Integrated Risk Management Framework

Ref: 020

Version/Status:	4.0 / Final
Responsible Committee:	Governing Body
Date Approved:	23 January 2020
Author:	Risk, Health and Safety Manager
Responsible Officer:	Chief Officer
Review Date:	November 2022

Version History

Version	Date	Author	Document Status	Commentary: (document development / approval)	Circulation
1.0	09/05/13	Ian Wilkinson	Final	Approved by Governing Body	CCG wide
1.1	05/12/14	Sarah Dick	Draft	Initial draft of revised RM Framework	Corporate and Governance Manager
1.2	15/12/14	Sarah Dick	Draft	Revised draft post discussion of V1.1 with Corporate and Governance Manager	Corporate and Governance Manager
1.3	08/01/15	Sarah Dick	Draft	Revised draft post discussion of V1.2 with Corporate and Governance Manager	SMT
1.4	12/01/15	Sarah Dick	Draft	Revised draft post discussion of V1.3 with SMT	Audit Committee
1.5	03/02/15	Sarah Dick	Draft	Revised draft post discussion of V1.4 with Audit Committee	Governing Body
2.0	12/2/15	Judith Salter	Final	Approved by Governing Body	CCG wide
2.1	20/12/16	Rob Gibson	Draft	Revised draft circulated for comment by SMT	SMT
2.2	01/02/17	Rob	Draft	Revised draft submitted	Governing

		Gibson		for approval	Body
3.0	09/02/17	Rob Gibson	Final	Approved by Governing Body	CCG Wide
3.1	25/07/19	Rob Gibson	Draft	Revised draft for comment by Head of Corporate Affairs and Governance	Head of Corporate Affairs and Governance
3.2	01/11/19	Rob Gibson	Draft	Revised draft circulated for comment by SMT	SMT
3.3	02/12/19	Rob Gibson	Draft	Revised draft agreed by SMT	Governing Body
4.0	23/01/20	Rob Gibson	Final	Approved by Governing Body	CCG Wide

Contents

1 Introduction 6

2 Risk Management Statement 7

3 Risk Management Approach, objectives and risk appetite 8

3.1 Risk Management Approach 8

3.2 Key Objectives for Risk Management 8

3.3 Risk Appetite 8

4 Scope of this Framework 10

5 Definition of risk 10

5.1 Quality Risks 11

5.2 Finance and Performance Risks 11

5.3 Corporate Risks 11

5.4 Commissioning Primary Medical Services Risks 12

5.5 Local Security Management Risks 12

6 Roles and responsibilities 12

6.1 Scrutiny of Risk Processes and Management 12

6.1.1 Governing Body 13

6.1.2 Audit Committee 14

6.1.3 Quality, Finance and Performance Committee 15

6.1.4 Commissioning Primary Medical Services Committee (CPMSC) 16

6.1.5 Remuneration and Nomination Committee 17

6.1.6 Framework for Reviewing and Monitoring of Risks 17

6.2 Management of Risk 19

6.2.1 Chief Officer 19

6.2.2 Senior Management Team 19

6.2.3 Corporate Systems Manager 20

6.2.4 All Employees 21
6.2.5 Risk Register Roles 21
6.2.6 Risk Management Specialists 21
6.2.7 Commissioned Services / Providers 22
7 Risk Management process 23
7.1 Risk Identification 24
7.2 Risk Assessment and Scoring 25
7.3 Risk Prioritisation and Treatment 26
7.4 Risk Recording, Reviewing and Monitoring 27
8 Learning from risk to prevent recurrence 28
9 Risk Management and partner organisation 30
9.1 Joint commissioning risks 31
9.2 Commissioning Support Services 31
10 Public Sector Equality Duty 31
11 Dissemination, implementation and training 32
12 Monitoring compliance with and the effectiveness of procedural documents 32
13 References 32
Appendices 33
Appendix 1: Risk Likelihood / Frequency 33
Appendix 2: Risk Impact / Consequence table by Risk Type 34
Appendix 3: Risk Register User Guidance (removal of this guidance as it is on the intranet) 38

1 Introduction

NHS Calderdale Clinical Commissioning Group (CCG) is responsible and accountable for ensuring an Integrated Risk Management Framework is in place and covers all types of risks faced by the organisation.

Risk is inherent in all the activities the CCG undertakes and in all of the services that it commissions. Effective strategic and operational risk management is therefore fundamental to ensuring that an effective system of governance is in place within the CCG to support the organisation to meet statutory duties and achieve its strategic objectives.

This Integrated Risk Management Framework outlines the way in which NHS Calderdale CCG has effective arrangements in place to manage risk, focussing on:

- The CCG's approach to managing risk.
- The CCG's risk management objectives.
- The CCG's organisational and individual roles and responsibilities for risk management.
- The CCG's risk management processes

The Integrated Risk Management Framework ensures that the CCG:

- Minimises risk of physical or emotional harm to our patients and workforce;
- Maintains comprehensive and responsive arrangements to respond appropriately to emergency situations;
- Minimises the loss or wastage of resources through poor internal control procedures;

- Manages sensitively issues which have a reputational impact or public interest;
- Manages CCG resources effectively for the short and long term;
- Ensures CCG staff are risk aware and skilled in risk management;
- Effectively escalates risks internally and with partner organisations so that action is taken at the appropriate level and the impact is monitored.

The CCG monitors and reports on risk in two key ways (please see Section 7.4 for more detail):

- The Governing Body Assurance Framework, which focusses on strategic / long-term risks to the delivery of the CCG's strategic objectives.
- The Corporate Risk Register, which focusses on operational risks that may rise and fall within relatively short time periods.

2 Risk Management Statement

NHS Calderdale CCG is committed to the active management of risks to the organisation and within the systems it commissions services from.

NHS Calderdale CCG is dedicated to ensuring a positive risk management culture is in place that ensures that risk management is an integral part of everything it does. This is supported by a comprehensive system of internal controls and risk management processes to assure the Governing Body that the CCG is doing its reasonable best to identify and manage risks to the fulfilment of statutory duties and the achievement of strategic priorities.

3 Risk Management Approach, objectives and risk appetite

3.1 Risk Management Approach

NHS Calderdale CCG's approach to risk management is based on ensuring a robust risk management system is in place, understood and effective.

Effective risk management relies on the full engagement of people in all areas and accurate and timely receipt and analysis of information.

To support staff in embedding risk management in their day to day work, risk management arrangements must be effective, light touch and meaningful.

To support the CCG's approach to risk management, an on-line Risk Register is used to record all organisational level risks and assist in their management.

3.2 Key Objectives for Risk Management

The key objectives for risk management are to:

1. Effectively identify, report and manage risk.
2. Effectively capture and learn from mistakes to reduce future risks.
3. Ensure clear accountability for the management and reporting of risk.
4. Ensure and evidence statutory and regulatory compliance.
5. Effectively manage partnership and project risks

The detail to support the delivery of the risk management objectives above is given in the remainder of this framework.

3.3 Risk Appetite

Acknowledging that risk is unavoidable and that the CCG needs to manage risk; risk appetite is the amount of risk that is judged to be tolerable and justifiable by the CCG in pursuit of the achievement of its strategic objectives.

NHS Calderdale's risk appetite therefore defines the amount of risk that the CCG is prepared to take, tolerate or be exposed to at any point in time.

NHS Calderdale CCG's aim is to minimise the risk of harm wherever possible to service users, the public, staff, members and other stakeholders. However, the CCG also recognises the need to take considered risks in some areas (for example, transformation / re-design of services) and that an overly risk averse approach can be a threat to the achievement of some strategic objectives.

All risks on the CCG Risk Register specify the target risk score (i.e. the level at which the risk can be tolerated). The acceptability of the target risk score is subject to review by the Senior Management Team (SMT) and relevant Committee as part of the normal review process for the Risk Register (see Section 6.1.5).

All risks are monitored through the Governing Body's committees, with those risks scoring 15 or above (i.e. those rated serious or critical) being specifically reported to the Governing Body.

Where there are any new high-level risks scoring 15 or 16 added to the risk register outside the new governance review periods (4 cycles per annum) then this will be reported to SMT at their next available meeting.

Any risks deemed to be critical (i.e. scoring 20 or above) should be reported as soon as practicable via email to all members of the Governing Body and the Senior Management Team, after the risk is added to the register or its score increases to 20, (instead of waiting until the normal risk reporting cycle), with reporting to CCG staff via staff briefings where appropriate. Updates on critical risks will be provided to Governing Body members weekly or as appropriate.

4 Scope of this Framework

This framework applies to all Calderdale CCG employees and members of the Governing Body and its committees who must comply with the arrangements outlined in this framework.

Associated Policies and Guidance

The implementation of this framework will be supported by a range of related policies and guidance such as:

- Incident Reporting Policy and Procedure
- Incident Management, Reporting and Investigation Procedure
- Complaints Policy
- Information Governance Framework and policies
- Health and Safety Policy
- Fire Safety Policy
- Anti-Fraud, Bribery and Corruption Policy
- Whistleblowing Policy
- Conflicts of Interest Policy
- Business Continuity Plan
- Safeguarding Adult and Children Policies
- Local Security Management Policy and Procedures

5 Definition of risk

Risk can be defined as “an uncertain event or series of events that, should it/they occur, would have an effect on the achievement of the CCG’s objectives”. Risk is measured in terms of impact / consequence and likelihood. Risk is normally perceived as negative, i.e. as a threat, however, risk can also be positive, i.e. present an opportunity.

There are a variety of types of risks that may occur in, or be faced by, any CCG and this Integrated Risk Management Framework and related processes cover all types of risk. The main risk categories are given below:

5.1 Quality Risks

Quality risks are defined as 'those risks which have a cause or effect which is primarily related to the quality of clinical or medical care'.

Examples include risks relating to clinical care activities, medicines management, patient experience, patient safety, clinical effectiveness and equality and diversity.

5.2 Finance and Performance Risks

Finance and performance risks are defined as 'those risks whose principal cause or effect would be financial or performance related".

Examples include poor financial control, fraud, risks to delivery of cost improvements schemes and QIPP (Quality, Innovation, Productivity and Prevention) and risks to the non-delivery of performance standards.

5.3 Corporate Risks

Corporate risks are defined as 'those risks which primarily relate to the way in which the CCG is organised, managed and governed".

Examples include information governance risks, health and safety / property related risks, corporate governance risks and human resource risks.

5.4 Commissioning Primary Medical Services Risks

CPMS risks are defined as those risks which have a cause or effect which is primarily related to the commissioning of primary medical services. All CPMSC risks will be reported to the CPMSC in public.

5.5 Local Security Management Risks

Local security management risks are defined as those risks which are primarily related to the protection of staff, Governing Body members and visitors from violence, harassment and abuse; safeguarding NHS property and assets from theft, misappropriation or criminal damage; and protecting resources from fraud, bribery and corruption.

6 Roles and responsibilities

Accountability arrangements for risk management can be split into two elements:

- Accountability for scrutiny of risk processes and management
- Accountability for the management of risk.

6.1 Scrutiny of Risk Processes and Management

This section describes the key committees within the CCG that are involved in scrutinising risk management processes and confirms each committee's specific remit for risk management.

6.1.1 Governing Body

The CCG's Governing Body is collectively responsible and accountable for setting the strategic direction for risk and ensuring that integrated risk management arrangements are in place across the organisation.

The Governing Body has delegated to the Audit Committee, responsibility for maintaining an overview of the adequacy and effectiveness the organisations risk management and internal controls that support the CCG's objectives.The Governing Body will receive assurance through reports from the Audit Committee to ensure the risk management process is operating effectively and action any concerns escalated to them regarding risk management.

The Governing Body has delegated responsibility for the review and approval of the Annual Report and Annual Governance Statement (AGS) to the Audit Committee. The AGS is subject to national guidance and is the key document describing how CCG systems of internal control, and in particular risk management systems and processes, have been effective in enabling the CCG to manage risks to its business during the year. The Chief Officer signs the AGS based on assurances and advice from the Audit Committee regarding the effectiveness of systems of assurance and control.

The Governing Body will receive and approve:

- The Governing Body Assurance Framework (GBAF). The Governing Body will review the GBAF a minimum of twice yearly. The Governing Body will approve the GBAF as a true and fair reflection of strategic risks and their management.

- The high-level risks (i.e. risks with a risk score of 15 or more) on the Corporate Risk Register. These risks will reviewed by the Governing Body upon on completion of each risk reporting cycle (there are 4 cycles per annum). The Governing Body will receive the High-Level Risk Log as a true and fair reflection of these risks and their management.

6.1.2 Audit Committee

The Audit Committee's role is to maintain an overview of the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the CCG's activities that supports the achievement of the CCG's objectives.

The Audit Committee has an overall "scrutiny" role and provides the Governing Body with assurance that risk management, internal control and governance processes are in place and working effectively. In doing so, they are supported by the work of Internal and External Audit.

In particular the committee will review the adequacy and effectiveness of:

- Review and approval of risk and control related disclosure statements (particular in the Accounts, Annual Report and Annual Governance Statement), together with any accompanying Head of Internal Audit Opinion, external audit opinion or other appropriate independent assurances, on behalf of the Governing Body.
- The underlying assurance processes that indicate the degree of achievement of CCG's objectives, the effectiveness of the management of principal risks, as set out in the Governing Body Assurance and Joint Assurance Frameworks and the appropriateness of the above disclosure statements
- The Integrated Risk Management Framework, highlighting issues to the Governing Body as appropriate
- the CCG's risk management arrangements.

- Review and scrutiny of the Governance Assurance Report and Dashboard which covers a number of areas such as information governance, corporate incidents, health and safety, compliance with the Freedom of Information Act and mandatory and statutory training.
- Monitoring, through the Internal Audit and Local Security Management Reports, the effectiveness of security management, risk assessments and the local security action plan.

6.1.3 Quality, Finance and Performance Committee

The Quality, Finance and Performance Committee has responsibility for quality, finance, performance and corporate risks.

Its role in relation to risk management is to:

- Review and monitor quality, finance, performance and corporate risks on the risk register.
- Recommend the content of the risk register relating to quality, finance, performance, and corporate risks as a true reflection of the current risk position to the Governing Body.
- Request action by accountable individuals to manage risk and variation in performance, ensuring plans are put in place to address the achievement of objectives and targets. This will include bringing expenditure back in line with allocation and deliver financial balance or planned underspend.
- Ensure that variance against target performance levels is reflected in the Risk Register and the relevant elements of the GBAF as appropriate.
- Review information about serious incidents regarding commissioned services, including all Never Events, and serious practice / adult reviews, domestic homicide reviews (SPRs/ SARs) to identify themes/areas of risk and to ensure that actions are identified and completed to improve care delivery

- Identify and respond to any corporate risks including health and safety issues, information governance issues and security management issues. Provide assurance to the Audit Committee, that financial, performance, corporate and quality risks are being effectively managed.

6.1.4 Commissioning Primary Medical Services Committee (CPMSC)

The CPMSC is established as a committee of the Governing Body of the CCG in accordance with Schedule 1A of the NHS Act (2006 (as amended). The purpose of the Committee is to enable members to make collective decisions on the review, planning and procurement of primary care services in Calderdale under delegated authority from NHS England.

The role of the Committee is to carry out the functions relating to the commissioning of primary medical services under section 83 of the NHS Act.

This includes the following:

- GMS, PMS and APMS contracts (including the design of PMS and APMS contracts, monitoring of contracts, taking contractual action such as issuing branch/remedial notices, and removing a contract);
- Newly designed enhanced services ("Local Enhanced Services" and "Directed Enhanced Services");
- Design of local incentive schemes as an alternative to the Quality Outcomes Framework (QOF);
- Decision making on whether to establish new GP practices in an area;
- Approving practice mergers; and
- Making decisions on 'discretionary' payment (e.g., returner/retainer schemes).

The CPMSC has responsibility for CPMSC risks. Its role in relation to risk management is to:

- Review and monitor the CPMSC risk register in respect of all CPMSC risks.
- Recommend the content of the risk register relating to CPMSC risks as a true reflection of the current risk position to the Governing Body.
- Request action by accountable individuals to manage risk and variation in performance, ensuring plans are put in place to address the achievement of objectives and targets.
- Ensure that variance against target performance levels is reflected in the Risk Register reports and the Governing Body Assurance Framework as appropriate.

Provide assurance to the Governing Body, that CPMSC risks are being effectively managed.

6.1.5 Remuneration and Nomination Committee

The Remuneration and Nomination Committee has responsibility for risks in line with its remit. The Committee shall:

- Review and monitor the corporate risk register in respect of the risks identified, requesting action by accountable individuals to manage risks, as required.

- Provide the Audit Committee with assurance that those risks are being managed in line with the Integrated Risk Management Framework.

6.1.6 Framework for Reviewing and Monitoring of Risks

The table on the next page summarises the review of risks by the Governing Body and Committees within the CCG.

Risk Type	Risk Score	Reported via	Committee
Strategic Risks	Principal risks affecting strategic objectives	Governing Body Assurance Framework (minimum twice per annum).	Governing Body Quality, Finance and Performance CPMS Committees Remuneration and Nomination Committee
Critical Risks	20 or more	Critical Risk Report circulated via email to members of the Governing Body and Senior Management Team (with staff being informed through staff briefings where appropriate) when a risk is scored 20 or more. Updates on critical risks will provided to Governing Body members weekly or as appropriate. High Level Risk Log four times per annum).	Governing Body
Serious Risks	15 or more	High Level Risk Log (four times per annum).	Governing Body

Risk Type	Risk Score	Reported via	Committee
Finance, Performance and Corporate Risks Quality / Clinical Risks	All	Risk Register report (four times per annum).	Quality, Finance and Performance Committee Remuneration and Nomination Committee
Commissioning Primary Medical Services Committee (CPMSC)	All	Risk Register report (four times per annum)	CPMSC

6.2 Management of Risk

6.2.1 Chief Officer

The Chief Officer has overall responsibility for the management of risk within the CCG. The Chief Officer, on behalf of the CCG, approves the Annual Governance Statement, following recommendation from the Audit Committee.

6.2.2 Senior Management Team

The Senior Management Team is responsible for:

- Promoting a risk aware culture within the organisation;
- Ensuring sufficient resource and support is available for managing risks;

- Ensuring organisational Risk Management policies and procedures are implemented within their area of responsibility and adapted as necessary to reflect local risk profiles;
- Promoting a supportive environment to facilitate the reporting of risks and incidents;
- Keeping staff informed of the significant risks faced by the organisation and what is being done to reduce them;
- Ensuring staff complete mandated training and relevant developmental events.
- Reviewing the content of the corporate risk register for each risk reporting cycle (4 per annum), focussing on the completeness and accuracy of content and on the appropriateness of scoring and of any further actions required to manage risk.
- Reviewing new serious risks (15 or more) reported by exception outside the quarterly risk cycle

6.2.3 Corporate Systems Manager

The Corporate Systems Manager is responsible for:

- Developing and promoting a risk aware culture within the organisation;
- Supporting the Senior Management Team and staff in their identification and continuous management of risk;
- Co-ordinating the Risk Register and GBAF to facilitate consistency of reporting;
- Ensuring risks are appropriately reported to the Senior Management Team, Committees and the Governing Body;
- Ensuring access to specialist risk management knowledge, training and development for staff, Committees and the Governing Body.

The Corporate Systems Manager is supported in undertaking the above by the Corporate Governance - Senior Officer.

6.2.4 All Employees

All employees must:

- Be familiar with and comply with this Integrated Risk Management Framework and related policies listed at section 4.
- Identify, record and manage risks relevant to their areas of work.
- Be risk aware.
- Comply with the Health and Safety at Work Act, and CCG policies to protect the health, safety and welfare of anyone affected by CCG business.
- Report all incidents / near misses in line with the relevant policy.
- Comply with statutory and mandatory training programmes.
- Be aware of business continuity procedures in relation to their service / location.

6.2.5 Risk Register Roles

There are two defined roles relating to the CCG's Risk Register: Risk Owner and Senior Manager. These roles are outlined in detail at Appendix 3.

6.2.6 Risk Management Specialists

There are a number of risk management specialists who add to the capacity of the roles above, including:

Risk Remit	**Job Title**
Senior Information Risk Owner (SIRO)	Chief Finance Officer/Deputy Chief Officer

Risk Remit	Job Title
Caldicott Guardian	Chair of Governing Body
Deputy Caldicott Guardian	Chief Quality and Nursing Officer

6.2.7 Commissioned Services / Providers

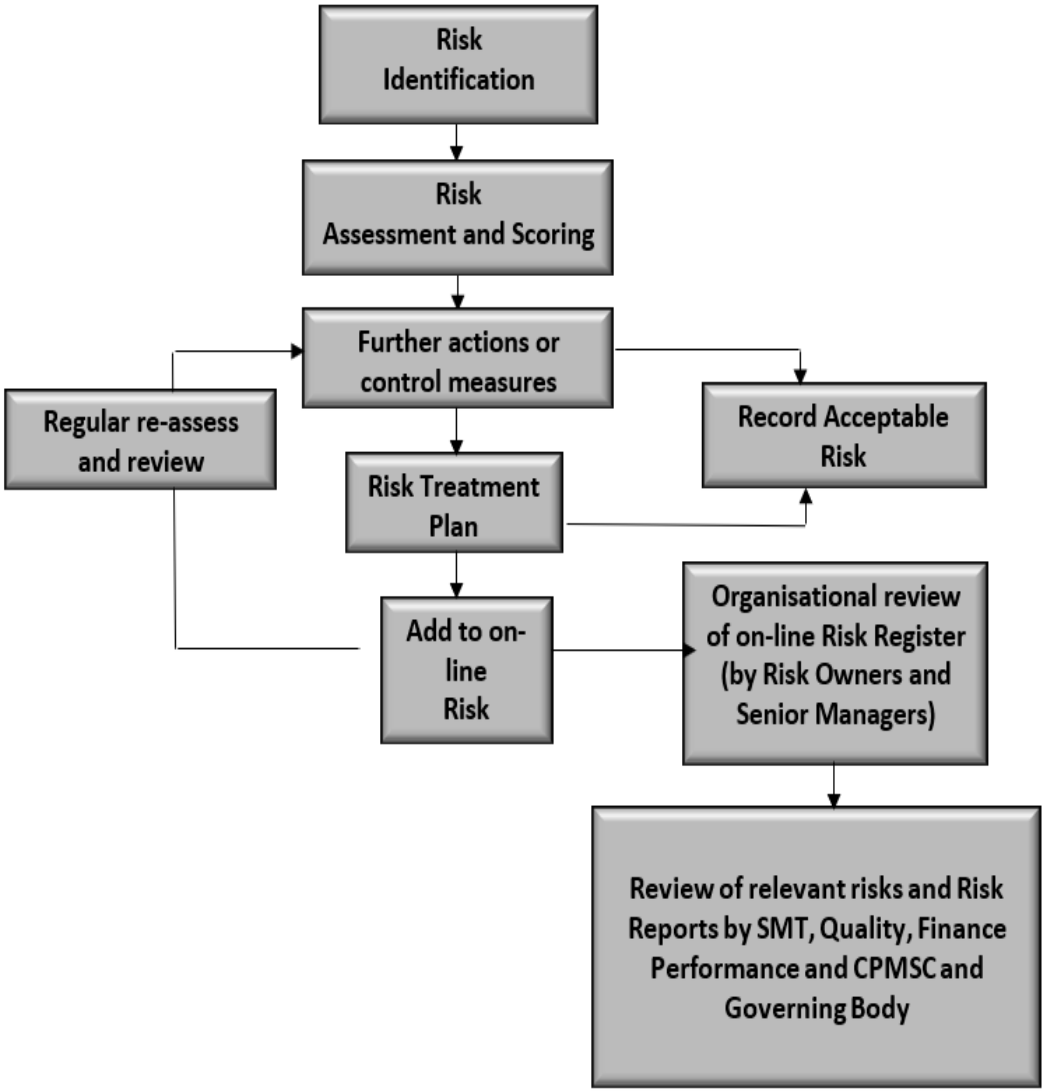
Providers have their own risk management systems in place, and these are monitored via Quality meetings between the CCG and main local providers. Providers have in place incident reporting systems which provide information for analysis to the National Reporting and Learning System.

The CCG has a responsibility to ensure that providers are delivering safe services and therefore undertakes the performance management of serious incidents and never events at providers via Quality Boards and forums with providers to ensure that a robust investigation has taken place and actions identified are implemented. These are also monitored internally via the CCG Quality, Finance and Performance Committee.

7 Risk Management process

The CCG's first strategic risk management objective is that the CCG has appropriate and effective systems in place to identify, report and manage risk.

These systems are illustrated in the chart below:



7.1 Risk Identification

Risk can only be managed if it is identified. Triangulation of soft and hard information from different sources gives assurance that all significant risks have been captured.

The key sources of information used to check completeness of risk capture are:

- Performance indicators reporting variance from plan within commissioning performance contracts and related reports;
- The results of planned reviews of compliance with statutory and regulatory requirements e.g. fire regulations, Care Quality Commission (CQC) standards and reviews, Ofsted reviews, Parliamentary Ombudsmen, professional standards, information governance systems including the IG Toolkit etc.;
- Routine review of serious incidents, incident reports and complaints to identify emerging risks, themes or specific concerns;
- Utilisation of intelligence through partner networks and from stakeholders to encourage the sharing of information to identify potential risks;
- Ensuring contact with regional and national professional associations that provide early warning on serious adverse events;
- Risk review and discussion through operational groups and formal governance meetings, i.e. Governing Body, Audit Committee, Quality, Finance and Performance Committee and the Commissioning Primary Medical Services Committee which highlight risks that should be reflected in the Risk Register.

Risk identification is also supported through many review processes such as:

- Team or contract review meetings;
- Committee meetings specifically reviewing risk and/or risk areas;

- Joint service providers meetings where risk logs can be shared and discussed.

7.2 Risk Assessment and Scoring

Risk assessment is a structured process used once a risk has been identified to:

- Understand its potential impact;
- Examine what control measures are already in place to manage the risk and evaluate their effectiveness;
- Score the potential of any outstanding risk after considering the effectiveness of current controls and identify the prioritisation of the risk;
- Identify the target risk score (i.e. the level at which the risk can be accepted, taking into account the CCG's risk appetite).

Risk scores (both current and target) are calculated by multiplying the potential impact or consequence by the potential likelihood or frequency level to provide a risk score utilising a 5 x 5 matrix scoring system which produces a range of scores from 1 to 25.

Likelihood multiplied by Impact equals Risk Score

Detailed matrices to assist with the allocation of Likelihood and Impact levels are provided at Appendices 1 and 2.

Table 1: Risk Matrix

	Likelihood				
Impact	**Rare 1**	**Unlikely 2**	**Possible 3**	**Likely 4**	**Almost Certain 5**
Insignificant 1	**1**	**2**	**3**	**4**	**5**
Minor 2	**2**	**4**	**6**	**8**	**10**
Moderate 3	**3**	**6**	**9**	**12**	**15**
Major 4	**4**	**8**	**12**	**16**	**20**
Catastrophic 5	**5**	**10**	**15**	**20**	**25**

7.3 Risk Prioritisation and Treatment

Once a risk has been identified and assessed, the next step is to decide how to treat the risk. Options for treating the risk include:

- Mitigate the risk by taking action to reduce its likelihood and / or impact.
- Accept the risk by informed decision.
- Avoid the risk, e.g. by discontinuing a specific activity.
- Transfer the risk, e.g. to a service provider, although accountability for the risk will normally stay with the CCG.
- Take or increase the risk to pursue an opportunity.

The risk score determines the prioritisation and allocation of resource. Higher scores have a higher priority for action, as the impact of failing to reduce the risk is greater. The risk scores obtained from the risk matrix at Table 1 are assigned grades and priorities as follows:

Table 2:

Risk Grading	Colour coding	Priority
Critical Risk (20-25)	**Black**	1
Serious Risk (15-16)	Red	2
High Risk (8-12)	Yellow	3
Moderate Risk (4-6)	Green	4
Low Risk (1-3)	White	5

7.4 Risk Recording, Reviewing and Monitoring

The CCG monitors and reports on its risks in two key ways: the Risk Register and the Assurance Framework.

Corporate Risk Register

The CCG has an integrated approach to risk, with the recording and monitoring of risks co-ordinated through a single, on-line risk register provided by the Governance and Risk Team, NHS Wakefield CCG and held on an NHS network. The Risk Register records and reports on performance-based risks that may rise and fall within relatively short-term periods, i.e. operational risks

The on-line risk register systems allows for an auditable two-tiered review process of risks and supports the monitoring and updating of risks within review deadlines. The CCG operates four risk review and reporting cycles per annum.

Once every risk cycle, a corporate “reality check” of the content of the risk registers including a moderation of the scores and actions taken is conducted, through review of the risk register by the Senior Management Team (SMT) and the Quality, Finance and Performance and Commissioning Primary Medical Services Committees.

The database is archived at the end of each risk cycle, at which point any closed risks from the preceding period are removed from the new live register but remain in the archived record allowing any retrospective review or report to be published.

Governing Body Assurance Framework

The GBAF is a simple but comprehensive method for the effective and focused management of the principal risks to delivering the strategic priorities of the CCG outlined within the Strategic Plan. It also provides a structure for the evidence to support the Annual Governance Statement.

The GBAF is supported by the Risk Register and should make reference to relevant Risk Register risks within one of the GBAF risks if they affect this area of the organisation.

Please see Section 6.1.5 for a summary of arrangements for reviewing and monitoring risks within NHS Calderdale CCG.

8 Learning from risk to prevent recurrence

The CCG has a risk management objective to ensure that it has an effective process to capture and learn from mistakes to reduce future risks.

An effective risk management process learns from experience so that risks do not reoccur. There are two main elements to this objective:

Learning from experience in the organisation

NHS Calderdale CCG is committed to the following principles:

- An improvement philosophy – when things go wrong we want to learn from them;
- Honesty and openness;

- The involvement of stakeholders, partners, patients, families and staff in our learning processes;
- Appropriate response in our investigations when things go wrong.

Valuable learning information can be identified through a variety of systems and activities:

- Incident reporting;
- Claims made against Trusts or other NHS service providers or commissioners;
- Complaints received;
- Issues raised via Patient And Liaison Services (PALS);
- Feedback from Independent Contractors and their associated bodies.

Processes to capture this learning are:

- The investigation of incidents, complaints and claims using root cause analysis techniques to identify underlying issues which require improvements or interventions to reduce the chance of re occurrence;
- Feedback from operational managers who are able to triangulate intelligence on complaints, incidents and claims with soft intelligence and feed-back from stakeholders;
- Regular CCG incident reporting to the Audit Committee and provider serious incident reporting to the Quality, Finance and Contracting Committee;
- Quarterly reporting to the Audit Committee through the Governance Assurance Report.

Learning from others and using best practice

The collation of information sources to identify and implement best practice where applicable. Examples of data sources are listed below:

- National Patient Safety Agency (NPSA), National Reporting and Learning Service (NRLS) and NHS England guidance and learning from incidents will be implemented into organisational systems and procedures
- Feedback from external reviews of organisational systems e.g. internal audit, external audit, Care Quality Commission reviews, Ofsted and Ombudsman.
- Using local and national professional networks to identify best practice and benefit from the experience of others.
- Research and guidance published by professional bodies.
- Recommendations from external investigations and formal enquiries.

9 Risk Management and partner organisation

The CCG has close working relationships with a number of stakeholders and has a strategic risk management objective to develop risk management arrangements for key partnerships and for major projects.

The CCG has adopted a programme management approach to all major transformation activities (such as QIPP). Risk registers and issues logs are produced for all programmes and are reported to the relevant Programme Board. Risks with a total risk score of 12 or more, or a score of 5 for Consequence / Impact should be escalated from the programme / project risk register to the Corporate Risk Register.

The CCG endeavours to manage risk across organisational boundaries and involve partners in aspects of risk management as appropriate to ensure that risk is managed across organisations and partnerships to deliver whole system change and improvement.

This will be achieved by the following:

- Maintaining a corporate record of the key partnerships for the organisation.
- Implementation and maintenance of a scoring system to identify partnerships with high risk scores.

- Prioritised implementation of programme / project risk registers for those areas categorised as high risk. The Risk Registers are reviewed through appropriate internal and external governance frameworks.

The key partnerships for the CCG include a number of NHS providers, the local authority and independent contractors including a social enterprise, third sector and patient and public involvement representatives. In addition to having robust internal scrutiny arrangements, partnership organisations are required to contribute to relevant joint programme / project risk registers and frameworks.

9.1 Joint commissioning risks

The principal risks relating to the delivery of system-wide strategic objectives (as set out in the Calderdale Wellbeing Strategy) will be captured in a Joint Assurance Framework.

The mitigating actions set out in the Joint Assurance Framework will be reviewed on a quarterly basis by the Integrated Commissioning Executive, with any concerns being escalated to the Governing Body.

9.2 Commissioning Support Services

Risks relating to the provision of commissioning support services are managed through contract review meetings.

10 Public Sector Equality Duty

Appendix 2, the Impact / Consequence Scoring Matrix, includes examples of equality and diversity issues to assist in scoring relevant risks.

11 Dissemination, implementation and training

The CCG will ensure that all employees are aware of the existence of this framework.

This framework will, following approval, be disseminated to staff via a variety of communication methods, such as the CCG intranet, newsletter and staff workshops. Training in risk management and on the use of the Risk Register system is available as required from the Risk, Health and Safety Manager.

12 Monitoring compliance with and the effectiveness of procedural documents

Monitoring compliance with and the effectiveness of the Risk Management Framework will be via the Audit Committee, supported by the work of Internal Audit.

The Corporate Systems Manager is responsible for ensuring that this policy is reviewed.

13 References

The following guidance has been used in the development of this framework:

- AS/NZ ISO 31000: 2009 Risk Management Standard
- A Risk Matrix for Risk Managers – NPSA, January 2008
- Doing Less Harm – DoH and NPSA, 2001
- NHSLA Risk Management Standard 5 – Learning from Experience
- NHS Calderdale CCG Constitution

Appendices

Appendix 1: Risk Likelihood / Frequency

Level

Descriptor	**1 Rare**	**2 Unlikely**	**3 Possible**	**4 Likely**	**5 Almost Certain**
Frequency	Not expected to occur for years	Expected to occur at least annually	Expected to occur at least monthly	Expected to occur at least weekly	Expected to occur at least daily
Probability	< 1%	1 – 5%	6 – 20%	21 – 50%	> 50%
Likelihood	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not
Chance	1 in 20,000 chances.	1 in 2,000 chances.	1 in 200 chances.	1 in 20 chances.	1 in 2 chances.

Appendix 2: Risk Impact / Consequence table by Risk Type

Level	Financial Impact	Patient and Public Experience	Legal / Regulatory
Insignificant (1)	£1K to £5K	Unsatisfactory patient experience not directly related to patient care Locally resolved complaint	Minor non-compliance with standards Minor recommendations e.g. clinical audit, internal audit, external audit etc. Any IG breach where there is no adverse effect
Moderate (2)	Up to £50K	Unsatisfactory patient experience - readily resolvable Justified complaint peripheral to clinical care Adverse local media report – short term	Possible minor out of court settlement or civil small claims court. Isolated failure to meet local standards. Coroners Court Inquest. Any IG breach where there is potentially some minor adverse effect or incident involving vulnerable groups even if no adverse effect occurred

Level	Financial Impact	Patient and Public Experience	Legal / Regulatory
Serious (3)	Up to £250k	Mismanagement of patient care Justified complaint involving lack of appropriate care Breach of Section 242 duty to involve in service changes Ongoing adverse local media reports	Defensible civil action. Improvement notice Persistent failure to meet local standards. Intermittent failure to meet national performance standards Breach of Equality Act through failure to "pay due regard" in service changes Employment Tribunal upholds complaint of discrimination by a member of staff Coroners Court – narrative verdict. Any IG breach where there is potentially some adverse effect
Major (4)	Up to £500k. Destabilises provider market	Serious mismanagement of patient care Several justified complaints (of a Ombudsman 2nd stage complaint) Adverse national press interest (<3 days)	Criminal prosecution. Persistent failure to meet national performance targets. Coroners Court – neglect verdict. Any IG breach where there is potentially pain and suffering/financial loss

Level	Financial Impact	Patient and Public Experience	Legal / Regulatory
Catastrophic (5)	Over £1m. Significantly destabilises provider market	Totally unsatisfactory patient experience Multiple justified complaints On-going adverse national press interest (>3 days), MP questions	Corporate Manslaughter or Corporate manslaughter prosecution Persistent failure to meet national, professional and statutory requirements. Any IG breach where a death or catastrophic event has occurred

Level	Health/ Clinical Outcome	Safety / Injury / Harm	Health/ Clinical Outcome
Insignificant **(1)**	Minor adverse clinical outcome, e.g. slight delay in referral or treatment with low impact	Short term verbal abuse. Less than 3 days absence. Patients required extra observation or minor treatment	Short term capacity issue (staff/facilities) reducing service quality (< 1 day)
Moderate (2)	One off failure to meet minimum clinical outcomes Minor increase in health inequalities (in only 1	Physical encounter (scratches / bruising).Absence of 3 days to 1 week. Patients require minor increase in treatment, did not	Significant inconvenience or cost in maintaining activity Capacity issue (staff/facilities) reducing service

Level	Health/ Clinical Outcome	Safety / Injury / Harm	Health/ Clinical Outcome
	area/group)	lead to permanent harm	quality (<1 week)
Serious (3)	Intermittent failure to meet minimum clinical outcomes. Moderate increase in health inequalities (across 2 or more areas/groups)	RIDDOR reportable injury and / or with absence of more than 1 week. Patients require moderate or major increase in treatment, did not lead to permanent harm	Ongoing unsafe staffing level Significant ongoing capacity issue (staff/facilities) preventing service delivery (> 1 week)
Major (4)	Persistent failure to meet minimum clinical outcomes in one clinical area Significant increase in health inequalities (across 2 or more area/groups)	RIDDOR reportable major injury or dangerous occurrence Patient experienced permanent harm	Significant ongoing capacity issue (staff/facilities) preventing service delivery for (> 1 month)
Catastrophic (5)	Persistent failure to meet minimum clinical outcomes in a range of services Extreme impact on health inequalities across CCG	RIDDOR reportable death. NRLS reportable death - Patient died as a direct result of incident	Interruption of all or significant range of CCG activities (> 1 week)

Appendix 3: Risk Register User Guidance (removal of this guidance as it is on the intranet)

(i) Risk Register Roles

Risk Owner:

Identifies, assesses and records new risks on the Risk Register system;

- Regularly reviews their risks in line with the review process and schedule which includes updating information, reviewing current risk score and if appropriate closing risks that have been managed back to acceptable risk levels or are no longer relevant;
- Works closely with clinical leads, performance managers and other service providers to monitor performance and activities to allow the early identification of risk;
- Keeps their line manager informed of any significant changes that may affect any risks they have recorded on the Risk Register.;
- Ensures Clinical Leads are aware of and updated on relevant risks on the Risk Register.

Senior Manager

- Supports a culture of risk awareness within the CCG;
- Checks that the Risk Owner has appropriately reflected the true nature of the risks and controls in place, etc.;
- Ensures consistency of risk wording (there is a risk of… due to… resulting in…);
- Confirms ownership of the risk sits with the appropriate person at all levels;
- Checks scoring is appropriate to the risk faced by the CCG and that it is consistent with the score of other risks on the Risk Register;
- Liaises with the risk owner to amend/correct any changes (this will support the Risk Owner when they complete the next review cycle);
- Is prepared to discuss the risk at any group or committee;
- Confirms that the risk is correctly reflected;

- Confirms that it is appropriate to close risks marked for closure by the Risk; Owner;
- Identifies any additional risks to be included on the Risk Register;
- Ensures that risks are discussed regularly at team meetings and potentially at 1:1s with appropriate staff members.

Risk Register Administrators

The Risk Register system is administered by the Risk, Health and Safety Manager and related training is available.

The Corporate Systems Manager also has Administrator access to the system and is copied into all emails generated by the system.

Adding or Reviewing Risks on the Risk Register System

Key Point

The most important thing is to ensure that risks are identified and reported.

The rest of this guidance provides help in *how* to record and score the risk on the Risk Register, but having the “correct content” is secondary to ensuring a risk is recorded on the Register on a timely basis. We can refine content of the Register once a risk has been added.

Timescales

Risks should be added or reviewed in line with the timescales set for each risk cycle (4 cycles per annum). These timescales are notified to all users of the Risk Register ahead of the start of each cycle.

If possible, pleases do not add risks or make changes to existing risks outside of these timescales, since this may impact upon the integrity of reporting. However, if urgent changes do need to be made to the Risk Register outside of set timescales, please make the Risk, Health and Safety Manager aware.

Access

- For access to the risk register please contact the Risk, Health and Safety Manager for NHS Calderdale CCG.
  The Risk Register can be accessed via the internet from any PC with an NHS N3 connection.

  We suggest you save the link to “Favourites” in your internet browser. The link is included in all emails from the system notifying users of risk cycle timescales.

- Enter your log-in details – this is your email address (contact the Risk, Health and Safety Manager if you or any of your colleagues require access to the system).

Adding and Reviewing Risks

- Select Risks Dashboard
- New risks - select Add a New Risk, or:
- Review of existing risks – select My Risks (Risk Owners) or Risks to Review (Senior Managers)
- Complete or review the required information (see below)
- Select Save or Save and Exit before leaving the page

CCG and Service Organisations

Heading	Action Required	Clarification / Guidance
CCG	Select from the drop-down menu.	
Service Organisations	Select from the drop-down menu (multiple organisations can be selected).	Select a service organisation where the cause of the risk is primarily due to an external organisation (third party risks).

Heading	Action Required	Clarification / Guidance
Risk Owner	Select from the drop-down menu. Select the "Send email notification" box to flag that a new risk has been added to the register.	If additional staff need to be set up on the system, please contact the Wakefield CCG Governance and Risk team. If you want to add a new risk to the system outside of the specified review dates for that risk cycle, please contact the Calderdale CCG, Risk, Health and Safety Manager before doing so.
Senior Manager	As above.	As above.
Final Reviewer	No longer used – leave blank.	
Committee	Select Quality, Finance and Performance, Committee or Commissioning Primary Medical Services Committee.	A risk can only be aligned with one committee – think about whether the cause and / or effect of the risk is primarily financial / performance / corporate or quality / clinical (and reflect this in the risk description).
Risk Category	Select from the drop-down menu	Categories are aligned to either Q, FandP or CPMS Committee. Only one risk category can be selected – chose the most appropriate option.

Risk Ratings

It is suggested you complete the rest of the Risk Register entry BEFORE you consider risk ratings.

Heading	Action Required	Clarification / Guidance
Current Risk Rating	Likelihood: select 1 – 5. Impact: select 1 – 5. Current risk rating is calculated automatically (Likelihood x Impact).	Refer to the Risk Scoring Matrices (attached) for guidance. If the current risk rating has not reduced over 2 or 3 risk cycles, consider (i) whether the Key Controls are as effective as hoped and (ii) whether the original score was appropriate.
Target Risk Rating	Likelihood: select 1 – 5. Impact: select 1 – 5. Target risk rating is calculated automatically (Likelihood x Impact).	Refer to the Risk Scoring Matrices (attached) for guidance. At what level (likelihood and impact) could the risk be accepted / tolerated? This is the level to which you want to reduce the current risk score.
Risk Description		
Principal Risk	Enter details. The risk should be worded as "There is a risk of….due to… resulting in….".	Risks should not commence "Failure to…" – this is an outcome / impact of risk crystallisation and not a risk in itself. There has to be a degree of uncertainty for a risk to exist – if something has already

Heading	Action Required	Clarification / Guidance
		happened / is happening, this is an issue or a cause of a risk, not a risk in itself. The “due to” part of the description outlines the causes of the risk. The “resulting in” part of the description outlines the impact of the risk if it were to arise.
Key Controls	Enter details. What are the key controls already in place to prevent the risk from occurring?	Relates to systems / processes / mechanisms already be in place. Actions which are planned / not yet implemented should **not** be recorded as an existing control until fully in place. Record a maximum of 4-5 key controls. Explanation of why a risk rating has reduced could be recorded here.
Gaps identified in Control	Enter details - where either: (i) There are no controls in place, or;	Where there are plans in place to close gaps in controls, specify the target timeframe. If there are no gaps in control currently, state this on the

Heading	Action Required	Clarification / Guidance
	(ii) Controls are in place but are known not to be operating effectively.	system. Explanation of why a risk rating has increased could be recorded here.
Assurance on Controls	Enter details – what mechanisms are there to provide assurance (evidence) on the operation of controls?	For example: • Key performance indicators • Reports • Papers to oversight groups / committees • Minutes of meetings • Other reporting mechanisms
Positive Assurance	Enter specific details of what assurance mechanisms are reporting and when to support that controls are in place and operating effectively.	It can be useful to distinguish between assurance from internal and external sources. Examples • Action plan on track for implementation to schedule – reported to Nov 14 Clinical Quality Group. [Internal assurance] • Q1 and Q2 performance has met target – reported Nov 14 Finance and Performance Committee. [Internal Assurance] • Significant Assurance from Sept 14 Internal Audit Report

Heading	Action Required	Clarification / Guidance
		on XXX [External assurance] • Green RAG rating on NHS England assurance framework Q2 14-15 [External assurance] Explanation of why a risk rating has reduced could be recorded here.
Gaps in Assurance	Enter details - where are we failing to gain evidence on the effectiveness of controls due to: (i) A lack of assurance mechanisms in place (ii) Assurance mechanisms are providing negative assurance (i.e. controls are not effective)	Examples: • No mechanism in place to report on project progress. • Q1 and Q2 performance is below target level as reported to Finance and Performance Committee Nov 14. • Limited Assurance from Internal Audit Report on XX, October 14. Where there are plans in place to close gaps in assurance, specify the target timeframe. If there are no gaps in assurance currently, state this on the system. Explanation of why a risk rating has increased could be recorded here.

Heading	Action Required	Clarification / Guidance
Add Linked Risk	Enter the linked risk number (if appropriate)	
Review Risk		
Review Risk	Tick the relevant box (Risk Owner or Senior Manager)	If this box is not selected, the risk will be reported as un-reviewed.
Reviewer Comment	Enter details as appropriate	This field is for dialogue between Risk Owners and Senior Managers, e.g. to query risk scores, controls or assurance. This field is **not** reported as part of the Risk Register. Rationale to support changes in scores should be recorded elsewhere (e.g. if risk ratings have increased, explain why in the gaps in control and / or gaps in assurance field; if risk ratings have reduced, explain why in the key controls or positive assurance fields).
Closed	Tick this box if the risk is being closed	
Reason for Closure	Select from the drop-down menu.	If “Other” is selected, please provide additional details in the box that will appear when this option is ticked. If “Merged with Other Risk” is

Heading	Action Required	Clarification / Guidance
		selected, please ensure the "Linked Risk" field is completed. Current risk rating reaching the target risk rating is reason for closing a risk, but a risk does not *have* to be closed for this reason – it may be prudent to retain the risk on the system for one or two cycles after the target risk rating has been reached.

Key Points to remember when Adding or Reviewing Risks

- To ensure the integrity of reporting, it is preferable that new risks are added or changes to existing risks are made during the specified period for that risk cycle (notified to users of the Risk Register by email). If you do need to add a new risk or make a significant change to a risk outside of this period, please make the Risk, Health and Safety Manager and the Corporate and Governance Manager aware.
- Ensure that changes to risk scores are explained (we suggest using the key controls or positive assurance fields for reductions in risk ratings or the gaps in controls or gaps in assurance columns for increases in risk ratings).
- Remember that whatever is recorded in the "Reviewer Comment" box is not reported as part of the Risk Register.
- Do not use abbreviations without first explaining them.

Search Risk Dashboard and Report Risk Dashboard

- All users of the Risk Register system have the ability to search for risks on the CCG Register and to run reports (but users can only amend those risks for which they are the allocated Risk Owner or Senior Manager)
- The Search options available are:
  - By risk number
  - By Risk Owner
  - By Senior Manager
  - By Committee
  - By Service Organisation (partner) – coming soon, functionality being developed
  - By risk status (open / closed)
  - Risks created between two dates
  - Text search

- All reports can be filtered by all risks or by Committee, Risk Owner or Senior Manager or by archive dates (the latter allows historic “snapshots” of the Risk Register to be reported). The following reports are available:
  - Risks (Risk Register)
  - Risk Reviewers –what risks have been reviewed by Risk Owners and Senior Managers
    - Heatmap
    - Static Description Risks (risks whose description did not change during a risk cycle)

All reports can be exported to Excel or Word.

- Risk Dashboard. This provides a risk overview diagram, a summary of risk movement during a risk cycle and charts of risk numbers / total risk score / average risk score. This report is available at CCG or Committee level only.