



RISK MANAGEMENT STRATEGY

APRIL 2004

RISK MANAGEMENT STRATEGY

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1. BACKGROUND

In March 2000, HRRI/St Paul were commissioned to:

- Develop a comprehensive Risk Management Strategy document for use by Boards;
- Prepare an overall model Action Plan through which to implement the Strategy in each Board;
- Devise a model Education and Training Programme by which to launch the Strategy in each Board.

The original Risk Management Strategy (*February 2002*) was based on the work carried out by HRRI and outlined a practical framework to be used by Health and Social Services Boards, in taking forward the Risk Management agenda. It was also a central theme of HRRI's work that each Board would build on the document and would work in collaboration, with the other Boards and health and social care organisations, to secure effective Risk Management and Controls Assurance.

In June 2002, the Department issued guidance setting out details in relation to the expansion of the Statement of Internal Control. Also included, was guidance on the Controls Assurance process which essentially provides evidence that HPSS organisations are doing their reasonable best to manage themselves so as to meet their objectives and protect patients, staff, the public and other stakeholders, against risk of all kinds. The Department took advantage of work already done within the NHS Controls Assurance Project and in the first instance identified 6 key areas to be focused on, with Risk Management being one of the core standards, to be implemented with immediate effect.

In July 2002, the Department of Health, Social Services and Public Safety (DHSS&PS) advised that it had decided to adopt a common Risk Management model, for itself and all of its associated bodies. In order to take advantage of the pioneering work already underway in England, the Department chose the same internationally recognised Standard, AS/NZS 4360:1999, already in use by the NHS. This is the same standard that the Board had decided to adopt and had been incorporated in the Board's original Risk Management Strategy (*February 2002*).

In January 2003, the Department issued guidance to enable the process of developing and implementing Clinical and Social Care Governance arrangements, within Health and Social Services organisations. One element of the guidance advised that HPSS organisations must designate a Committee, to be responsible for the oversight of the Clinical and Social Care Governance of the organisation. This could be an entirely new Committee, or the function could be taken on by an existing Committee e.g. The Risk Management Committee.

The Northern Health and Social Services Board recognises that it is moving the Risk Management agenda forward in an environment of limited resources and that issues, which arise from Risk Management, will have to be tested and prioritised against other service pressures. Collaborative working is particularly important so that duplication can be avoided and we can learn from other's approaches.

The Risk Management Strategy does not purport to highlight all risk areas but sets out a framework designed to enable the Northern Health and Social Services Board to assess risk and to identify treatments in a structured way.

2. INTRODUCTION

The Northern Health and Social Services Board is responsible for commissioning high quality patient and client care for the community it serves.

This Risk Management Strategy has been developed in order to ensure the Northern Health and Social Services Board discharges its functions in a way, which ensures that risks are managed as effectively and efficiently as possible and to acceptable standards of quality. The aim of the Strategy is to ensure that the organisation's objectives are met and to protect the organisation against loss, the threat of loss and the consequences of loss. In this context, loss can take many forms including loss of life or quality of life, loss of opportunity and financial and reputational loss. It is recognised that there are four main areas of risk for the Board, which this framework is designed to address:

- the Board's **strategic** functions (for example, health surveillance, population needs assessment, social care strategic functions and risk analysis of policy creation in the light of Equality and Human Rights legislation);
- the Board's internal **operational responsibilities** (for example, resource allocation to programmes of care, systems for corporate governance, financial and workplace safety);
- the adequacy of Risk Management within services **commissioned** by Boards (for example, robust professional recruitment procedures in Trusts and care homes; patient and client access to information in provider organisations);
- The adequacy of Risk Management in **collaborative/partnership working** within the HPSS family and with other organisations.

This Strategy recognises, and seeks to build upon, the work that already has been done within the Board to put in place a robust Risk Management Structure and process, with a holistic approach, embracing **financial, organisational** and **professional** risk throughout the board.

This document defines the Board's strategy for Risk Management. The strategy has been **endorsed** by the Board and applies to **all**

employees of the Board, and highlights that risk issues and the management of these risks, are a key responsibility of every line manager and the concern of every employee.

Risk Management is now viewed as an essential Quality System and one which is a fundamental part of the total management approach to quality improvement, corporate and professional governance and the controls assurance programme.

The Northern Health and Social Services Board have significant legal and statutory obligations and, in particular, it remains liable for the actions of its staff. Similarly, the Board and its officers are subject to potential criminal prosecution for breaches of legislative duties established to protect employees and the public from actions carried out in the normal course of the organisation's activities. Of particular importance is the need to establish and maintain robust compliance and monitoring structures in relation to the Equality legislation vis-à-vis Section 75 of the Northern Ireland Act 1998.

Accordingly, the Northern Health and Social Services Board believes that by approaching the control of such risks in a strategic and organised manner and assigning appropriate levels of accountability, the risks can be reduced to a more acceptable level. This will result in better quality of commissioning care for patients, clients and residents, a safer environment for staff and a reduction in unnecessary expenditure whilst promoting a reputation for commissioning of high quality health and social care.

3. NHSSB RISK MANAGEMENT POLICY STATEMENT

The Risk Management Policy Statement, outlined below, represents the Northern Health and Social Services Board's corporate philosophy towards Risk Management and forms part of the Board's Internal Control and Corporate Governance arrangements. The purpose of this Policy Statement is to ensure that all staff and other interested parties are aware of their ongoing responsibilities for managing risk.

Risk Management Policy Statement for the Staff of the Northern Health and Social Services Board

NHSSB Mission Statement:

“To promote the health and well-being of the Board's resident population and secure a balanced range of health and social care services to the highest standards within available resources to meet the specific needs of the population. The Board will, in taking this forward, inform and involve local people so that their views can be taken into account when making policy and planning decisions.”

The Northern Health and Social Services Board recognises that the implementation of the Risk Management Strategy is an ongoing process, which is aimed at supporting the above Mission Statement.

The continuing development of the Northern Health and Social Services Board's Risk Management programme will ensure that its organisational objectives are realised in a safe environment. The Northern Health and Social Services Board will provide staff with a workplace that is safe and development oriented.

Systematic identification, analysis and control of risks, which may threaten achievement of Board objectives, will be afforded a high priority within the Northern Health and Social Services Board. An educational process and the establishment of a supportive, open and learning culture that encourages staff to report mistakes and raise concerns through the appropriate channels will underpin this process.

All managers and staff need to acknowledge that the risks within the Northern Health and Social Services Board will be reduced if

everyone adopts an attitude of **openness**. All necessary efforts must be made to encourage reporting of adverse incidents, mistakes and events where no actual harm has occurred and the overall approach within the organisation should be one of **help and support** to each other, rather than recrimination and blame. The Northern Health and Social Services Board is committed to this approach.

In line with the desire to create a culture of openness, no disciplinary action will result from reporting incidents, mistakes, including events where no actual harm has occurred, except where there have been criminal or malicious activities, professional malpractice, acts of gross misconduct, repeated mistakes, or where the “incident” is the non-reporting of other errors or violations.

A **positive approach** to Risk Management will assist in turning what appear to be overwhelming difficulties and threats into opportunities for improvement. Every adverse incident, which is reported, presents a chance to learn about, understand and improve the services in the future.

Managers at all levels have a fundamental part to play in risk management by ensuring that they **respond quickly and decisively** to any reports of adverse incidents or complaints by staff, or indeed by patients, clients or the general public. It is vital the person reporting an incident is given **feedback** on any action taken, or otherwise, on the reported incident, with some clear indication as to how that particular risk situation has been addressed. By taking such an approach all **staff will be encouraged to report** incidents more readily in the future. The benefits of retrospective analysis and action are crucial in risk prevention.

Adequate and effective communication is recognised as a fundamental prerequisite to the management of risk. Lack of information can lead to low staff morale and subsequent under-performance of staff. It can also lead to misunderstanding between service personnel, a failure to pass on vital information, or the incorrect information being cascaded to staff.

The Northern Health and Social Services Board will further develop its internal and external communication strategies, which clearly define how information flows throughout the Northern Health and Social Services Board and with external agencies.

4. NHSSB SYSTEMATIC APPROACH TO RISK MANAGEMENT

The Northern Health and Social Services Board recognises that one of the key components of an effective system for managing risk is a robust structure and process for Governance and Controls Assurance. The process of Governance and Risk Management are both focused upon identifying actual or potential risk areas, analysing the impact the likelihood that such risks might have upon the organisation and implementing effective risk control mechanisms where deemed appropriate. The development of clear Governance management structures is critical in enabling the Northern Health and Social Services Board to:

- effectively manage the risks inherent within its own operational environment;
- monitor the effectiveness of the Risk Management programmes in place within the Northern Health and Social Services Board by requiring provider health and social care organisations to have Risk Management programmes in place.

In the Autumn 2002, the Board secured a Risk Management training partner, with the intention of implementing the Board's Risk Management Strategy, supported by a training and development programme. In order to tailor the training, to the specific needs of the Board, the initial task was to review the Board's Corporate Plan 2002/03 and gain an understanding of the Board's objectives. The next step was to identify and categorise the types of risk which could impede the achievement of those objectives.

The following **Risk Management Objectives** were agreed:

- Manage risk of harm to the population in relation to the services secured by the board;
- Minimise failure to secure services according to the balance of prioritized need and manage the risk should this occur;
- Manage risks to quality of service and best practice;

- Manage risks to the Board's resources (*human, financial, information and other assets*);
- Manage risks to reputation;
- Avoid risk of inequity or inequality;
- Manage risks of failing to meet statutory and regulatory requirements;
- Manage risk of failing to respond to community expectations;
- Promote partnership in risk management with independent contractors, providers and other related groups.

A Risk Management Operational Group was established, to co-ordinate and support directorates with implementation at an operational level. This team provides a focus on risk and brings together the relevant expertise, which already exists, and pools information and knowledge providing an organization-wide approach.

By June 2003, the majority of directorates had established their Risk Registers and Treatment Plans, using their directorate plans as a reference point. Work is currently underway to develop the format for the Corporate Risk Register and Treatment Plan and after assessment, significant risks identified, at Directorate level, will form the basis of the Corporate Risk Register and treatment plan. The Corporate Risk Register will be monitored by the Risk Management and Clinical and Social Care Governance Committee. By incorporating appropriate review dates, the risks will be regularly reassessed and control measures reappraised for adequacy.

The post of Board Risk Management Co-ordinator was advertised in early 2003 and interviews held in March 2003. No appointment was made. The post was re-advertised and interviews held in June 2003. The position was filled and the successful applicant took up post within NHSSB at the beginning of August 2003.

4.1 Governance and Controls Assurance

The Northern Health and Social Services Board has established appropriate structures for Governance and Controls Assurance, in order to:

- maintain a comprehensive overview of the standards expected of the range of clinical and social services provided by Trusts and primary care organisations;
- identify, promulgate and build upon areas of good practice;
- assess and minimise the risk of untoward events; investigate specific problems as they arise;
- investigate specific problems as they arise;
- ensure that the relevant lessons are learnt and effectively communicated to all relevant organizations;
- provide the necessary reassurance to the general public that the appropriate checks and balances are *in situ* to ensure the maintenance of the highest possible standards of care.

An appropriate structure, within the Board, has been established to fulfill these requirements as detailed in **Appendix A**.

More recently the Board, in response to HSS (PPM) 5/2003, has undertaken a Controls Assurance self assessment relating to the Risk Management Standard, this will assist in the development of the Corporate Risk Register and Treatment Plan. As compliance with the Controls Assurance standards (*i.e. Governance, Finance and Risk Management*), will be measured by a system of self-assessment, these will provide a useful platform to drive the Risk Management process forward. The Controls Assurance approach will ensure the Risk Management process is kept live and will improve the quality of Risk Registers, which will reflect the risks to achieving objectives.

4.2 Collaboration with other HPSS organisations

A key goal of the Risk Management Strategy is to foster collaboration between the four Health and Social Services Boards and other relevant agencies. In doing so, the potential for duplication of effort and utilisation of scarce resources, will be minimised and an opportunity will arise to share the workload and learn from each other's experiences and areas of outstanding practice.

The Board is accountable to the Department of Health, Social Services and Public Safety and the assessment of the risks facing the Board has to be taken in the context of guidance and direction issued by the Department. The Department is accountable for the actions of provider Trusts and within this context certain actions pertaining to the reduction of risk will lie between the Department and the Trusts. Within this context, the Board will endeavour to ensure that systems and processes are in place to minimise risk. Responsibility for monitoring and compliance will, however, remain with the Department.

The Northern Board is also mindful of the requirement on provider organisations to introduce a system of Clinical and Social Care Governance, underpinned by a statutory duty of quality and backed by continuous professional development and other training programmes.

For this Strategy to be truly effective and to co-ordinate specific Risk Management activity, there will be a need for explicit direction and guidance of the expectations that are to be placed upon Health and Social Services Boards from the DHSSPS. There will also be a need for clear guidelines relating to what may be expected by the Health and Social Services Boards of its provider organisations. The development and communication of clear frameworks will be crucial in order to manage the work that needs to be undertaken and to reduce the potential for conflict or disagreement between the Northern Health and Social Services Board and its provider organisations. The Northern Board is fully committed to working with the DHSSPS and other HPSS organisations to shape this direction. The NHSSB recognises the management of risk is important to both commissioner and provider and can be best achieved by close collaboration and a spirit of openness between parties.

5. RISK MANAGEMENT STRUCTURE AND RESPONSIBILITIES

It is a fundamental tenet of this Strategy that, whilst overall accountability and responsibility for Risk Management lies with the Chief Executive, all Managers and Heads of Department must accept that the management of risks, in their service areas and departments, is one of their key operational and day-to-day responsibilities.

It is also important managers at all levels stimulate the interest of their staff in the identification and reporting of hazards and risks which exist and that Managers address these proactively. Additionally, all Managers are expected to ensure that any adverse incidents and near misses (i.e., a situation which could develop into a major incident or which could be overlooked), which occur in their areas of responsibility, are reported immediately, through the agreed reporting systems and responded to positively.

5.1 Risk Management Training and Education Requirements

The effective establishment of a genuine Risk Management process within the Northern Health and Social Services Board requires an element of culture change, education for all staff and to varying degrees, specific, technical and practical training for those involved at differing levels within the Risk Management framework.

The Risk Management Strategy will be supported by an ongoing education and development programme. The training programme will enable and empower all relevant employees and stakeholders to identify and manage risks. Training will be carried across the organisation and will be targeted so that it is appropriate for the degree of involvement and responsibility of employees.

The education and development programme has been designed to educate staff as to the reason for Risk Management, how they can contribute and what the benefits will be to themselves and the Board as a whole.

The training will provide:

- raised awareness of the general principles and objectives of risk management;
- a definition of the employee's role in the risk management process;
- specialist Risk Management training in Risk Management techniques - purpose of risk registers, techniques for risk identification and sources of information;
- NHSSB system for risk evaluation and the preparation of treatment options and action plans.

An overview of Risk Management training carried out to date by NHSSB is contained in **Appendix B**.

The education and development training is provided to ensure the organisation is well placed to manage existing risks to the Northern Health and Social Services Board, but also to be able to identify new risks, for example, through the introduction of new legislation and develop appropriate risk control responses. The Northern Health and Social Services Board must be able to implement effective risk control measures promptly.

All staff will be given appropriate Risk Awareness education upon commencement of employment and updated annually thereafter.

5.2. Accountability and reporting structures

The Department's Controls Assurance Standard for Risk Management, April 2003 confirms that the Chief Executive has overall responsibility for Risk Management within the Board. The overall organisational responsibilities for Risk Management are detailed below and take into account, the requirements of the Controls Assurance Standard for Risk Management.

5.2.1. The Board:

- considers for approval the Board's Risk Management Strategy;
- nominates members to the Risk Management and Clinical and Social Care Governance (RM & CSCG) Committee and approves Terms of Reference for the Committee;
- reviews reports from the Committee;
- communicates significant risks to the Department, and other partners/stakeholders when appropriate;
- annually reviews the Board's approach to Risk Management and approves changes or improvements to Risk Management policy and strategy.

5.2.2. Risk Management and Clinical and Social Care Governance Committee:

- ensures organisation wide systems are in place for the co-ordination and prioritisation of Risk Management and Clinical and Social Care Governance issues, which should also identify relationships with provider organisations in managing risk and promoting Clinical and Social Care Governance;
- ensures that processes are in place to enable the Board to communicate and consider all significant risks;
- ensures that the Board has a system for Clinical and Social Care Governance that identifies and addresses Clinical and Social Care Governance priorities and integrates Clinical and Social Care Governance activities with Risk Management and related areas;

- annually reviews and recommends to the Board, for approval, a Risk Management Strategy;
- annually reviews and recommends to the Board, for approval, a Clinical and Social Care Governance Action Plan;
- reviews the results of an annual baseline assessment of Clinical and Social Care Governance arrangements;
- ensures the development and implementation of the Risk Management Strategy;
- ensures that processes are in place to manage less significant risks and that appropriate controls are in place and working effectively;
- oversees the work of the Risk Management and Clinical and Social Care Governance Operational Groups.

(Further details relating to this Committee are shown at **Appendix C**).

5.2.3. Chief Executive and Senior Management Team

- the Chief Executive has overall responsibility for Risk Management and Controls Assurance within the Board;
- designates an Executive Director with responsibility for Risk Management;
- approves the resources required to implement Risk Management initiatives;
- considers and agrees the risk assessments and treatment plans outlined in the Board's Corporate Risk Register;
- ensures Risk Management processes are consistent with the Board's corporate objectives, functions, powers and duties;
- identifies a designated Risk Management Lead for each Directorate and ensure that each LHSCG has a designated RM Lead.

5.2.4. Designated Executive Director

- oversees the implementation of the Risk Management Strategy, Policy and Procedures within the Board;
- oversees the development and maintenance of an organisation-wide up-to-date Corporate Risk Register and treatment plan;
- advises Risk Management Co-Coordinator and Directorate Risk Management Leads;
- advises the Chief Executive and Senior Management Team members in all key aspects of Risk Management within the organisation.

5.2.5. Heads of Department, Managers and LHSCG Chairs supported by Designated Risk Management Lead for each Directorate or LHSCG

- implement the Risk Management plan within their Directorate or LHSCG, including risk assessment and incident reporting;
- develop appropriate triggers for incident recording;
- ensure staff are aware of and adhere to appropriate Risk Management plan, including continual risk self assessment;
- ensure the availability of Risk Management procedures and information for all staff within their area of responsibility;
- facilitate the training of staff to support the implementation of Risk Management procedures;
- stimulate the interest of their staff to participate in the Risk Management processes by responding positively to the reporting of adverse incidents or general risk related concerns;
- develop, review and update local Risk Register and ensure action is taken to reduce unacceptable risk to an acceptable level by implementing Risk Treatment and Action Plans.

5.2.6. Designated Risk Management Lead for Each Directorate or LHSCG

This function will support the Heads of Department, Managers and LHSCG chairs operationalising the Department or LHSCG Risk Management Plan by:

- co-ordinate the risk assessment activity within each service/ department ensuring the completion of assessments and review of incident records in line with the Board's Risk Management Strategy and other policy requirements;
- facilitate the flow of incident reports through the service/ department in line with Board policy;
- enable respective directorate and LHSCG staff to contribute to the development of a local Risk Register;
- develop and maintain an up to date register of risks specific to their Directorate or LHSCG;
- communicate risks which cannot be managed locally to the Risk Management Operational Group for validation and prioritisation on Corporate Risk Register;
- advise Department Heads, Managers and LHSCG Chairs on appropriate means for ensuring less significant risks are actively managed at Directorate level, with appropriate controls in place and working.

5.2.7. Board Risk Management Co-ordinator

- Advising on development of Risk Management methodologies;
- coordinating and reporting activity on risk assessments and the status of risk and controls;
- compiling Corporate Board Risk Register in conjunction with Risk Management Operational Group;

- demonstrating compliance with standards as required through internal and external assessments;
- liaise with Directorates to ensure the risk management plan is being adhered to;
- liaise with Directorates to ensure that procedures are in place and regularly updated;
- education and training on Risk Management;
- support to the Risk Management Committee and other related groups, if appropriate;
- liaison with Risk Managers in other Boards and provider organisations;
- liaison with other quality and safety-related initiatives across the organisation.

The Risk Management Co-ordinator will be accountable to the Designated Director.

5.2.8. Risk Management Operational Group

- supports the Designated Executive Director in the operational implementation of Risk Management Systems across the Directorates and functions within the Board;
- assists the Designated Executive Director in the identification of areas of shared risk across the Directorates and functions within the Board;
- assists the Risk Management Co-ordinator to ensure that there is a consistent approach to the application of Risk Management procedures to identify, evaluate and control risks;
- assists the Risk Management Co-ordinator with the compilation of the Corporate Risk Register and Treatment Plan;

- assists the Risk Management Co-ordinator in the compilation of regular Risk Management Reports, Action Plans and updates, for consideration by the Risk Management Committee.

5.2.9 All Other Staff

- Have an awareness of risk at all times;
- notify line managers of any identified risks;
- report all incidents, near misses, and accidents using the appropriate reporting procedures. The Board recognises that the development of a culture, which accepts that the reporting of such incidents is largely based on help and support (*See policy statement*);
- Be familiar with the Board's and Departmental policies and procedures and comply with the same;
- acceptance of personal responsibilities for maintaining a safe environment.

6. RISK MANAGEMENT AND CONTROL MODEL

Diagram 1 below represents the Risk Management model as outlined within the Australia/New Zealand Risk Management Standards AS/NZS 4360. The Heath and Social Services Board will be utilising this approach to manage risk within the organisation.

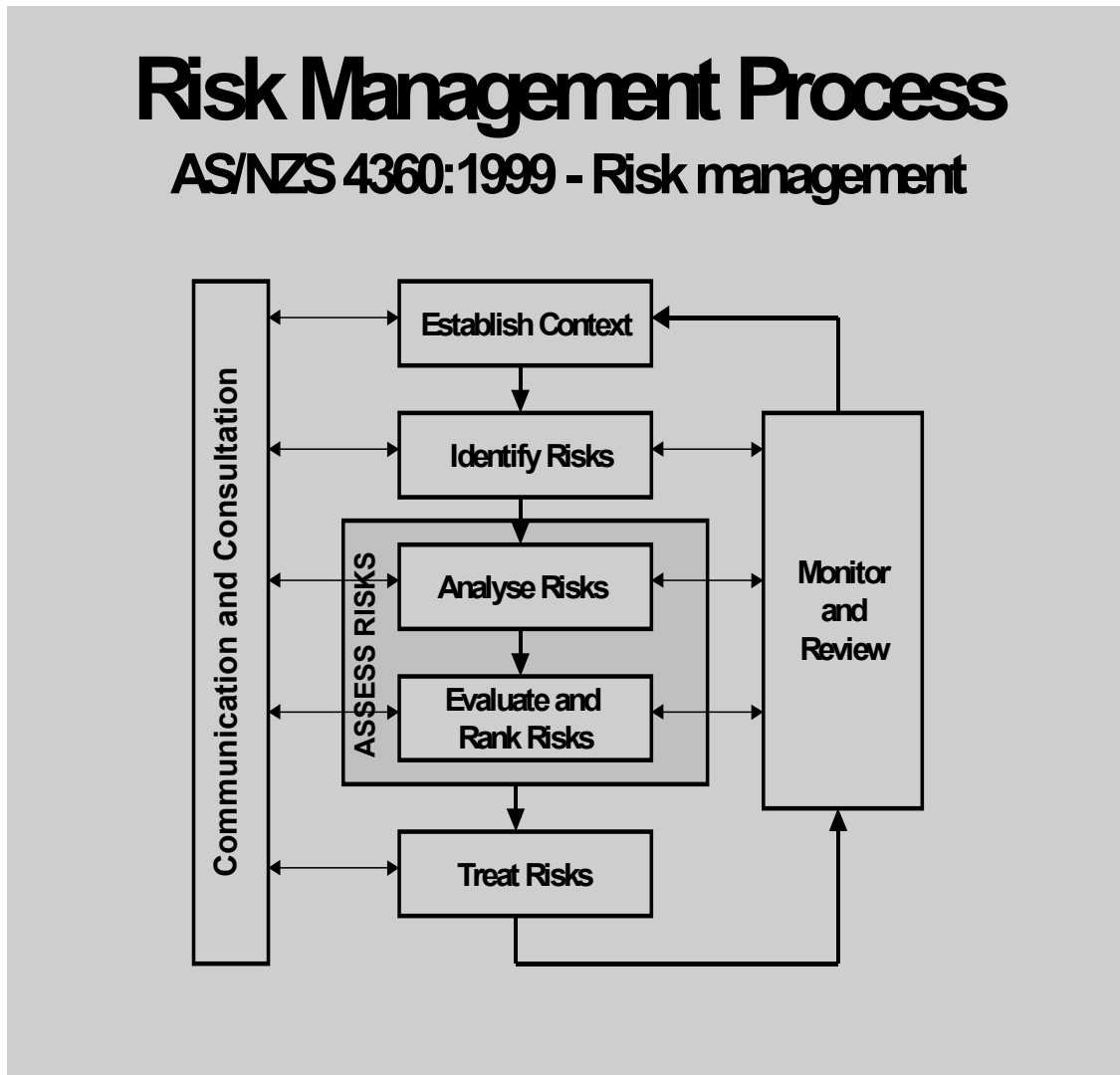


Diagram 1 Source: AS/NZS 4360.1999

Risk Management is recognised as an integral part of good management practice. It is an iterative process consisting of steps, which, when undertaken in sequence, enables continual improvement in decision-making.

Risk Management is the term applied to a logical and systematic method of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks designed to ensure that:

- the Board's objectives are defined and agreed;
- the risks threatening these objectives are identified, analysed and evaluated;
- decisions to control those risks are identified, implemented and monitored;
- the risk management process is effectively communicated within and externally to the organisation;
- the risk management process is embedded in the Board's business planning cycle.

The key stages of Risk Management will comprise of the following:

6.1. Establish the Context

The Board needs, firstly, to set a context for the risk management framework by establishing what the key influences upon its organisational objectives are.

6.2. Identify Risks

Effective and co-ordinated risk identification systems are vital to the success of the Northern Health and Social Services Board risk management process.

The Risk Management and Clinical and Social Care Governance Committee, whose Terms of Reference and Committee Membership are outlined in **Appendix C**, will ensure there is an ongoing programme of risk identification. It will also ensure a risk audit is carried out at least annually, in every part of the Northern Health and Social Services Board.

The process of risk identification entails the review of pertinent organisational documents, consultation with staff to identify specific risks within their area of work, site tours and inspections and a review of past incidents, audit information, claims and complaints.

6.3. Analyse the Risks

The formal assessment reports will be reviewed by the Risk Management Co-ordinator. An organisation-wide Corporate Risk Register will then be compiled by the Risk Management Co-ordinator to ensure that significant risks are recorded, actions identified and implementation tracked.

Risk analysis involves the assignment of severity and frequency “scores”. The Board will work to develop a methodology for prioritising risks, based on severity and frequency. The Risk Register can be completed by applying this methodology to identified risks. (NHSSB Risk Matrix is shown at **Appendix D**).

6.4. Evaluate the Risks

This will allow all the risks identified to be prioritised (risk evaluation), in order to create a manageable programme of risk management targets.

6.5. “Treat” Risks

Where it is not possible to avoid a risk entirely, it is important that all necessary steps are taken to control the frequency and severity of the risk. Risk Treatments take the form of controls. It is likely that risk treatments chosen will be of two main types: those designed to *prevent* risks (and, therefore, to reduce likelihood or frequency of occurrence), and those designed to *mitigate* loss, should a risk materialise (and, therefore, reduce the impact of risk). Within these two types, the treatment of risk may take several forms, for example, training and education, development and dissemination of protocols or guidelines and physical controls.

The Risk Management Co-ordinator will also provide expert advice and assistance to the manager(s) in identifying appropriate remedial actions.

6.6. Monitor and Review

The Risk Management structure in the Northern Health and Social Services Board will consider all activity of the Board, including statutory and other functions.

The Northern Health and Social Services Board's progress in the assessment and control of risk will be reviewed annually by the Risk Management and Clinical and Social Care Governance Committee, which reports to the Board. This will enable the Chief Executive and Board to assess the effectiveness of the systems and the changes which need to be made. Each year a detailed Risk Management Action Plan will be prepared. See **Appendix E** for Action Plan 2003-4.

The Board will receive annual reports, which will provide assurances of the effectiveness of overall NHSSB Risk Management System and that it is complementing existing roles and management and executive professional responsibilities already in place. Reports will be in the form of:

- Compliance Assessment with Risk Management Controls Assurance Standard;
- Quarterly Update of the Corporate Risk Management Action Plan;
- Annual review of Risk Management Strategy.

Risk Management is a continuous process and full implementation will be an evolving development.

6.6.1 Key Performance Indicators

Key performance indicators will require to be developed over time following monitoring and review of the Risk Management System.

In the interim period, it is proposed to measure improvements in Risk Management performance, by monitoring compliance with the Risk Management Controls Assurance Standard.

The effectiveness of the Risk Management and associated control measures will be monitored through the structures described in this Strategy. Independent assessment of these measures will be carried out by Internal Audit, as agreed with the Designated Director.

6.7 Communicate and Consult

The Board will identify the appropriate structures and processes to ensure that it communicates effectively with its staff and stakeholders at each stage of this. For example, it will need to ensure Board members are committed to the Risk Management methodologies adopted, that staff are aware of the mechanisms for reporting concerns and issues, and that stakeholders understand the objectives of the Board.

7. APPROVAL AND REVIEW

This Risk Management Strategy has been prepared for the attention of **ALL** staff within the NHSSB to provide a clear vision and practical framework to assist the control of risk within the NHSSB. The strategy will be communicated by means of training and will be made available to all staff via the NHSSB intranet.

The Risk Management Strategy will be reviewed annually by RM & CSCG Committee, but may be subject to change consistent with any new guidance, legislation or corporate change being introduced.

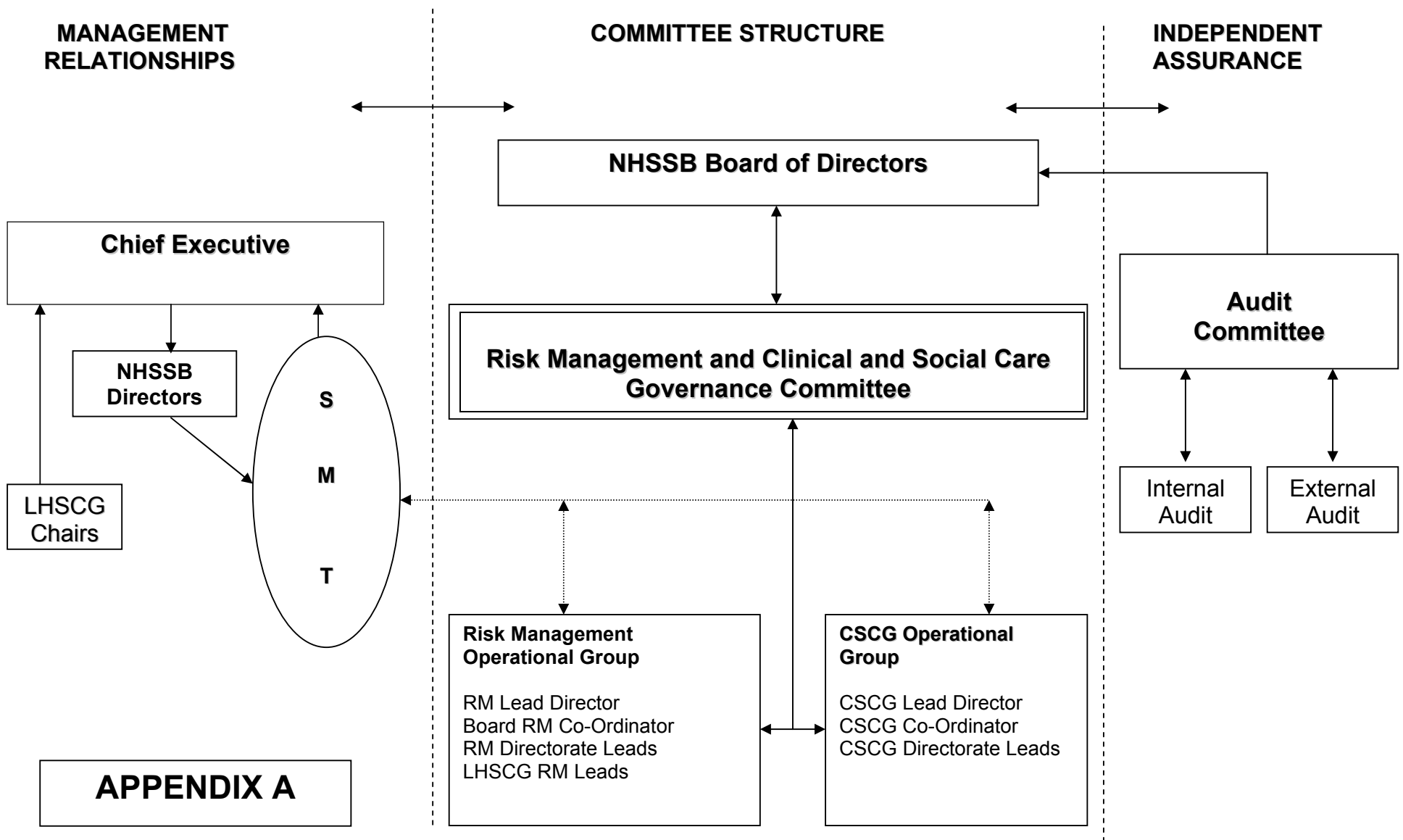
This Strategy was **approved** by NHSSB Board of Directors at their

meeting on ___ / ___ / ___ and

becomes effective on ___ / ___ / ___

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NHSSB RISK MANAGEMENT AND CLINICAL AND SOCIAL CARE GOVERNANCE STRUCTURE



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NHSSB RISK MANAGEMENT TRAINING OVERVIEW

In the Autumn 2002 the Board secured a Risk Management training partner, with the intention of implementing the Board's Risk Management Strategy, supported by a training and development programme.

During November and December 2002, General Awareness Training sessions were held for **all** staff and in-depth training for the Risk Management Leads from each Directorate, with a sweep up session in early January 2003, for those staff who had been unable to attend any of the previous sessions.

In June 2003, Awareness Training was provided for LHSCG staff and in-depth training has been held for LHSCG Risk Management Leads during October 2003, where delegates will be given instruction on the tools and techniques required to establish and maintain Risk Registers and Treatment Plans, which will facilitate LHSCGs in populating their respective Risk Registers and Treatment Plans.

In November 2003, Risk Management Training will be incorporated into the Board's Induction Programme, which is mandatory for all new employees.

RISK MANAGEMENT AND CLINICAL AND SOCIAL CARE GOVERNANCE COMMITTEE

TERMS OF REFERENCE:

The Risk Management and Clinical and Social Care Governance Committee is a committee of the Board with the following Terms of Reference:

1. Agree and recommend for Board adoption the Board's Risk Management and Clinical and Social Care Governance Strategies.
2. Scrutinise and recommend to Board for ratification, all major Risk Management and Clinical and Social Care Governance Policies and Procedures.
3. Provide assurance to the Board that appropriate processes exist within the Board in all areas of its work, to take forward Risk Management and Clinical and Social Care Governance.
4. Determine, on behalf of the Board, appropriate channels for monitoring Risk Management and Clinical and Social Care Governance systems

Membership:

Membership of the Committee should comprise of at least three non-executive Members, with one acting as Chairman.

The Directors with lead responsibilities for Risk Management and Clinical and Social Care Governance will be in attendance at all Committee meetings.

Other Directors will attend the Committee as and when required.

The secretarial support to the Committee will be provided by the Board Secretary or his/her nominee.

Quorum:	Two
Frequency of Meetings:	Tri-annually
Reports to:	The Board
Links to:	The Board

Roles of Risk Management and Clinical and Social Governance Committee:

- ensures organisation wide systems are in place for the co-ordination and prioritisation of Risk Management and Clinical and Social Care Governance issues, which should also identify relationships with provider organisations in managing risk and promoting Clinical and Social Care Governance;
- ensures that processes are in place to enable the Board to communicate and consider all significant risks;
- ensures that the Board has a system for Clinical and Social Care Governance that identifies and addresses Clinical and Social Care Governance priorities and integrates Clinical and Social Care Governance activities with Risk Management and related areas;
- annually reviews and recommends to the Board, for approval, a Risk Management Strategy;
- annually reviews and recommends to the Board, for approval, a Clinical and Social Care Governance Action Plan;
- reviews the results of an annual baseline assessment of Clinical and Social Care Governance arrangements;
- ensures the development and implementation of the Risk Management Strategy;
- ensures that processes are in place to manage less significant risks and that appropriate controls are in place and working effectively;
- oversees the work of the Risk Management and Clinical and Social Care Governance Operational Groups.

RISK MANAGEMENT MATRIX

IMPACT	LIKELIHOOD					
		VL	L	M	H	VH
VH		Medium	High	High	Very High	Very High
H		Low	Medium	Medium	High	Very High
M		Low	Medium	Medium	Medium	High
L		Very Low	Low	Medium	Medium	High
VL		Very Low	Very Low	Low	Low	Medium

APPENDIX E

	ACTION	ESTIMATED RESOURCES (DAYS)					TIMESCALES												PRODUCT
		Lead Director	Project Manager	Each Co-ordinator	Each SMT Member	Each Staff Member	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
1	Initial QA of Draft Directorate Risk Registers & Treatment Plans																		Quality Assured Directorate Risk Registers and Treatment Plans
	Consider Consistency of Identification, Scoring, Treatment	1	3	1			█	█	█										
	Identify Significant Areas of Shared Risk	1	3	1			█	█	█										
	Reconcile Treatment Plans for Shared Areas of Risk	1	3	1			█	█	█										
	Functioning Registers Established	1	3	1			█	█	█										
2	Consolidation of Directorate Risk Registers and Treatment Plans into Corporate Register and Plan																		
	Organise Workshop for SMT to Consider High Level/Strategic Risks	2	4	2	1				█	█									
	Match Relevant Risks to Corporate Plan Products	1	2	1					█	█	█								
	Identify Common Risks and Treatment Plans	1	2	1					█	█	█								1st "Cut" Corporate Risk Register and Treatment Plan
	Treatment Plan priorities in Corporate and Directorate actions and internal decision-making processes.	2	30	2	1	1						█	█	█	█				3rd "Cut" Corporate Risk Register and Treatment Plan
3	Involvement of LHSCG's																		LHSCG Risk Register and Prioritised Treatment Plan
	Organise Awareness and Specific Training	1	2	1		3	█	█											
	Produce Draft Risk Registers and Treatment Plans	1	8	3		3			█	█									

