

# RISK MANAGEMENT STRATEGY

## Version 2.0

### Agreed at Cannock Chase CCG

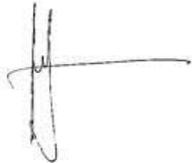


Signature:

Designation: Chair of Cannock Chase CCG

Date: 02 February 2017

### Agreed at South East Staffordshire & Seisdon Peninsula CCG



Signature:

Designation: Chair of South East Staffordshire & Seisdon Peninsula CCG

Date: 25 January 2017

### Agreed at Stafford and Surrounds CCG



Signature:

Designation: Chair of Stafford & Surrounds CCG

Date: 24 January 2017

## Risk Management Strategy

<b>Policy number</b>	
<b>Version number</b>	2.0
<b>Responsible Executive Lead</b>	Sally Young, Director of Corporate Governance, Communications and Engagement
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<b>Date issued</b>	
<b>Review date</b>	December 2020
<b>Target audience</b>	All CCG staff including Governing Body Members and Clinical Leaders

<b>HISTORY OF CHANGES</b>			
<b>Old version number</b>	<b>Date</b>	<b>Significant changes</b>	<b>New version number</b>
1.0	December 2016	The documents for the three CCGs has been combined and the document has been rewritten	2.0

This policy applies to Cannock Chase CCG, South East Staffordshire & Seisdon Peninsula CCG and Stafford and Surrounds CCG. Where the term CCG is used, this applies to the three CCGs.

## **1.0 STATEMENT OF INTENT**

The Governing Bodies of Cannock Chase Clinical Commissioning Group, (CCG) South East Staffordshire and Seisdon Peninsula Clinical Commissioning Group (CCG) and Stafford & Surrounds Clinical Commissioning Group (CCG) uphold the principle that Risk Assurance is not just the responsibility of one role or person within an organisation. It is the responsibility of everyone, whether clinical or non-clinical, and requires their commitment and collaboration.

## **2.0 DIRECTION AND COMMITMENT OF CANNOCK CHASE, SOUTH EAST STAFFORDSHIRE AND SEISDON PENINSULA AND STAFFORD & SURROUNDS CLINICAL COMMISSIONING GROUPS**

To support the development of a proactive Risk Assurance Framework across the organisation, the CCGs commit to:

- Maintaining effective organisational governance arrangements that respond to strategic change and enable the CCG to provide excellence in commissioning through excellence in primary care.
- Ensuring that all lead and support staff are accountable and responsible.
- Having in place a robust Performance Management Framework that delivers compliance with all relevant regulatory standards and national directives.

The CCGs' Business Resilience capability is delivered through the application of appropriate Risk Management and Business Continuity Management arrangements.

The Risk Assurance Framework will provide a simple but comprehensive method for the effective and focused management of the principal risks to the meeting of the objectives of the three CCGs.

The CCGs observe an objective led approach to risk management. This is a continuous, forward looking process that ensures that issues endangering the achievement of critical objectives are addressed.

### **3.0 INTRODUCTION**

Cannock Chase CCG, South East Staffordshire and Seisdon Peninsula CCG and Stafford & Surrounds CCG (the CCGs) are aware of all significant risks and can allocate resources appropriately, in a prioritised way, to manage risk and ensure that the CCGs meets their objectives.

Risk Management is part of a system wide business resilience framework that seeks to ensure that the CCG is always best placed to meet its purpose and achieve its objectives and to do so consistently.

**3.1** The CCGs are NHS organisations established by the Health and Social Care Act 2012 to organise the delivery of NHS services in England.

**3.2** This strategy sets out the CCGs approach to the strategic management of risk and the supporting infrastructure which enables informed management decisions in the identification, assessment, treatment and monitoring of the risk environment.

**3.3** Risk Assurance is the systematic method of:

- Identifying,
- Analysing,
- Evaluating, treating, monitoring and mitigating actions,
- Communicating.

**3.4** The CCGs' Risk Management Strategy identifies the procedures for risk management, encompassing the management of all types of risk to which the CCGs may be exposed.

**3.5** Effective governance arrangements enable the CCGs to take a proactive approach to risk management meaning that it is well placed to:

- Assess known future changes in service delivery or in the physical environment,
- Assess potential risks to aims and objectives generally or in respect of a new initiative or programme to be delivered,
- Assess potential risks arising from new activities and other significant changes.

**3.6** The strategy reflects relevant legislation and current best practice and will be reviewed in light of any changes to this. It takes into account a range of governance and risk management standards informed by the following guidance:

- NHS England guidance on the Annual Governance Statement,
- NHS assessment regimes,
- Health and Safety at Work Act 1974 and related regulations.

### **3.7 Aims**

The aims of the strategy are to ensure the risks to employees, reputation, finances, quality and safety of commissioned services and their business continuity and that of the CCGs are protected through the process of risk identification, assessment, control and where possible elimination.

### **3.8 Definitions**

#### *Risk Management*

Is the process that is defined by Governing Body to ensure effective management of real, potential or perceived risk. It is a process of analysis, assessing and monitoring and communicating the risk to reduce its impact. Risk management may involve judgment as well as data.

#### *Risk*

A risk is anything that can or could cause harm to the CCGs and/or it's stakeholders to whom we owe a duty of care, or threatens the achievements of our strategic objectives. This includes damage to the reputation of the CCGs that could undermine public confidence.

A risk is described clearly and in a manner that the reader can understand the issue and the potential impact that the issue may have.

#### *Risk Appetite*

“An expression of the nature and quantum of risk or uncertainty which an organisation is willing to take or accept to achieve its strategic objectives”. The CCGs may have a different risk appetite against different objectives, e.g. the CCGs may have a Nil or minimal risk appetite against clinical governance or constitutional targets but more of an appetite against QIPP savings.

#### *Risk Tolerance*

The maximum amount of risk the CCG is willing to accept in achieving its objectives and aligned to its appetite – its capacity to take risk”

#### *Mitigating Actions*

These are the actions that risk owners take to reduce the risk or where this is not possible limit the impact of the risk.

#### *Board Assurance Framework (BAF)*

The Board Assurance Framework is a the collection of strategic/overarching risks of the CCGs and may also hold any organisational risks that have been scored “extreme” (20-25).

The BAF is informed by the Risk Register and is aligned against the CCGs’ objectives. This is hosted via the CSU on SharePoint.

#### *Risk Register (RR)*

The Risk Register is a depository for all risks that have been identified within the CCGs, identified risk owners and mitigation measures to provide assurance to the organisations Governing Bodies and sub-committees that any real, potential and perceived risks are being managed appropriately. There is one Risk Register which is utilised by all directorates/teams across the CCGs, which is updated on at least a monthly basis and these risks are linked to the BAF risks. This is hosted via the CSU on SharePoint.

#### *SharePoint*

The SharePoint system is an electronic data base management system and is used to keep a record and audit trail of all risks entered. The SharePoint system is known locally as the “Huddle”.

#### *Risk Scoring/Risk Grading Matrix*

An assessment tool to evaluate the level of risk by using a 5 x 5 scoring matrix which undertakes a review of likelihood and consequence which when multiplied will give the CCGs a total risk score. The matrix can be found in Appendix A.

#### *Risk Assessment Form*

The Risk Assessment form is the pro-forma which is to be completed when a risk owner is entering a risk onto the Risk Register. The form can be located in Appendix B.

The form includes a detailed description of the risk, mitigating actions any future actions to be undertaken and aims to provide assurance to the Governing Bodies and sub-committees.

### **3.9 Roles and Responsibilities**

Governance Governing Bodies and Committees:

#### **Governing Body**

Each CCGs' Governing Body is responsible for the organisation's systems for internal control, including risk management. The Chief Officer is designated with overall responsibility for ensuring the implementation of external assurances covering risk management and reporting to the Governing Body. The Chief Officer delegates some of these responsibilities to senior officers of the CCGs.

The **Risk Group** will monitor and review the whole of the Risk Register and will oversee and approve any emerging risks and proposed closures. It will ensure all risks are clearly defined and are being managed on a regular basis by the risk owners.

The Risk Group will report into the Audit Committee, membership of the Risk Group comprises of the Executive Directors for Finance, Quality and Safety and Organisation Development and the Director for Corporate Governance, Communications and Engagement. The Governance Managers will support the Risk Group and the management of the BAF and Risk Register and will also support the Governing Body Committees for risk management.

### **Executive Management Team**

The role of the Executive Management Team is to have oversight Board Assurance Framework and of the encompassing Risk Register for risks scoring 12+. All Executive Directors and Directors are responsible for Risks within their designated remit of work.

### **Audit Committee (held in common)**

The CCGs are required to set up an Audit Committee as a sub-committee of the Governing Body. The role of the Audit Committee is to ensure that effective systems of integrated governance, risk management and internal control are maintained. It oversees the process of internal and external audit.

The audit committee will review the Risk Register and Board Assurance Framework, and the work of the Risk Group.

### **Remuneration and Terms of Service Committee (held in common)**

The CCGs are required to set up a Remuneration and Terms of Service Committee as a sub-committee of the Governing Body. The role of the Committee is to monitor, review and reduce risks relating to the very Senior Managers, Clinical Leaders and anything affecting the terms and conditions of the wider staff team.

### **Joint Quality Committee**

The role of this committee is to ensure that all risks to the quality and safety of patient care are identified and addressed. The CCGs must fulfill their statutory duty for quality by ensuring that they have in place systems and processes to support their corporate objectives and accountability for commissioning of patient centered, safe and high quality healthcare, within a reporting and learning culture.

### **Joint Finance, Performance & Contracts Committee**

The role of the sub-committee is to review the financial and operational performance of the CCGs against statutory financial and performance targets, financial control targets and the operational plan, identifying where remedial action is needed and ensuring action plans are put in place and delivery is monitored.

### **Communication and Engagement Committee**

The role of this sub-committee is to maximise the opportunities for communications and engagement with members of the public, and provide assurance to the Governing Bodies that the CCGs are delivering their communication and engagement plans.

### **Primary Care Co-Commissioning Committee**

This committee is a joint single committee, acting wherever necessary under a 'committee in common' style approach. In performing its role, the committee will exercise its management of the functions in accordance with the agreement entered into between NHS England, Cannock Chase CCG, South East Staffordshire and Seisdon Peninsula CCG Stafford and Surrounds CCG & East Staffs CCG.

### **Human Resources / Organisational Development Committee**

The role of the sub-committee is to oversee all matters relating to Human Resources, Health and Safety and Equality, as well promote organisational culture and provides assurance to the Governing body of continued development of the CCGs and their employees.

The sub Committees of the Governing Bodies are responsible for overseeing the risks relating to their work streams. The Audit Committee will have oversight of all risks.

## **3.10 Members of Staff:**

### **Accountable Officer**

The Accountable Officer has overall responsibility to ensure appropriate systems of internal control are in place for all aspects of governance, including financial and risk management as well as plans for dealing with emergencies that may impact on the CCGs.

Day-to-day management of risk management is delegated to the Director of Corporate Governance.

### **Executive Director**

The Executive Director identified will ensure all risks are identified, managed and mitigated for their work streams and that the risk owner effectively carries out their duties. The attribution of risks will be aligned with the program portfolios, where possible and Executive Directors will attend the Risk Group to provide updates when required. The Executive Directors are:

<b>Executive Leads</b>	<b>Area of Work</b>
Executive Director of Finance	Finance, Governance & SIRO
Executive Director of Quality & Safety & Chief Nurse	Quality, Safety, Safeguarding, Caldicott Guardian
Executive Director of Organisational Development	Organisational Development
Executive Director of Primary Care	Primary Care
Executive Director of Contracting & Performance	Contracts, Performance, Information
Executive Director of Planning & Strategy	Planning, Strategy, Commissioning including the work of the Director of Integrated Care and the Director of Commissioning

### **Director of Corporate Governance, Communications and Engagement**

The Director of Corporate Governance, Communications and Engagement provides the Operational Management of the Risk Register and Board Assurance Framework as well as leading on Corporate Governance, Communications and Engagement and Human Resources.

### **Risk owner**

The manager identified by the Clinical Commissioning Groups with the appropriate authority and knowledge to manage the risk to an acceptable level. This role is usually undertaken by the most appropriate Senior Manager identified by the Executive Lead.

### **All Staff**

All staff employed by Cannock Chase CCG, South East Staffordshire and Seisdon Peninsula CCG and Stafford & Surrounds CCG must manage risk within their own area of responsibility.

Ideally this should include attending mandatory and statutory training, reporting incidents, assessing risks, reporting unsafe occurrences and compliance to policies. All members of staff have a statutory duty to take reasonable care of their own safety and the safety of others who may be affected by their acts or omissions. To ensure that all staff members are aware of their responsibilities for risk management, objectives in relation to risk management should be set for individuals through their Personal Development Plan (PDP) and appraisals.

#### **4.0 RISK MANAGEMENT PROCESS**

- 4.1.** All committees and groups involved in the management, scrutiny and oversight of internal control have clear terms of reference and reporting processes relating to key relationships.
- 4.2.** The Board Assurance Framework and Risk Register are used to manage risk and provide a mechanism for the identification and prioritisation of risks and associated action plans.
- 4.3.** The Board Assurance Framework and the Risk Register will identify the CCG objective that will be compromised in the event that the risk described transpires. All risks have been linked to a Board Assurance Framework risk. One system, Sharepoint, is used to record all Board Assurance Framework risks and Risk Register risks which will be utilised by the whole of the organisation. A matrix approach to the management of risk will be taken allowing Directorates to recognise the same or similar risks and co-operate in their mitigation.
- 4.4.** Each Directorate will maintain their risks on the Risk Register that is reviewed at each Team Management meeting. The Risk Register should take an objective driven approach and reflect the risks pertinent to the delivery of Department objectives which, in turn, should underpin CCGs' objectives. The CCGs' vision, identity, purpose and values and priorities can be found at [Appendix C](#).
- 4.5.** All risks are recorded on the Risk Register. Accountability and responsibility for the management of risk is aligned to an Executive Lead and Risk Owner.
- 4.6.** However, there will be instances where local actions and/or resources cannot manage risk effectively. This will have to be reviewed against the risk appetite of the CCGs for acceptance of the risk to become 'business as usual' or to be escalated up to the Board Assurance Framework. The Risk Group will oversee this process.
- 4.7.** The Risk Group will review the Risk Register monthly and consider any further actions necessary, reporting to the Executive Management Team and Audit Committee as part of its usual reporting process. This report ensures that all Governing Body members are aware of the serious risks along with details of any supporting actions and proposals.

The Risk Management process is built on identification, analysis, control and review of risk and potential risk. The Board Assurance Framework and the Risk Register is a management tool that enables an organisation to understand its comprehensive risk profile. It is a repository for all risk information and can be used as a communication tool. The CCG has a Risk Assessment Form for the analysis and review of all risks (Appendix B).

These tools enable the Risk Owners and other members of staff to identify and quantify risks in their respective areas and to decide what action, if any, needs to be taken to reduce or eliminate risks. All risk assessments must be scored, recorded and submitted onto the Sharepoint system and when they give rise to a significant residual risk, e.g. any part of the risks assessment is not controlled, these must be recorded on the Risk Register.

#### **4.8 Board Assurance Framework**

**The Board Assurance Framework represents the overarching strategic risks and risks.**

Each CCG has a Board Assurance Framework (BAF), which is held centrally as an electronic joint register. The Board Assurance Framework represents the overarching corporate and strategic risks and the exceptionally high scoring risks that may affect the CCGs. The structure and process enables the CCGs to focus on those risks that might compromise achieving its most important aims and objectives; and to map out both the controls that should be in place to manage those objectives and confirm the Governing Body has gained sufficient assurance about the effectiveness of these controls.

The Board Assurance Framework and the Risk Register work together to provide a flow of information regarding achievement and threats against strategic goals. The Risk Register informs the Board Assurance Framework. Each risk on the Risk Register is linked to its associated Board Assurance Framework risks which provides the CCGs with assurance from others that risks to the achievement of their objectives are being appropriately managed throughout the organisation.

#### 4.9 The Risk Register

The Risk Register is a dynamic 'live' document which is updated to reflect changes in risk and controls exercised.

The Risk Register enhances the Board Assurance Framework by detailing through assurance on how well the highest risks are managed to control and mitigate the strategic risk to satisfy both internal and external requirements. In turn it will inform the Governing Board where the delivery of principal objectives is at risk due to a gap in control and/or assurance.

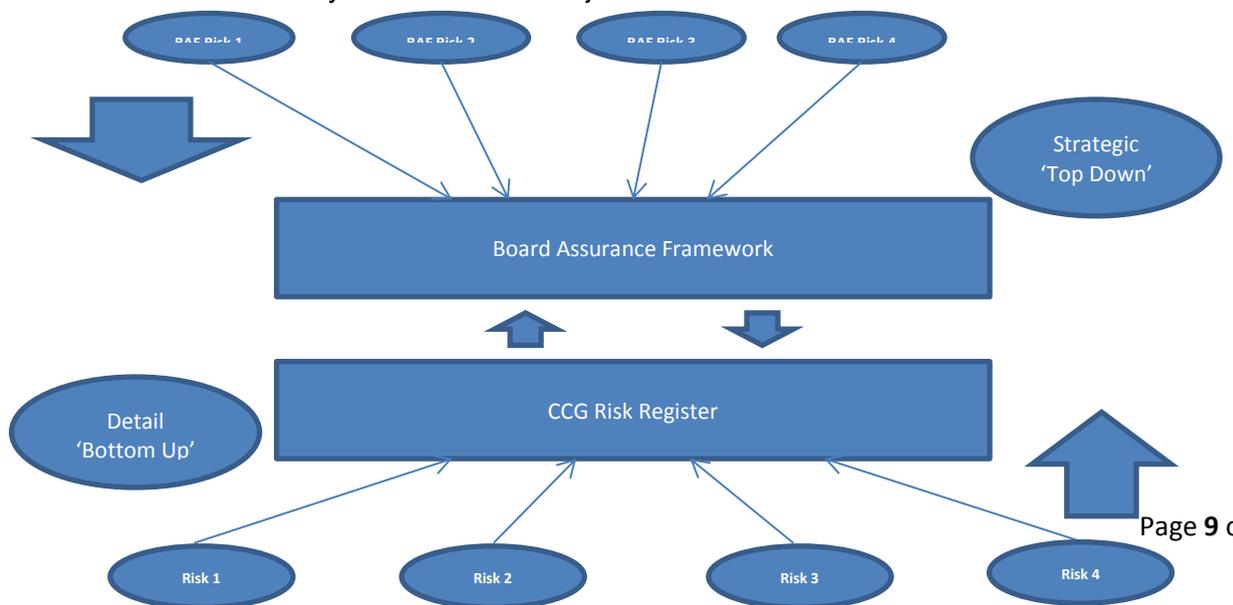
There may be an individual risk on the Risk Register which following discussion at Executive Management Team and Risk Group define a risk serious enough as a separate risk on the BAF.

Operational risks with a Residual Risk Score of 12 or above will be escalated to the Board Assurance Framework subject to Executive Management Team review. The Board Assurance Framework will also identify the CCGs' objective at risk. The CCGs' Governing Body will use the Board Assurance Framework to satisfy themselves that risks are being managed effectively and objectives are being achieved. The Residual Risk Score is an assessment of the **current** level of risk after the controls and assurances already in place have been assessed

### 5.0 RISK EVALUATION

#### 5.1 Identifying Risks

Risk identification sets out to identify the exposure of an objective to uncertainty and should be approached in a methodical way to ensure that all significant activities supporting CCG objectives have been identified and the risks flowing from these activities defined. The identification process can be both proactive and retrospective. Many lessons can be learnt from examining why an adverse incident occurred and the taking of appropriate action to avoid a re- occurrence. The risk should be described so that anyone reading the description can understand the issue and its potential effect on the ability to deliver CCG objective/s.



## **5.2 Recording and Evaluating Risks**

Once risks have been identified each one will be analysed by assessing what the consequence would be and what the likelihood would be of it occurring. In the first instance risks are measured with no controls in place. Existing controls should then be considered and finally the controls needed to reduce the risk to an acceptable level should be established. The subsequent risk rating should then be recorded in the appropriate document (risk assessment, incident form or risk register). This process creates a manageable programme of risk management.

All Board Assurance Framework and Risk Register risks shall be inputted onto the SharePoint system. The Risk Assessment Form will take the Executive Director and Risk Owner through the process of identifying the appropriate information required to be recorded. A copy of the Risk Assessment Form can be found in Appendix B.

**5.3** The CCGs use a risk scoring matrix giving equal weighting to both the impact and the likelihood of the risk. This risk tool provides both a qualitative and quantitative analysis of the risk and is used to assess the severity of the risk for all events e.g. incidents, complaints, claims, risk assessments and risk registers, see Appendix A.

**5.4** Risk mitigation is the process of selecting and implementing appropriate actions and controls to manage and reduce the risk. Mitigation options include: tolerating the risk supplemented by contingency plans if deemed necessary, treating the risk in an appropriate way to constrain the risk to an acceptable level, transferring the risk to another organisation or terminating the activity giving rise to the risk where possible or appropriate. When an activity is transferred to another organisation, the CCGs will always retain any statutory responsibility associated with the activity transferred.

**5.5** An acceptable risk is one which has been accepted after proper evaluation and is one where appropriate controls have been implemented. For a risk to be deemed acceptable it will be:

- Identified and entered onto the risk register,
- Analysed in the context of the current controls in place,
- Analysed using the risk grading matrix (impact & likelihood),
- Escalated to the appropriate level of management for action,
- Action taken to reduce the risk and then kept under review.

## **5.6 Monitoring and Reviewing Risks**

At a CCG level, monitoring is undertaken by the Risk Group, at a Directorate level, monitoring is undertaken by the Executive Director supported by their nominated Risk Owner.. At a local level monitoring is by the Risk Owner in close liaison with their team. The thresholds for risk escalation are included within later section 9 of this strategy.

The process for reviewing a risk can be found in appendix D.

## **5.7 Risk Appetite**

The CCGs' Governing Bodies determine the amount of risk that the CCGs are prepared to tolerate, however this is not necessarily static and the same for all three CCGs and may depend on the circumstances at the time. It is not for the CCGs' sub-committees to materially alter the CCGs' risk appetite. The CCGs' risk appetite ensures that risks are considered in terms of both opportunities and threats and are not usually confined to the financial consequences of a risk materialising. Risks also impact on the capability of the CCGs, their performance, their ability to deliver and their reputation. It is also influenced by the overall objectives set by the CCGs, individual programmes of work and the delivery of operational, quality and performance objectives across divisions.

The CCGs may have a different risk appetite against different objectives, e.g. the CCGs may have a Nil or minimal risk appetite against clinical governance or constitutional targets but more of an appetite against QIPP savings.

- 5.8.** The CCGs' Governing Bodies acknowledge that risk is a component of change and improvement, and therefore does not expect or consider the absence of risk as a necessarily positive position. The CCGs will, where necessary, tolerate overall levels of risk that are classified as **10 or lower** where action is not cost effective or reasonably practicable. The CCGs will not normally accept levels of risk scored **12 and above** and will therefore ensure that plans are put into place to lower the level of risk whenever an extreme or high scoring risk has been identified.
- 5.9** The CCGs do, however, require Risk Owners to consider further all risks scored **5** for consequence after mitigation. Risk Owners must demonstrate a consideration of the options available to limit impact. An early warning system/measure to detect early indications of such a risk occurring should be included on the risk register as a mitigating activity. A contingency plan indicating the actions to be taken should the risk occur must also be produced.
- 5.10** The CCGs will seek to ensure that the cost of mitigating such risks does not exceed the cost of the consequence itself, always being mindful of changes to stakeholder value, stakeholder outcomes and the cost to the CCGs' reputation that may result. A cost may not just be financial but could also be a cost in terms giving up resource, time, delivery not being inclusive of other material costs.

#### **5.11 Outcomes from Risk Management**

The CCGs are committed to take learning from the completion of risks and their outcomes in the same manner as complaint and incident management. On the closure for all risks the Risk Working Group will seek to understand the outcomes that have been achieved to ensure the organisation takes and successful learning's from these. These outcomes may be positive where things have gone well but could also be negative where things have not been able to be achieved or have not been achieved in the process initially planned and it is important to understand these.

### **6.0 RISK MANAGEMENT TOOLS**

- 6.1.** The Sharepoint System enables the CCGs to understand its comprehensive risk profile. It is a repository for all risk information and it links the Board Assurance Framework and the Risk Registers. The CCGs have a Risk Assessment Form for the analysis and review of all risks (Appendix B). All risks are recorded onto Sharepoint. Board Assurance Risk are recorded and managed by the Executive Director. Risk Register risks will be maintained by the Risk Owner on behalf of the appropriate Executive Director. Any risks on the Risk Registers that are scored at 12 or above will be reported to the Risk Group and Audit Committee with the Board Assurance Framework. Risks scoring below 12 will be managed by the directorates and reported to the Governing Body sub committees as appropriate.

The Board **Assurance Framework** will also link those risks to the objectives identified by the Executive Management Team, the CCGs' Governing Body or outside agencies. Operational risks with a Residual Risk Score of 12 or above will be escalated to the Board Assurance Framework subject to Risk Group's recommendation to the Executive Management Team for review If there isn't already an overarching risk covering the risk area. The CCGs' Board Assurance Framework will also identify the CCGs objective at risk. The CCGs' Governing Body will use the Board Assurance Framework to satisfy itself that risks are being managed effectively and objectives are being achieved. The Residual Risk Score is an assessment of the **current** level of risk after the controls and assurances already in place have been assessed.

## **7.0 ROLE OF THE SUB COMMITTEE**

- 7.1.** The Risk Register risks for the three CCGs will be aligned to the relevant formal sub Committee for monitoring.

## **8.0 INCIDENT REPORTING**

- 8.1.** Incident Reporting is a fundamental element of the identification of risk and a key component of NHS governance. All Officers are actively encouraged to report incidents. The main aim is to record and analyse the overall profile of incidents and near misses and identify hotspots and prioritise action in order to learn from these events within a supportive culture. All incidents should be recorded and acted upon in an appropriate manner. Reference should be made to the CCGs' Incident Reporting Policy.

## **9.0 GOVERNANCE ARRANGEMENTS**

- 9.1.** The Accountable Officer leads the effective management of risk. Day-to-day responsibility is delegated to the Director of Corporate Governance, Communications and Engagement.
- 9.2.** Each CCG directorate will maintain their risks on the Risk Register to support the achievement of the objectives set. This register will be used as a management tool to this end and will be kept up to date at all times. They will be reviewed at every Team meeting. The Risk Owner will be responsible for the mitigation of the risk. The register will hold a description of the risk in sufficient detail for the cause and effect to be understood, and will record an assessment of the likelihood and consequence of the risk occurring and specify appropriate control measures.
- 9.3** The Risk Group will review the Board Assurance Framework and Risk Register on a monthly basis and those mitigated risks scored at or in excess of the CCGs' risk appetite (score 12 or above) will be reported to the Executive Management Team. The Risk Group can collectively require the Risk Owner to review the controls in place and seek a (further) reduction in the mitigated risk score. It will ensure any appropriate additions/deletions to the Corporate Risk Register.
- 9.4** The review of the Risk Register will be a standard item bi-monthly on the agenda of the CCGs' Executive Management Team (12+ scores). The responsibilities of the Executive Directors are recorded in section 3.10 The Executive Management Team will review the Board Assurance Framework collectively in advance of the Governing Body Meeting.
- 9.5** The Board Assurance Framework will be owned by the CCGs' Governing Body and will identify the principal risks that may threaten the achievement of the of the CCG's strategic objectives. The cause of the risks listed may emanate from outside the CCGs. The Governing Bodies are responsible for risk decision making by determining if a risk can be tolerated or if further action (treatment, transfer or termination) is required. The Governing Bodies can instruct that a risk listed on the Board Assurance Framework should be de-escalated to the Risk Register. A review of the Board Assurance Framework and any relevant decision making will be a standard item on the agenda at the CCGs' Governing Body bi-monthly meeting.
- 9.6** The **Audit Committee** meets a minimum of five times per year and is responsible for reviewing the CCGs' arrangements for managing risk across the whole of the CCG's activities, including periodic review of the Risk Register and Board Assurance Framework, as part of its remit to review the adequacy of the systems of internal control. The Board Assurance Framework will be a standing item on the agenda at each meeting. The Audit Committee will report its opinion to the Governing Bodies.

The Governing Bodies and its Committees Governance structure can be found in Appendix E.

## **10.0 COMMUNICATION AND TRAINING**

- 10.1** The Strategy will be available on the CCG's website and intranet. The Strategy will be communicated to all Officers via management channels and training workshops.

**10.2** Effective implementation of the Strategy requires Officers to be both aware of the CCGs' approach to risk management, and to be clear about their roles and responsibilities within the process. Governing Body Members will receive relevant risk training on an annual basis, provided by Internal Audit.

All managers should receive risk management training at least every three years. All Officers will have access to on-line risk management training. A training record will be maintained.

**11.0 ASSOCIATED POLICIES**

1. Incident Reporting Policy
2. Business Continuity Plan

## APPENDIX A: RISK MATRIX

Step 1 Consequence Scoring	Consequence Score				
	1 - Negligible	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
<b>Staff / Patient Safety (physical / psychological)</b>	Minimal injury requiring no/minimal intervention. No time off work.	Minor injury or illness. Time off work for >3 days. Increase in length of hospital stay by 1-3 days	Injury requiring professional intervention. Time off work 1-4 days. RIDDOR reportable. Increase in hospital stay 4-15 days.	Major injury leading to long term disability. Time off work >14 days. Increase in hospital stay >15 days. Mismanagement of patient care.	Incident leading to death. Multiple permanent injuries or irreversible health effects. Impact on a large number of patients
<b>Complaints</b>	Informal complaint/ enquiry	Formal complaint - local resolution	Formal complaint – Ombudsman intervention / investigation	Non-compliance of national standards	Unacceptable level of quality / treatment
<b>Human Resources Organisational Development</b>	Short term low staffing level that temporarily reduces service quality (<1 day)	Low staffing level that reduces service quality	Unsafe staffing level. Late delivery of key service due to lack of staff	Unsafe staffing level (>5 days). Loss of key staff. Uncertain delivery of key service.	Ongoing unsafe staffing levels. Loss of several key staff. Non delivery of key service.
<b>Statutory duty / inspections</b>	No or minimal impact on breach of guidance.	Breach of statutory legislation. Reduced performance.	Single breach in statutory duty.	Multiple breaches in statutory duty, critical report, low performance	Multiple breaches in statutory duty. Prosecution. Zero performance rating.
<b>Adverse Publicity / Reputation</b>	Rumours Potential for public concern	Local media coverage Elements of public expectation not being met	Local media coverage – long term reduction in public confidence	National media coverage with <3 days service well below public expectation	National media coverage. MP concerned. Total loss of public confidence.
<b>Business objectives Projects</b>	Insignificant cost, increase in schedule slippage	<5% over budget, schedule slippage	5-10% over budget, schedule slippage	10-25% over budget, schedule slippage, key objectives not met	>25% over budget, schedule slippage, key objectives not met
<b>Financial/ Claims</b>	Small loss - risk of claim remote	Loss of 0.1-0.25% of budget Claim less than £10,000	Loss of 0.25-0.5% of budget Claims between £10,000 and £100,000	Loss of 0.5-1% of budget Claims between £100,000 and £1 million	Loss of >1% of budget Claims >£1 million Loss of contract
<b>Service Interruption</b>	Loss / interruption of <1 hour. Minimal or no impact on the environment.	Loss / interruption of <8 hours. Minor impact on the environment.	Loss / interruption of <1 day. Moderate impact on the environment.	Loss / interruption >1 week. Major impact on the environment.	Permanent loss of service. Catastrophic impact on the environment.

Step 4 Risk Appetite - Risk Responsibility Level / Remedial Action/ Acceptance			
	Level/ acceptance/ action req'd	Timescale – Immed. Action/ Action plan	Min. Review
<b>Extreme 15 - 25</b>	Organisation/ senior management action plan Exec Review Report to Exec Management Team & NHS England	Immediate - implementation	1 monthly
<b>High 9 - 12</b>	Operational Risk Leads action plan Directorate review 12 + reported to Operational Group	Immediate action plan – implementation 3 months	1 monthly
<b>Moderate 4- 8</b>	Team Action Plan Acceptance – Manager/Head of Service review	Routine review at Team meeting /local action plan	1 monthly
<b>Low 1 - 3</b>	Local Team Meeting Acceptable	Manage by routine procedures – no additional cost 12 months / none	1 monthly

Likelihood score	Likelihood				
	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
<b>5 Catastrophic</b>	5	10	15	20	25
<b>4 Major</b>	4	8	12	16	20
<b>3 Moderate</b>	3	6	9	12	15
<b>2 Minor</b>	2	4	6	8	10
<b>1 Negligible</b>	1	2	3	4	5

Step 2 Likelihood Scoring		
How likely is this to happen, taking into account the controls already in place to prevent or mitigate the harm?		
Frequency	Likelihood	Score
Not expected to occur for years	<1% - Will only occur in exceptional circumstances	1 Rare
Occur at least annually	1-5% - Unlikely to occur	2 Unlikely
Occur at least monthly	6-20% - Reasonable chance of occurring	3 Possible
Occur at least weekly	21-50% - Likely to occur	4 Likely
Occur at least daily	>50% - More likely to occur than not	5 Almost Certain

## APPENDIX B: Risk Assessment Form

Please return completed Risk Assessment Form to: [sasccg.centralgovernance@nhs.net](mailto:sasccg.centralgovernance@nhs.net)

		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Consequence	5 Catastrophic	5 (Moderate)	10 (High)	15 (Extreme)	20 (Extreme)	25 (Extreme)
	4 Major	4 (Moderate)	8 (High)	12 (High)	16 (Extreme)	20 (Extreme)
	3 Moderate	3 (Low)	6 (Moderate)	9 (High)	12 (High)	15 (Extreme)
	2 Minor	2 (Low)	4 (Moderate)	6 (Moderate)	8 (High)	10 (High)
	1 Negligible	1 (Low)	2 (Low)	3 (Low)	4 (Moderate)	5 (Moderate)

Risk ID	System Generated The Risk ID will be automatically created.
Created:	<input type="text" value=""/>
Description Of Risk:	<input type="text" value=""/> Describing the cause or events and possible impacts:
Objective:	<input type="text" value=""/>
Clinical Risk:	<input type="text" value=""/>
Associated BAF Risks:	<input type="text" value=""/>

Initial Likelihood	<input type="text" value=""/> Note - this field will be automatically populated with the 'Current Likelihood' score when you first create the risk
Initial Consequence	<input type="text" value=""/> Note - this field will be automatically populated with the 'Current Consequence' score when you first create the risk
Initial Risk Score	<input type="text" value=""/> This is automatically calculated (Initial Likelihood X Initial Consequence)

Mitigating Actions	<input type="text" value=""/>
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<b>Mitigating Action (editable)</b>	<input type="text"/> Action/ activity being undertaken to reduce or eliminate the risk, identifying any gaps within the process, i.e. identifying any implementation/completion dates and responsible bodies.
view only do not edit	
<b>Last Mitigating Action</b>	<input type="text"/>
<b>History</b>	<input type="text"/>
<hr/>	
<b>Future Actions</b>	
<b>Future Actions (editable)</b>	<input type="text"/> Activity to be undertaken to reduce or eliminate the risk, identifying any implementation/completion dates and responsible bodies
view only do not edit	
<b>Last Action Comment</b>	<input type="text"/>
<b>History</b>	<input type="text"/>
<hr/>	
<b>Assurance</b>	
<b>Assurance (editable)</b>	<input type="text"/> Provide evidence that mitigating actions are reducing the risk
view only do not edit	
<b>Last Assurance:</b>	<input type="text"/>
<b>History:</b>	<input type="text"/>
<hr/>	
<b>Exec Risk Lead:</b>	<input type="text"/>

Risk Owner:	<input type="text"/>	 
Use the global address book to select the Risk Lead.		
Current Likelihood	<input type="text"/>	Use the matrix above to determine the Current Likelihood of this risk
Current Consequence	<input type="text"/>	Use the matrix above to determine the Current Consequence of this risk
Current Risk Score	<input type="text"/>	This is automatically calculated (Current Likelihood X Current Consequence)
Date of Next Review:	<input type="text"/>	
Last Review Date:	<input type="text"/>	
COG:	<input type="text"/>	
Risk Status:	<input type="text"/>	
Date Closed:	<input type="text"/>	
<input type="button" value="Submit"/> <input type="button" value="Close"/>		

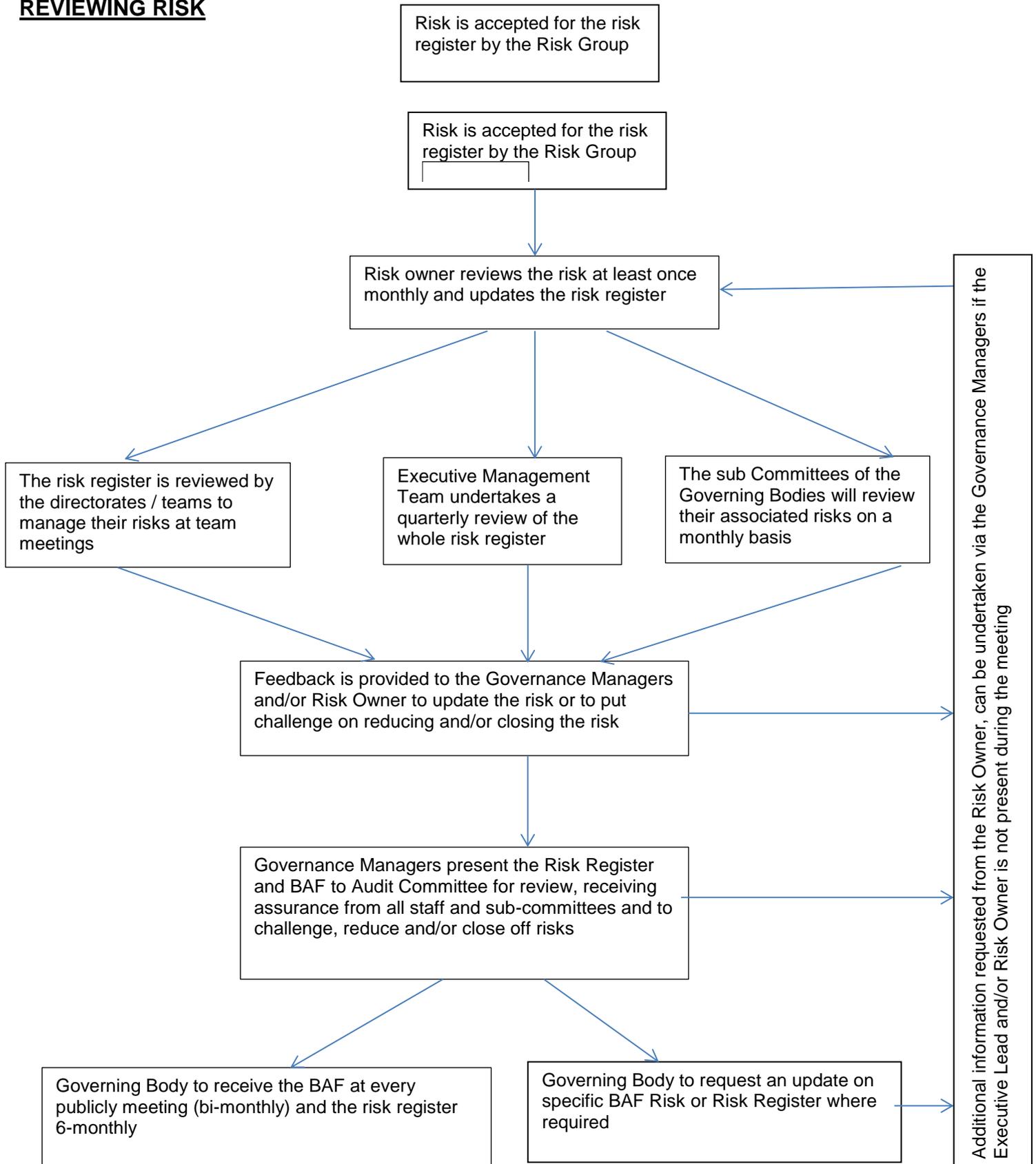
**APPENDIX C: CCG VISION, IDENTITY, PURPOSE AND AIM**

**Cannock Chase CCG, South East Staffordshire & Seisdon Peninsula CCG and Stafford and Surrounds CCG**

Objective	Goals	Risk
<i>Sustainable Primary Care Service</i>	<ul style="list-style-type: none"> <li>• Changing culture</li> <li>• More focus on prevention</li> <li>• Service supporting people to make informed decisions</li> </ul>	<ol style="list-style-type: none"> <li>1. GP workforce – GPs /retirement - recruitment/capacity - Nurse workforce</li> <li>2. Estate not fit for purpose</li> <li>3. Conflicts of interest</li> <li>4. Co commissioning – do we understand?  £ - monetary impact</li> <li>5. Don't monitor Q/S of P care</li> <li>6. Clinical leadership</li> </ol>
<i>New Models of Care – Delivery</i>	<ul style="list-style-type: none"> <li>• Changing culture</li> <li>• Service supporting people to make informed decisions</li> </ul>	<ol style="list-style-type: none"> <li>1. Conflict between PSTP and PACE</li> <li>2. Organisational boundaries get in the way</li> <li>3. Lack of understanding what this truly is</li> <li>4. Lack of buy-in/willingness to change – fear</li> <li>5. Capability in house</li> <li>6. Patients not taking responsibility</li> </ol>
<i>Constitutional Standards</i>	<ul style="list-style-type: none"> <li>• Involving everyone for improved health and care</li> <li>• Services supporting people to make informed decisions</li> <li>• More focus on prevention</li> </ul>	<ol style="list-style-type: none"> <li>1. Failure to hit targets – local vis-à-vis global</li> <li>2. Ability to influence providers</li> <li>3. Accepting mediocrity</li> <li>4. Lack of clinical ownership  - Dementia - Poor performing practices</li> <li>5. Do we own/know corporate targets?</li> </ol>

Objective	Goals	Risk
<i>Quality Outcomes</i>	<ul style="list-style-type: none"> <li>• Changing culture</li> <li>• Involving everyone for improved health and care</li> <li>• Services supporting people to make informed decisions</li> </ul>	<ol style="list-style-type: none"> <li>1. Failure to identify the provider failure early</li> <li>2. CQC</li> <li>3. Acceptance of mediocrity/normalising</li> <li>4. Balance finance and quality</li> <li>5. Do we focus on outcomes? (no – currently widgets)</li> </ol>
<i>Finance</i>	<ul style="list-style-type: none"> <li>• Changing culture</li> <li>• Empower and support patients to take control of their own health</li> <li>• Services supporting people to make informed decisions</li> </ul>	<ol style="list-style-type: none"> <li>1. Can we hit the control totals and deliver balance? (maintain credibility)</li> <li>2. NHSE – top down assurance and intervention</li> <li>3. Working with ‘weaker’ CCGs</li> <li>4. Do not hit QIPP targets</li> </ol>

**APPENDIX D: PROCESS OF REVIEWING RISK**



\*Where a risk is rejected by the Risk Group the Risk Executive Director will be provided with feedback from the Risk Group to review the risk or remove it from the register.

**APPENDIX E - Cannock Chase CCG, South East Staffordshire & Seisdon Peninsula CCG and Stafford & Surrounds CCG –Committee Structure**

