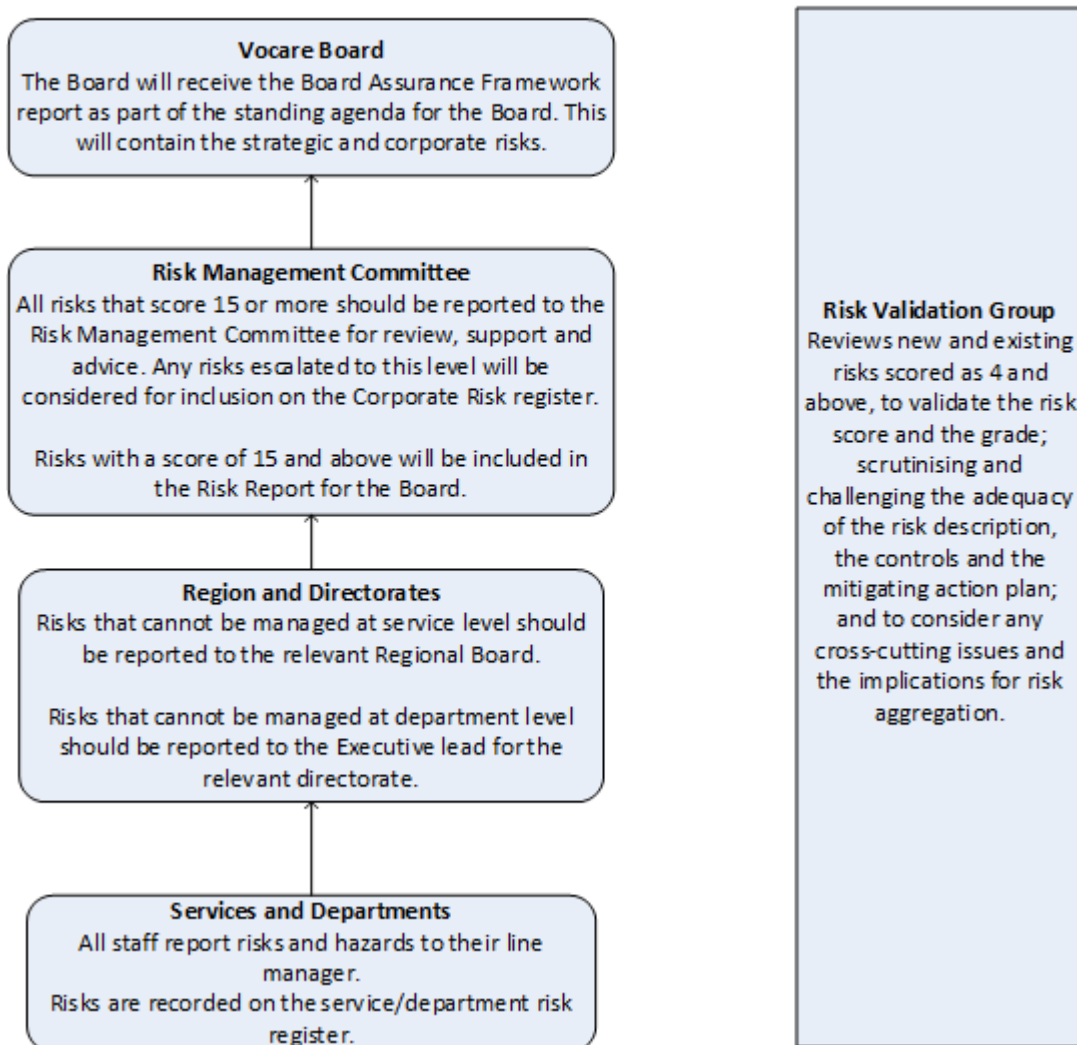


Figure 3.

RISK ESCALATION PROCESS

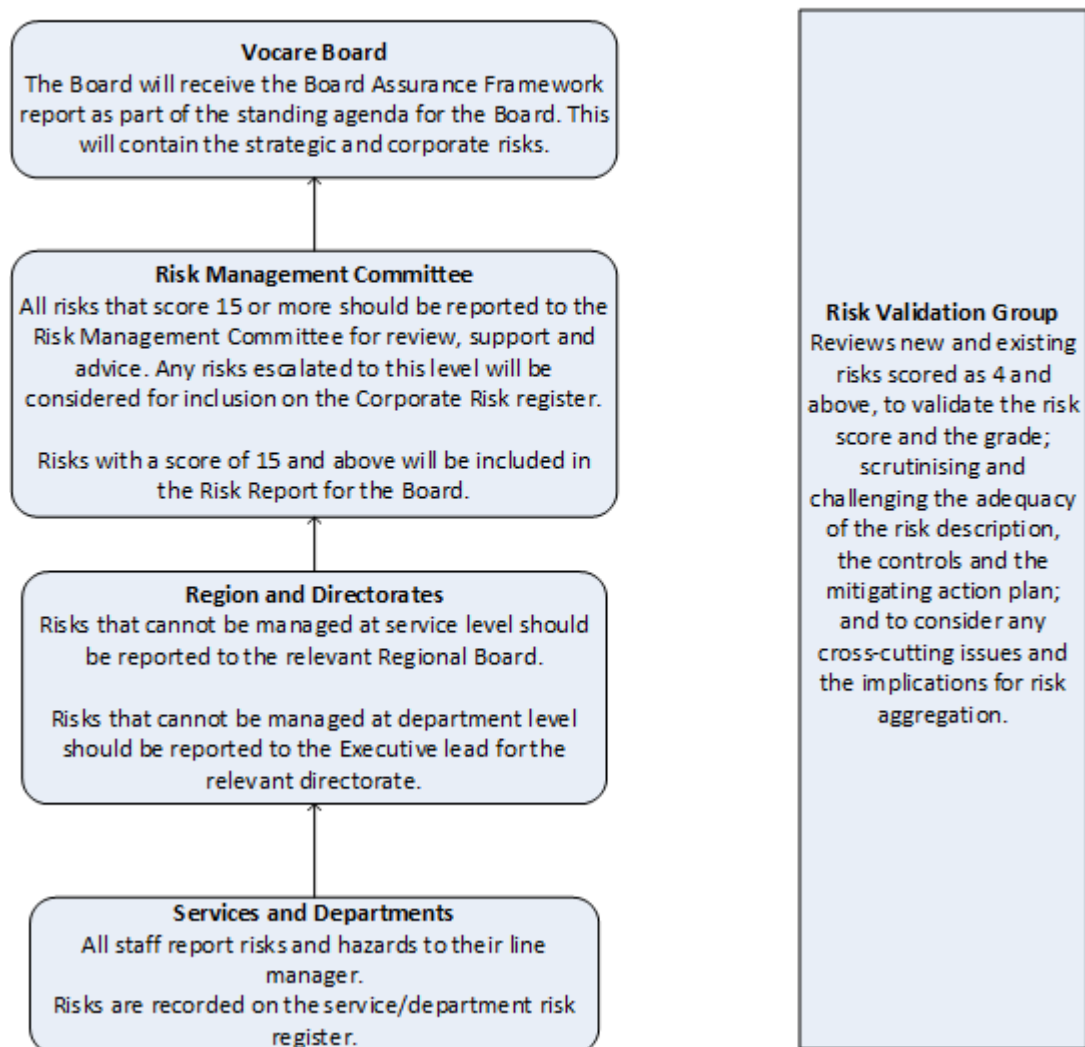


Figure 3

Further information on risk escalation is shown in Appendix 2.

The Board will review all strategic and corporate risks. The Risk Management Committee will review all risks of 15 and over.

3.6. Risk Review

Risks should be reviewed after controls have been put into place; this will produce a current risk score. A review date should be set for all risks. The review date will be determined by the risk score, with the risks with the highest score being reviewed more frequently and the lowest less frequently. Review dates will be entered onto the risk register module of the Datix system.

4. Risk Register

All risks will be recorded on the Datix system. This will provide the organisation with one integrated risk

register which can be interrogated to provide reports for the various groups, committees and the Board depending on their responsibility for monitoring and managing risk (as outlined in Section 2.5).

There will inevitably be occasions when the Datix system may be unavailable for technical reasons. In this instance risks may be recorded on the template in Appendix 3.

5. Training

All staff are required to undertake health and safety training on line as part of their induction to the organisation and on a periodic basis as part of mandatory training. Risk management training will form part of mandatory training for all clinical and operational managers.

Risk management training, guidance and advice is provided by the Risk Manager, the Health and Safety Manager and the Head of Clinical Governance.

6. Monitoring

Monitoring of compliance with this policy will be undertaken on a day to day basis by the Risk Manager who will discuss any issues arising from it with the relevant Regional Directors (including Regional Clinical Directors and Regional Medical Directors), Heads of Department and if necessary reporting to the Director of Quality and Nursing.

7. Associated Documents

This policy should be read in conjunction with the following documents:

- P130 Health and Safety Policy V2.07
- V-HS 650 COSHH Policy V1.01
- V-HSP 624 Lone Worker Policy V2.00
- Assurance of New and Changed Services Standard Operating Procedure

8. References

Baker, Tilley, Board Assurance Framework Toolkit
NHS Provider Risk Management Guidance, 2016

9. Appendices

Appendix 1 – Definitions
Appendix 2 - Risk Management Guidance
Appendix 3 – Risk Register Template

Appendix 1 – Definitions

Term	Definition
Action	A response to control or mitigate risk
Action Plan	A collection of actions that are specific, measurable, achievable, realistic and targeted
Assessment	A review of evidence leading to the formulation of an opinion
Assurance	Confidence based on sufficient evidence that internal controls are in place, operating effectively and objectives are achieved.
Board Assurance Framework/Corporate Risk Register	A document setting out the organisation's strategic objectives, the risks to achieving them, the controls in place to manage them and the assurance that is available.
Control	Action taken to reduce the likelihood and or impact a risk
Current risk score	The risk score with controls/mitigations in place
Escalation	Referring an issue to the next appropriate management level for resolution, action or attention
Frequency	A measure of the rate of occurrence of an event
Gaps in control	Actions to be put in place to manage risks and achieve objectives
Governance	Is the systems and processes by which the organisation leads, directs and controls its functions in order to achieve its organisational objectives, safety, and quality of services, and in which it relates to the wider community and partner organisations.
Impact	The result of a threat or opportunity
Internal audit	The team responsible for evaluating and forming an opinion on the robustness of the system of internal control
Internal controls	Are the organisation's policies, procedures, practices, behaviours or organisational structures to manage risks and achieve objectives.
Initial risk score	The score on identification before any controls or mitigating actions are implemented
Likelihood	A qualitative measure/description of probability or frequency of any negative impact, financial or otherwise
Mitigation	Actions taken to reduce the risk or the negative impact of the risk
Operational risks	Are by-products of the day-to-day running of the organisation and include a broad spectrum of risks including clinical risk, financial risk (including fraud), legal risks (arising from employment law or health and safety regulation), regulatory risk, risk of loss or damage to assets or system failures etc. Operational risks can be managed by the region, department or directorate which is responsible for delivering services.
Risk	The threat or possibility that an action or event will adversely or beneficially affect the organisation's ability to achieve its objectives. It is measured in terms of likelihood and consequence
Risk appetite	The type and amount of risk that the organisation is prepared to tolerate and explain in the context of its strategy.
Risk assessment	Is a systematic process of assessing the likelihood of something happening

Term	Definition
	(frequency or probability) and the consequence if the risk actually happens (impact or magnitude).
Risk management	Is about the organisation's culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse events. The risk management process covers all processes involved in identifying, assessing and judging risks, assigning ownership, taking action to mitigate or anticipate them, and monitoring and reviewing progress.
Risk matrix	A grid that cross references impact against likelihood to provide an overall risk score.
Risk owner	The person/group responsible for the management and control of all aspects of individual risks
Risk rating	The total risk score worked out by multiplying the impact score and the likelihood score on the risk matrix
Risk registers	Are repositories for electronically recording and dynamically managing risks that have been appropriately assessed. Risk Registers are available at different organisational levels across Vocare.
Risk tolerance	The boundaries of risk taking outside of which the organisation is not prepared to go
Strategic risks	Are those risks that represent a threat to achieving the organisation's strategic objectives or to its continued existence. They also include risks that are widespread beyond the local area and risks for which the cost of control is significantly beyond the scope of the local budget holder. Strategic risks must be reported to the Board of the Directors and should be managed at executive level, directly or by close supervision.

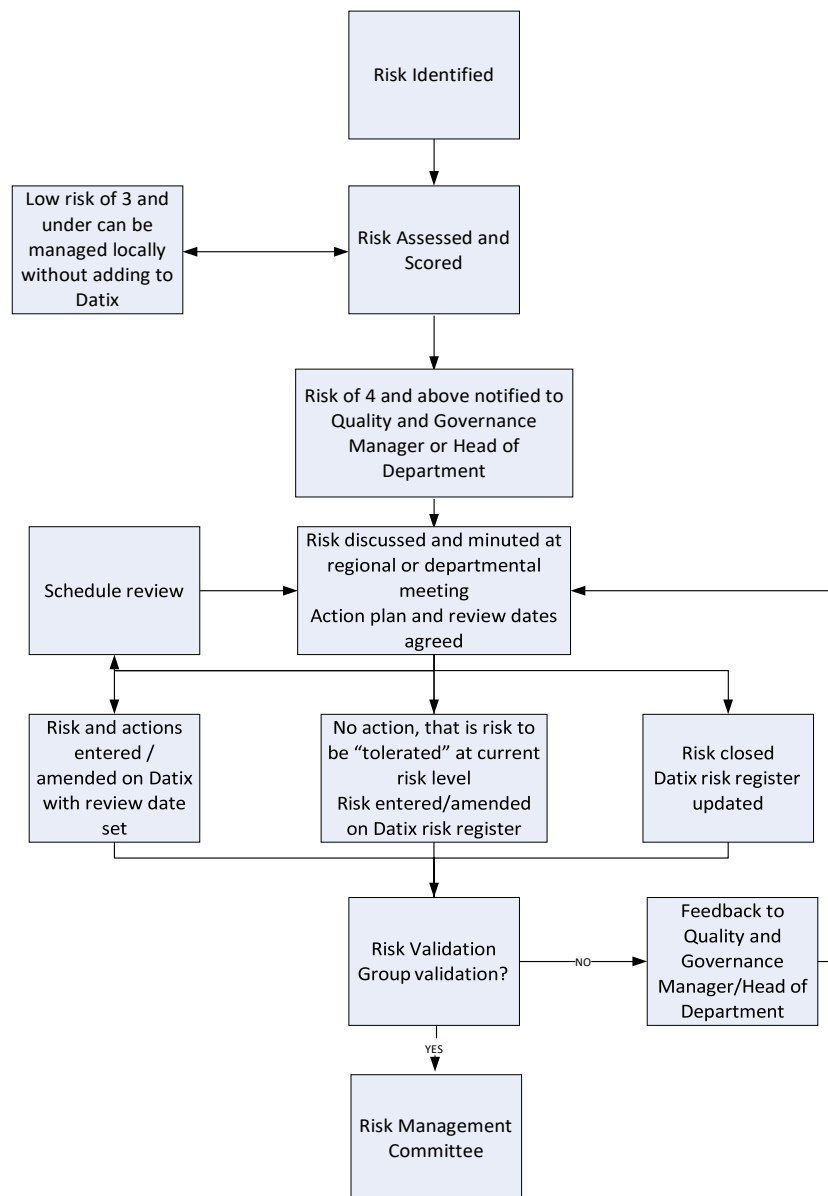
Appendix 2 – Risk Management Guidance

1. Introduction

Risk management covers all processes involved in identifying, assessing and rating risks, assigning ownership, taking actions to mitigate or anticipate risk and monitoring and reviewing progress.

In order for Vocare to manage and control the risks it faces it needs to identify and assess them. This document provides a step by step guide to help staff undertake risk management systematically and will ensure consistency across the organization.

The following flowchart gives an overview of the risk management process.



2. Identifying a Risk

There is no unique method for identifying risks. In practice most people will be identifying and assessing risks as they go about their normal activities. Examples of this are deciding when to get up to avoid being late for work or assessing whether or not to lift a heavy box.

Risks may be identified in a number of ways and from a variety of sources, for example:

- Risk assessment of everyday clinical and operational activities, especially where there is a change in a working practice or the environment
- Clinical risk assessments
- Environmental/workplace risk assessments
- Risk assessment as part of the organisation's business – at all levels of the organization
- Annual planning cycle
- Performance management of key performance indicators
- Internal risk assessment processes e.g. requirements to assess risk as part of the development and approval of policies, procedures, strategies and plans
- Claims, incidents (including serious incidents), complaints, feedback from patients, the public and other healthcare providers
- Organisational learning
- External reviews, visits, inspections and accreditation e.g. Care Quality Commission, Health and Safety Inspections, Fire Inspections, external consultant reports
- Information Governance Toolkit
- Staff and patient surveys
- National recommendations including confidential enquiries, serious case reviews, safety alerts, NICE guidance
- Internal and external audit
- Clinical audits
- Information from partner organisations
- Environmental scanning of future risks (which may identify both opportunities and threats)

This list is not exhaustive. In general, the more methods that are used the more likely it is that risks will be identified.

There are two phases to risk identification:

- Initial Risk identification - relevant to new services, new techniques, projects. Such risks should normally be identified as part of an assurance process where potential risks are proactively identified, assessed and managed.
- Continuous Risk Identification – relevant to existing services and should include new risks or changes in existing risks. The identification of these types of risk are more likely to be in reaction to an incident or to some new information or external change such as new guidance or legislation.

3. Describing the Risk

A recognised problem in risk management is failure to properly describe the risk. Common problems include:

- Describing the impact of the risk rather than the risk itself
- Defining the risk as a statement of the not achieving the objective because of an absence of

controls

A simple tip is to describe the risk in terms of cause and effect. The table below provides an example of this.

Objective: To travel from Vocare House to Staffordshire House to chair a meeting at 12:00.		
Risk Description	Correct/Wrong	Comment
Failure to get from Vocare House to Staffordshire House for a meeting at a certain time	Wrong	This is simply stating that there will be a failure rather than describing what risk will cause the failure to be there on time
Being late and missing the start of the meeting	Wrong	This is a statement and not the impact of the achievement of the objective (being on time to chair the meeting)
Not able to stop to get food on the way so I was hungry	Wrong	This does not impact on the achievement of the objective
Speed limits of 50 in the road works will cause me to miss the start of the meeting	Correct	This is a risk that can be controlled by ensuring that enough time is allowed to allow for any delays en route
Severe weather and adverse road conditions prevents my getting to the meeting	Correct	This is a risk which cannot be controlled but against which a contingency plan could be developed, travelling the day before or setting off much earlier, or putting the meeting back for example.

4. Assessing the Risk

Having identified and described the risk, the next step is to assess the risk. This allows for the risk to be assigned a standard rating which determines what actions (if any) need to be taken.

Ideally, risk assessment is an objective process and wherever possible should draw on independent evidence and valid quantitative data. However, such evidence and data may not be available and assessor(s) will be required to make a subjective judgement. When facing uncertainty, the assessor(s) should take a precautionary approach, that is applying a higher risk score in preference to a lower one.

The risk assessment should be undertaken by someone competent in the risk assessment process and should involve staff familiar with the activity being assessed. Depending on the severity of the risk, the Regional Director should be notified. External assessors or experts (health and safety for example) should be involved or consulted, as appropriate.

Risks are assigned a score based on a combination of the likelihood of a risk being realised and the impact (consequence) if the risk is realised.

The organisation uses three risk scores:

1. **Initial Risk Score** – this is the score that is allocated when the risk is first identified and is assessed with existing controls in place. This score remains in place as an initial score and is used to benchmark against in order to demonstrate changes resulting from the risk management process.

2. **Current Risk Score** - this is the score at the time the risk was last reviewed. It is expected that the current risk score will reduce and move toward the Target Risk Score (see below) as action plans to mitigate the risks are developed and implemented.
3. **Target Risk Score** - this is the score that is expected after the action plan has been fully implemented.

Assessing a risk to enable a score to be allocated is undertaken in three steps:

Stage 1 – evaluate the impact of a risk occurring using the templates below.

Score	Impact Descriptor	Impact Description
1	Negligible/Insignificant	See below for further guidance
2	Minor	
3	Moderate	
4	Major	
5	Catastrophic	

Domain	Consequence Score and Descriptor				
	1	2	3	4	5
	Insignificant	Minor	Moderate	Major	Catastrophic
Patient/Public/Staff Care/Injury	Minimal Near miss	Near miss with potential for harm e.g. cuts/bruises Less than 3 days absence from work	Significant effect on care Significant injury More than three days absence from work (reportable to HSE)	Critical impact on care Permanent disability Reportable to HSE	Life threatening Fatality Multiple life threatening Multiple fatalities
Financial Impact	Up to £50,000	£50,000 to £500,000	£50,000 to £1m	£1m to £5m	Over £5m
Organisational Impact	Within service/department only No impact on service but potential for future impact	Local press interest with less than one day's coverage Minor impact on service with potential for future impact	Regional concern Local media interest with less than 7 days coverage Loss of some local service	NHS Executive concern National media with less than 7 days coverage Loss of service(s) affecting more than one region	National media coverage of over 7 days duration Questions in the House of Commons International media coverage Loss of critical area which impacts on other services/department Major disruption to organisation's services
Litigation	Potential for litigation	Minor cost Court attendances	Civil action which is defensible CQC/HSE Improvement Notice	Civil action with no defense HSE Prohibition notice CQC Notice of Proposal	Criminal prosecution with no defence
Quality	Minor non-compliance	Single failure to meet internal standard	Failure to meet professional standards	Failure to meet professional standards	Failure to meet national standards
Human Resources	Short term low staffing level which temporarily reduces service quality	Ongoing low staffing level which reduces service quality	Late delivery of key objectives/services due to lack of staff (as a result of recruitment, retention or sickness/absence)	Uncertain delivery of key objectives/services due to lack of staff Serious error due to insufficient training	Non-delivery of key objectives/services due to lack of staff. Very high staff turnover. Critical error due to insufficient training

Domain	Consequence Score and Descriptor				
	1	2	3	4	5
	Insignificant	Minor	Moderate	Major	Catastrophic
Service/ Business Interruption	Loss/ interruption of more than 1 hour	Loss/ interruption of more than 8 hours	Loss/ interruption of more than a day	Loss/ interruption of more than a week	Permanent loss of service or facility
Information Governance	Minor breach of confidentiality affecting 5-20 people. No significant reflection on any individual or body. Media interest unlikely.	Potentially a serious breach affecting between 5-20 people. Loss of encrypted files. Damage to an individual's reputation. Possible media interest.	Potentially a serious breach. Between 20 and 100 people affected. Loss of unencrypted files. Damage to an individual's or team's reputation. Local media interest that may not go public.	Serious breach with up to 1000 people affected. Loss of sensitive data. Damage to the organization's reputation Local media coverage.	Serious breach with potential for ID theft. Over 1000 people affected. Damage to the NHS's reputation. National media coverage.
External Inspection/ Audit	Minor recommendations. Minor non- compliance with standards.	Recommendation s given. Non-compliance with standards.	Reduced rating. Challenging recommendations. Non-compliance with core standards.	Enforcement action Low rating Critical report Multiple challenging recommendations Major non- compliance with core standards	Prosecution. Zero rating. Severely critical report

Stage 2 – evaluate the likelihood that the risk will occur using the template below.

Score	Likelihood Descriptor	Likelihood Description
1	Negligible/Insignificant	May only occur in exceptional circumstances 0-9% chance of occurrence
2	Minor	Not expected but could occur infrequently. 10-29% chance of occurrence
3	Moderate	May/will occur at some time 30-59% chance of occurrence
4	Major	Will probably occur, but not a persistent issue 60-89% chance of occurrence
5	Catastrophic	Likely to occur on many occasions, a persistent issue. 90-100% chance of occurrence

Likelihood can be scored considering: 1. How many times the consequence (impact) being assessed will actually occur or 2. The chance the consequence (impact) being assessed will occur in a given period. The table below shows this.

Descriptor	Score	Frequency	Probability
Rare	1	This will probably never happen/recur	>1 in 100,000
Unlikely	2	It is not expected to happen/recur, but it is possible	>1 in 10,000
Possible	3	It might happen/recur occasionally	>1 in 1,000
Likely	4	It might happen/recur, but it is not a persistent issue	>1 in 100
Almost Certain	5	It will undoubtedly happen/recur, possibly frequently	>1 in 10

Stage 3 – calculate the score by multiplying the impact score by the likelihood score, that is, **IMPACT SCORE X LIKELIHOOD SCORE = RISK SCORE** as shown in the table below.

		IMPACT/SEVERITY OF CONSEQUENCE				
LIKELIHOOD		Insignificant/Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	5 Moderate Risk	10 High Risk	15 Extreme Risk	20 Extreme Risk	25 Extreme Risk
Likely	4	4 Moderate Risk	8 High Risk	12 High Risk	16 Extreme Risk	20 Extreme Risk
Possible	3	3 Low Risk	6 Moderate Risk	9 High Risk	12 High Risk	15 Extreme Risk
Unlikely	2	2 Low Risk	4 Moderate Risk	6 Moderate Risk	8 High Risk	10 High Risk
Rare	1	1 Low Risk	2 Low Risk	3 Low Risk	4 Moderate Risk	5 Moderate Risk

It might be appropriate to assess more than one domain of consequence as this may give differing scores. Where there are multiple potential consequences of a risk, the highest score should be used as the overall score.

The Risk Validation Group will review all risks with a score of 4 and above. The involvement of the Risk Validation Group provides quality assurance of the risk management process.

5. Rating the Risk

Rating risks makes it easier to understand the service, region, department and organisation-wide profile. It provides a systematic framework to clearly identify the level at which risks will be managed and overseen in the organisation. It also allows actions and resources to address risk to be prioritised. In addition, it identifies

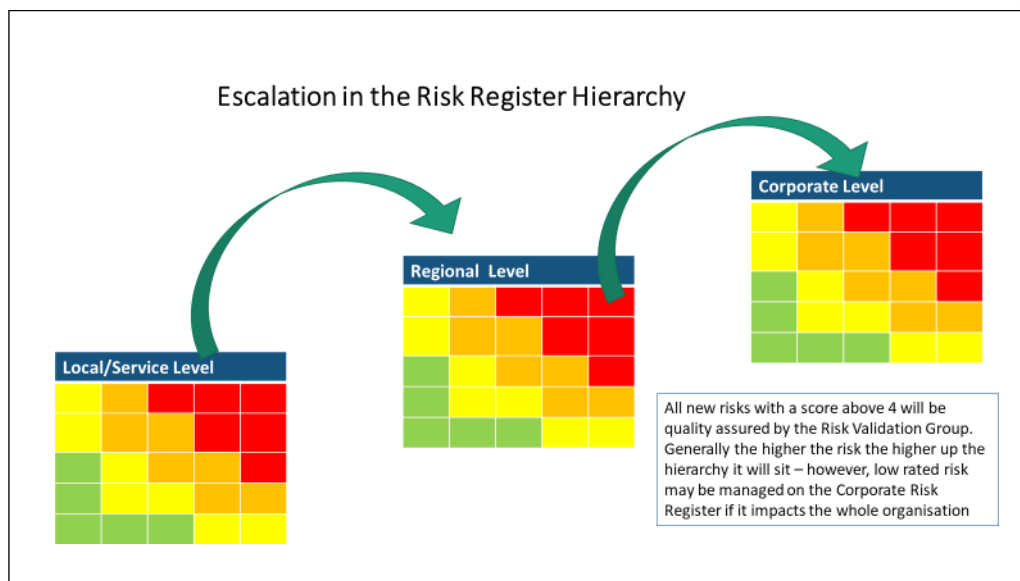
which risks should be included on the corporate risk register.

The table below provides guidance on registering risks, the urgency of actions to mitigate risk and clarifies the reporting and oversight arrangements.

Scores	Risk Grade	Responsibilities and Accountability
1 - 3	Low	<ul style="list-style-type: none"> Registering risks of this level on the risk register is at the discretion of the line manager The risk and any actions to mitigate risk will be monitored at the Regional Quality Group or Department Meeting
4 - 6	Moderate	<ul style="list-style-type: none"> Risk will be recorded on Datix New risks should be reported to the Regional Board/Regional Quality Group The Risk Validation Group will review all new risks with a score of 4 and above
8 - 14	High	<ul style="list-style-type: none"> Risk will be recorded on Datix New risks should be reported to the Regional Board/Regional Quality Group The Risk Validation Group will review all new risks with a score of 4 and above The action plan should include urgent action to address the risk Monitoring of high risks will be undertaken by the Regional Board/Regional Quality Group
15- 25	Extreme	<ul style="list-style-type: none"> Risk will be recorded on Datix The Risk Validation Group will review all new risks with a score of 4 and above New extreme risks should be reported to the Risk Management Committee who reports to the Board The action plan should include immediate action to address the risk Monitoring of high risks will be undertaken by the Risk Management Committee The Board will review progress on extreme risks via the Risk Report and the Board Assurance Framework

6. Recording the Risk

The organisation uses tiered integrated risk registers which ensures that risks are managed, escalated and reported to the appropriate organisational level (see below).



The current hierarchy of risk registers is:

1. Service Level
2. Regional/Departmental Level
3. Organisational Level
4. Strategic Level

All risks that have been identified should be entered onto the risk register in the Datix system. It is important that all risks are accurately recorded in Datix with all relevant fields completed. This ensures that risks are reviewed at the correct level (see Section 5), are escalated appropriately and monitored. For this reason, risks should only be entered onto the Datix system.

As a minimum the risk register should include:

- A description of the risk and existing controls
- The source of the risk
- The risk owner
- The initial, current and target risk scores
- The action plan
- The review date (which will be no longer than 12 months)

All risks with a score of 4 and above will be reviewed by the Risk Validation Group. This group is accountable to the Risk Management Committee and is responsible for: reviewing new and existing risks scored as 4 and above, validating the risk score and the grade; scrutinising and challenging the adequacy of the risk description, the controls and the mitigating action plan; and consider any cross-cutting issues and the implications for risk aggregation. Findings will be discussed with the risk owner and appropriate changes agreed. The group also reviews closed risks and considers the appropriateness of the decision to close. This group meets on a weekly basis.

In the event that the Datix system is unavailable and a risk needs to be recorded this can be done using the template in Appendix 3.

7. Addressing the Risk

Having identified, assessed, scored and rated the risk the next step is to decide and document what action will be taken in response to the identified risk. The response should describe how the Target risk score will be achieved.

In general, there are four potential responses to address a risk, commonly known as the “4 Ts”:

- **Tolerate** – the risk may be considered tolerable without the need for further mitigating action, for example if the risk is rated as “LOW” or if the organisation’s ability to mitigate the risk is constrained or if taking action would be too costly.
- **Treat** – this is the most common response to managing a risk. It allows the organisation to continue with the activity which has presented the risk, whilst at the same time taking mitigating action to reduce the risk to an acceptable level, that is as low as reasonably practicable. In general, action plans will reduce the risk over time but may not eliminate it.

It is important that mitigating actions are proportionate to the identified risk and give reasonable assurance to the organisation that the risk is being reduced to an acceptable level.

Action plans must be documented on Datix, have an owner and progress monitored by the appropriate team (see Section 5).

- **Transfer** – Risks may be transferred for example by conventional insurance or by sub-contracting a third party to take the risk. This option is particularly suited to mitigating financial risks or risks to assets.

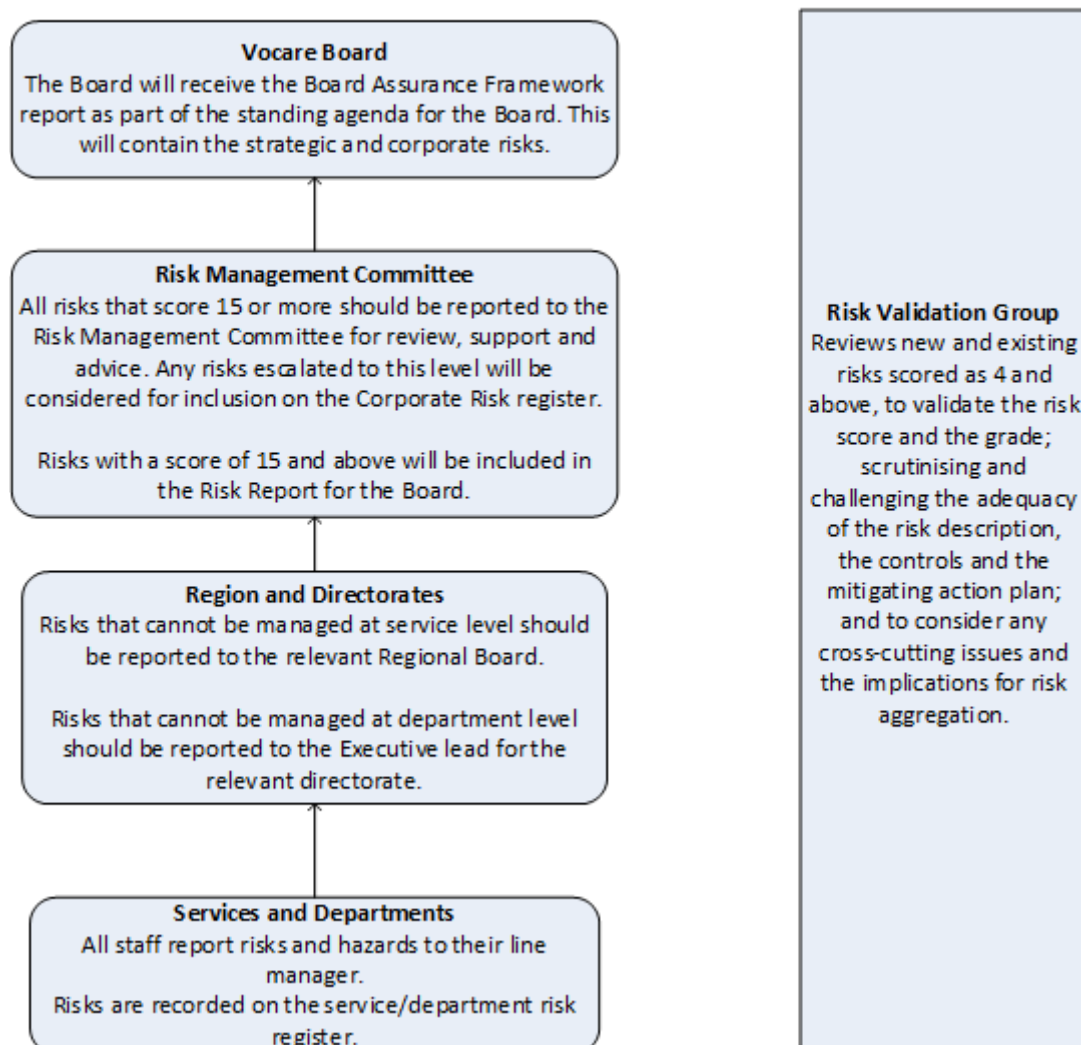
It is important to note that reputational risks cannot be fully transferred.

- **Terminate** – the only response to some risks is to terminate the activity giving rise to the risk or by doing things differently. This option may be limited in healthcare where many of the activities that carry significant associated risks are deemed necessary for the public benefit.

8. Escalating a Risk

Risks must be escalated in line with the Risk Management Policy. Whilst the aim is to manage risk at the lowest level of the organisation there is also a need for oversight of risk at regional, department and board level as shown in the risk process flow chart below.

RISK ESCALATION PROCESS



This provides an opportunity for scrutiny and challenge and also allows for consideration of where the management of the risk best lies.

9. Risk Aggregation

Ensuring appropriate aggregation of common risks is a key challenge in an organisation like Vocare where services and departments are geographically spread. Many services and departments may face similar risks which may be rated as low risk when looked at in isolation. Using the example of shortage of clinical staff, where this is a risk in multiple sites and the scores are aggregated the potential impact is likely to be much higher and may need escalation and a broader plan of action.

Forums reviewing risks (Regional Boards, Department Meetings, Risk Validation group, Risk Management Committee, Board) must continually consider the potential for risk aggregation when reviewing new risks.

Where an aggregated risk is identified a new risk should be created and a new risk assessment undertaken. The aggregated risk will supersede the previous risks which should be closed on Datix to enable the new action plan to be monitored. The Risk Validation Group will consider the implications for risk aggregations and will report these on to the Risk Management Committee and Board.

10. Reviewing the Risk Register

Risks registered on Datix must specify when the current risk score, action plan and target risk score will be reviewed. It is expected that as action plans are progressed the current risk score will move towards the target risk score and may be closed if the risk has been eliminated or if the risk remains, but all mitigating action has been taken and it has been agreed that the risk will now be tolerated.

A new risk assessment form in Datix will be completed for all subsequent reviews and linked to the original risk.

10.1. Responsibilities

1. Service Level

The Regional Directors are responsible for the management and maintenance of service level risk registers. This responsibility is normally delegated to the clinical and operational leads for the service. Services should review their registers on a monthly basis.

2. Regional/Departmental Level

The Executive Directors are responsible for the management and maintenance of clinical and corporate risk registers. This responsibility is normally delegated to the Regional Director, Regional Medical and Regional Clinical Director, or to Heads of Department as appropriate. Regions and Departments should review their registers on a monthly basis.

3. Organisational Level

The Managing Director is responsible for the management and maintenance of the corporate risk register although this delegated to the Director of Quality and Nursing and Risk Manager. A monthly report of corporate risks will be reviewed by the Board on a monthly basis.

4. Strategic Level

The Chief Executive is responsible for the management and maintenance of the strategic risk register although this delegated to the Managing Director. A monthly report of strategic risks will be reviewed by the Board on a monthly basis.

11. Quality Assurance

Quality Assurance of the risk registers will be secured through a number of mechanisms:

- On-going oversight by the Risk Validation Group
- Random detailed reviews of risk scoring and action plans, appropriate escalation and aggregation and ensuring that all risks remain in date

Further guidance if required is available from the Department of Quality, Compliance and Assurance.

Appendix 3 – Risk Register Template

Service/Department/Directorate/Corporate
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Date:	Risk Recorder:
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Risk:

Initial Risk Rating	Impact	Likelihood	Score	Rating

Controls/Mitigation (what is being done to reduce/eliminate the risk)	Assurances/evidence (how will we know the controls/mitigation is making a difference?)	Gaps in Controls/Assurance (actions to be taken to achieve target risk)

Current Risk Rating (rating with controls and mitigating actions in place)	Impact	Likelihood	Score	Rating

Target Risk Rating (after all controls are in place)	Impact	Likelihood	Score	Rating

Risk Owner:	Next Review Date:
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