NHS
Bury Clinical Commissioning Group

Risk Management Strategy and Policy

Version:	2.0
Ratified by:	Governing Body
Date ratified:	25th November 2015
Author (s) :	Lisa Featherstone, Deputy Director of Business Delivery Gareth Webb, Board Secretary / Governance Lead
Responsible Committee / individual:	Governing Body
Date issued:	25th November 2015
Review date:	November 2016
Target audience:	NHS Bury Clinical Commissioning Group Members and Staff
Equality Analysis Assessed:	Yes

Further information regarding this document

Document name	Risk Management Strategy and Policy
Category of Document in The Policy Schedule	CCG.STR.003.2.0
Author(s) Contact(s) for further information about this document	Lisa Featherstone, Deputy Director of Business Delivery lisafeatherstone@nhs.net T : 0161 762 3151 M : 07812 669764 Gareth Webb, Board Secretary / Governance Lead garethwebb1@nhs.net T : 0161 762
This document should be read in conjunction with	• Health and Safety Policy • Information Risk Policy • Information Governance Incident Reporting Procedure • Whistleblowing Policy • Emergency Planning and Resilience plan • Business Continuity Policy • Anti-Fraud Corruption and Bribery Policy • Complaints Policy
This document has been developed in consultation with	Quality and Risk Committee Audit Committee Executive Management Team Mersey Internal Audit Agency
Published by	NHS Bury Clinical Commissioning Group 21 Silver Street Bury BL9 0EN Main Telephone Number: 0161 762 5000
Copies of this document are available from	CCG Headquarters

Version Control

Version History:		
Version Number	Reviewing Committee / Officer	Date
1.0	tbc	
1.1	Draft document for discussion	August 2015
1.2	Feedback from Quality and Risk Committee	August 2015
1.3	Feedback from EMT and technical advisors	October 2015
2.0	Governing Body	25th Nov 2015

Contents

1.0 Introduction

1.1 NHS Bury Clinical Commissioning Group (CCG) is committed to a strategy that minimises risks to all its stakeholders through a comprehensive system of internal control, whilst providing maximum potential for flexibility, innovation and best practice in delivery of its strategic objectives.

1.2 Risk management, whilst driven by legislative requirement including The Management of Health and Safety at Work Regulations (1999) and the Corporate Manslaughter and Corporate Homicide Act 2007, is an integral part of good management practice.

1.3 Legislation requires all employers to undertake suitable and sufficient assessments of risks created by their activities, to take reasonable steps to protect employees, or anyone else who might be affected by their activities and to monitor and review risks at regular intervals to ensure that they remain accurate and valid.

2.0 Aims

2.1 This strategy provides a three year plan in relation to the implementation and delivery of risk management across the CCG, whilst also taking into account the legislative framework that the organisation is bound by.

2.2 The aim of the risk management process is to provide a systematic and consistent integrated framework through which the CCG's strategic objectives are pursued. This involves the identification of risks; threats and opportunities, to achieving these objectives and taking steps to mitigate these risks.

2.3 Risk management underpins the CCG's objectives and enables the CCG to prioritise its risks so as to direct resources for managing risks effectively. As part of this the CCG undertakes to ensure that adequate provision of resources, including financial, personnel and information technology is, as far as is reasonably practicable, made available.

2.4 The strategy outlines the management structure, accountabilities and responsibilities in relation to risk management. It also details the processes involved and specifies the maintenance of the assurance framework, risk registers and associated action plans.

3.0 Scope

3.1 This strategy applies to all staff employed by and clinical leaders within NHS Bury CCG.

4.0 Definitions

4.1 The CCG defines risk and risk management in line with the AS/NZS ISO 31000:2009 as follows:

• Risk	the chance of something happening that will have an impact upon objectives. It is measured in terms of likelihood and impact'
• Risk Management	the culture, processes and structures that are directed towards effective management of potential opportunities and adverse effects
• Risk Management Process	the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying and analysing, evaluating, treating, monitoring and communicating risk
• Risk Appetite	the level, amount or degree of risk that an organisation is willing to take in order to meet their strategic objectives
• Risk Maturity	the measure of the systems and process in place for managing risk
• Risk Register	A central repository which captures information such as risk likelihood, consequence, actions to mitigate and manage the risk for all identified risks. Risk registers will be maintained and reported at team, project, work-stream and corporate levels.
• Corporate Risk Register	Captures all risks which have a risk score of ≥15. This supports the Governing Body Assurance Framework and provides a summary of the actions required and being taken to reduce the level of risk to an acceptable level.
• Governing Body Assurance Framework	An integral part of the system of internal control which records the significant principal risks that could impact on the CCG achieving its strategic objectives. It summarises the sources of control that are in place, or are planned to mitigate against them. Gaps are identified where key controls and assurances are not robust and actions to address these are implemented. The GBAF is a tool for providing assurance to the Governing Body.

5.0 Strategic Objectives

5.1 The Governing Body recognises that risk management is an integral part of good management practice, and to be most effective should become part of the organisation's culture.

5.2 The Governing Body is committed, through the Governance Framework and Committee structure, to ensuring that risk management forms a key element of its philosophy, practices and business plans, with responsibility for implementation accepted at all levels of the CCG.

5.3 Risk Management in the CCG is designed to support the achievement of the CCG's vision 'To continually improve Bury's health and wellbeing by listening to you and working together across boundaries.'

6.0 Risk Management Objectives

6.1 The CCG is committed to ensuring Risk Management is embedded across the organisation and driving the agenda and discussion at a strategic level, and has determined a three year Risk Management Strategy to support this commitment.

6.2 The CCG will undertake an annual assessment of its maturity against an approved Risk Maturity Model and will determine appropriate actions to progress from its current position to *'risk enabled'* in accordance with Appendix A.

6.3 Key objectives have been developed to ensure the CCG delivers its three year strategy for risk management. These are set out below and will be enhanced to reflect the assessment of risk maturity as outlined above:

Objective		Delivered By:
Year 1 2015-16	To develop a risk aware culture throughout the Clinical Commissioning Group, ensuring that the concepts and ideas of risk assessment and risk management are embedded into day-to-day working practices.	• Assessing the CCG's risk maturity level against an approved model and developing an appropriate action plan to increase the level of maturity accordingly; • Ensuring all strategic and business plans consider risk management; • Making risk management a regular agenda item at the CCG's Governing Body meeting and Executive Management Team meeting; • Reinforcing the need for staff to consider and assess risk in all daily activities; • Ensuring mandatory risk management training is available for all staff; and • Ensuring that managers are informed and appropriate action is taken when staff fail to attend mandatory training.
	To ensure that appropriate systems are in place for	• Ensuring all staff are aware of and understand the risk management procedures;

	identifying, assessing and controlling key risks.	• Ensure that all staff are aware of their responsibility for identifying, assessing and managing risk; • Implementing an incident management system and organisational risk registers across all areas of the Clinical Commissioning Group; • Ensuring that lessons learned from incidents, complaints and claims are shared across the organisation and with the wider health economy to prevent recurrence; • Annual review of key risk systems (e.g. corporate risk register, incident reporting) to ensure that they are meeting the changing needs of the organisation.
Year 2 2016-17	To maintain effective organisational structures for risk management so that a consistent approach is taken across the Clinical Commissioning Group that reflects best practice.	• Ensuring that the risk management strategy is reviewed to take into account national guidance and best practice; • Ensuring that the structures and responsibilities set out in the policy are effective in practice; • Ensuring that the Clinical Commissioning Group Governing Body reviews the effectiveness of the structures and responsibilities to identify any useful improvements; • Implementing findings from review of risk management systems; • Ensuring that up to date policies are available to staff and key stakeholders on the intranet, internet and in paper.
Year 3 2017-18	To ensure good and steady progress in the implementation of effective risk management across the Clinical Commissioning Group	• Taking corrective actions in light of audit and review processes; • Taking part in national benchmarking studies to identify not only how well the CCG is doing but also what steps it can take to improve further.

7.0 Risk Management Framework

7.1 Integrated risk management is a process through which the CCG will identify, assess, analyse and manage all risks and incidents at every level of the organisation, and aggregate the results at a corporate level. In practice this means:

- Integrating all risk management functions such as, complaints and compliance including incidents and other risks;
- Integrating risk management functions with service development and clinical governance activity to unify frameworks and improve outcomes for patients;
- Integrating all sources of information, both reactive (e.g. incidents) and proactive (e.g. risk assessments);
- Integrating systems of risk assessment to improve clarity and communication;
- Implementing a consistent approach to training, management analysis and investigation;
- Incorporating all risks into the processes for risk register development; and

- Integrating processes and decisions about risk into future business and strategic plans.

7.2 The risk management process will be used to:

- improve the ability of the CCG to meet its strategic objectives, priorities and vision;
- provide information to the Governing Body through the committee structure so that it can make informed decisions;
- manage the treatment of risk in a systematic way so that the organisation can determine acceptability of residual risks;
- initiate and monitor actions to prevent or reduce the consequences of risk to within the defined risk appetite of the CCG; and
- provide a comprehensive approach to improving patient and staff safety.

8.0 Risk Management Structure

8.1 All Committees of the CCG Governing Body are responsible for monitoring risks for which they are assigned as being responsible for on the register; additionally some committees have further responsibilities for the strategic management of risk.

Governing Body

8.2 The Governing Body is responsible for:

- having overall accountability for the management of governance, risk and assurance, determining the strategic approach to risk and setting the risk appetite for the CCG;
- ensuring and approving the structure and framework for risk management;
- considering whether the CCG has implemented an effective system of internal control including appropriate risk management arrangements;
- regularly receiving and considering the Governing Body Assurance Framework (GBAF) and Corporate Risk Register (CRR) which communicate and monitor the risks to the strategic objectives of the CCG;
- monitoring management of significant risks and seeking assurance that management decisions balance performance within appropriate limits defined by the CCG's Committees.

8.3 The Governing Body has delegated operational responsibility for delivery and scrutiny of the overarching risk management arrangements, including the GBAF and CRR to the Audit Committee.

Audit Committee

8.4 The Audit Committee is responsible for:

- providing assurance to the Governing Body on the effectiveness and adequacy of the processes for managing principle risks and the risk management framework;

- challenging the way in which risk is managed, particularly where there is uncertainty or concerns over the effectiveness of existing arrangements;
- ensuring that arrangements for risk management are appropriately and regularly included in the cycle of independent audits;
- being accountable to the Governing Body with overall assurances that the management of risk is effective;
- receiving and reviewing the GBAF and CRR at each meeting;
- approving on behalf of the CCG those policies that fall within the remit of the Committee's Terms of Reference.
- ensuring, through scrutiny, that the Corporate Risk Register is maintained and updated as and when required;
- assist in the development of risk management structures, arrangements and capabilities within the CCG's;
- review relevant Internal Audit Recommendation's and ensure they are completed within the given deadlines.

CCG Committees or Groups

8.5 Each Committee or Group will be responsible for:

- ensuring that risks which are identified during the carrying out of its functions are assessed, recorded on the risk register, managed, reported and monitored effectively;
- review all new risks recorded on their registers to ensure that the consistency in risk rating is maintained and that action plans are in place to mitigate the effect of the risk;
- conduct "deep dive" reviews into risks;
- have the authority to take appropriate actions to ensure that risks are mitigated and controlled and to advise the Audit Committee of any risks which cannot be mitigated;
- ensure updates and lessons learned are shared where appropriate to enable collective and organisational learning, utilising the management structures, including EMT to facilitate this; and
- ensure the Audit Committee is kept informed of emerging risks which may impact on achievement of the CCG objectives

9.0 Risk Management Roles and Responsibilities

9.1 For risk management to be part of operational activity throughout the CCG, it is important that individual accountability is clearly defined and that this is reflected in objective setting and performance reviews.

Chief Officer

9.2 The Chief Officer has responsibility for having an effective risk management system in place within the CCG, for meeting all statutory requirements and adhering to guidance issued by the Department of Health in respect of Governance.

9.3 The Chief Officer is responsible for signing the Annual Governance Statement on behalf of the CCG, which outlines that appropriate strategies and internal controls have been in place, as part of the year end accounting and annual reporting process.

Chief Finance Officer

9.4 The Chief Finance Officer holds responsibility for ensuring that there are effective systems for the management of financial stewardship of the CCG's finances.

Director of Commissioning and Business Delivery

9.5 The Director of Commissioning and Business Delivery holds responsibility for ensuring that there are effective systems and processes for the management of risk, including a robust governance framework, Governing Body Assurance Framework and Corporate Risk Register for the CCG.

9.6 **Senior Information Risk Owner (SIRO)**

The SIRO will have lead responsibility for information risk and information risk management within the organisation.

Members of Executive Management Team

9.7 All executive members of Executive Management Team (EMT) are accountable for the management of risk within their area of responsibility. This includes:

- ensuring that this strategy and associated policies, procedures and guidelines are implemented within their areas of responsibility;
- reviewing the Governing Body Assurance Framework and Corporate Risk Register relating to their team (finance, quality and safeguarding, business delivery)
- ensuring all risks are identified, assessed and included on the risk register;
- providing assurance to the committees overseeing each risk, as appropriate

Heads of Service

9.8 All Heads of Service are responsible for ensuring all areas under their area of accountability are contributing to the teams risk register.

Line Managers

9.9 All line managers will fulfil their statutory obligations for the management of risk within the workplace by conducting assessments for all work-based activity.

All Employees

9.10 All Employees are responsible for the day-to-day management of risks of all types within their areas of responsibility and control. They are responsible for their own working practice and behaviour in accordance with contracts of employment and individual job descriptions.

9.11 Additionally, employees have a duty to comply with the CCG's strategies, policies and procedures.

9.12 Staff members who are required to be registered with a professional body must act at all times in accordance with that body's code of conduct and rules.

Risk Champion

9.13 The Governance Lead will undertake the role of risk champion and will support the development and integration of risk management within across the organisation.

9.14 The Risk Champion will be responsible for validating the analysis, scoring, assignment of risk owner, mitigating actions and risk review date for each risk identified before it is added to the system and will be supported by the risk and compliance manager.

Risk and Compliance Manager

9.13 The Risk and Compliance Manager (GM Shared Service)will ensure that all risks are monitored and managed in accordance with their review date and provide specialist advice and guidance on Covalent the electronic software system used to manage and report risks within the CCG.

Risk Owners

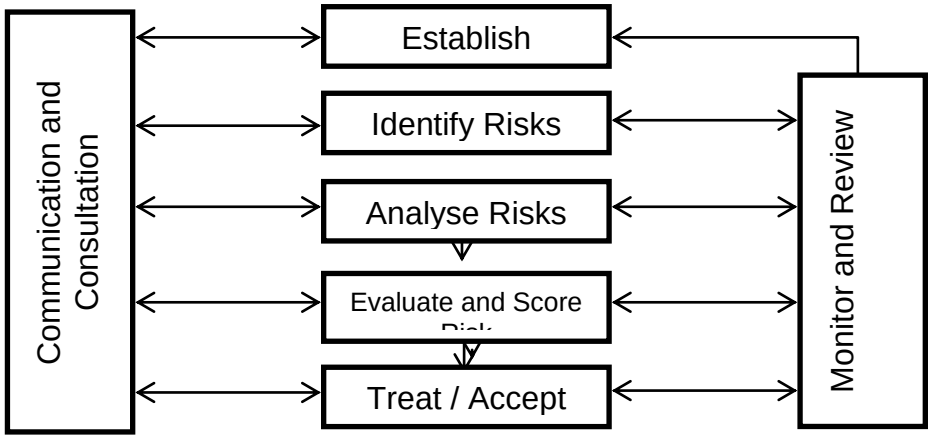
9.14 Risk owners will be assigned for each identified risk and will have overall responsibility for the risk and ensuring actions are implemented. For principal risks in the GBAF, this will be a member of the Executive Management Team.

Action Owners

9.15 Owners will be assigned to each action identified to support the treatment of risk. They are responsible for ensuring actions are completed in a timely manner and updates are incorporated into the covalent system as necessary.

10.0 Risk Management Processes

10.1 Risk Management is a continual cycle which takes a systematic approach as outlined below:



Risk Identification

10.2 Identification of risk is the first part of an effective risk management strategy. Risk identification establishes the organisations exposure to risk and uncertainty. There is no one correct way to identify risks and the use of different methods by different staff groups, is more successful.

10.3 Examples of the types of risk that the CCG might encounter and need to mitigate against include, but are not limited to:

- Strategic — A significant risk that will impact on the delivery of the strategic objectives
- Corporate — Risks associated with the fulfilling of statutory duties and associated accountabilities
- Operational — A key risk which impacts on the delivery of team objectives and associated operational delivery
- Financial — Associated with the achievement of planned surpluses, reduction in costs and revenue growth
- Reputational — Associated with the quality of services, communication with customers, staff and stakeholders
- Environmental — Risks associated with the well-being of staff and visitors whilst using CCG premises
- Clinical — Risks relating to the direct care of the patient and the standards of care received on the patient's journey through the organisation

10.4 The CCG also recognises that risks can arise from both internal and external source. Examples are outlined at Appendix B, however this is not an exhaustive list.

Risk Analysis

10.5 Once risks are identified, further evaluation is required to establish the exposure of the CCG to risk and uncertainty. The outcome of the risk analysis is used to rate the significance of the risk and prioritise risk treatment.

Risk Evaluation and Scoring

10.6 The CCG has determined that the National Patient Safety Agency (NPSA) 5x5 matrix at Appendix C will be the risk analysis tool used to ensure that each risk is evaluated in a consistent way.

10.7 Risks are scored in relation to the Consequence (C) they would have and the Likelihood (L) of them occurring, taking into account the effectiveness of the controls in place to manage the risk.

10.8 Using the risk matrix, a 'colour' and 'grade' is established for each risk which also determines the management, reporting and prioritisation of actions.

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

10.9 For each risk not adequately controlled, an action plan to treat the risk is required.

Treating Risk

10.10 Risk treatment involves developing a range of options for mitigating the risk, assessing those options, and then preparing and implementing action plans.

10.11 In treating risks, the CCG may take one of the following approaches:

- Transfer — implementing a strategy that shares or transfers the risk to another party or parties, such as outsourcing the management of physical assets, developing contracts with service providers or insuring against the risk. The third-party accepting the risk should be aware of and agree to accept this obligation

- Terminate — deciding not to proceed with the activity that introduced the unacceptable risk, choosing an alternative more acceptable activity that meets business objectives, or choosing an alternative less risky approach or process

- Treat — implementing a strategy that is designed to reduce the likelihood or consequence of the risk to an acceptable level, where elimination is considered to be excessive in terms of time or expense

- Tolerate — making an informed decision that the risk rating is at an acceptable level or that the cost of the treatment outweighs the benefit. This option may also be relevant in situations where a residual risk remains after other treatment options have been

put in place. No further action is taken to treat the risk, however, ongoing monitoring is recommended

Risk Review and Management Responsibility

10.12 Each risk will be assigned a risk owner at the point of input onto the risk register.

10.13 Risks should be reviewed by the risk owner as a matter of good practice at a frequency that is determined by the risk assessment and linked to the overall risk score.

10.14 Actions to mitigate and further control the risk should be added to the covalent system. Action owners may be different from the risk owner and will be responsible for ensuring actions are completed in accordance with the agreed timescales.

10.15 All updates, including progress against mitigating actions and changes to the risk score will be recorded on the covalent system.

10.16 Clear lines of responsibility and delegated authority have been agreed, based on the risk score, for the management and review of risk, as follows:

Level of Risk	Management Responsibility	Reviewed By	Risk Register
1-3 (low)	Individuals	Individual level review	Team / Project / Work-steam (as appropriate)
4-8 (moderate)	Line Managers	Team level review	
9-12 (high)	Heads of Service	Appropriate Committee	
New significant risks 15-25	Head of Service	Head of Business Delivery & EMT	Corporate Risk Register
15-25 (significant)	Governing Body	Audit Committee	Corporate Risk Register

10.17 The Governing Body may at any time have sight of the full risk register of the CCG.

Risk Appetite and Tolerance

10.18 Risk appetite is the level, amount or degree of risk that an organisation is willing to take in order to meet their strategic objectives.

10.19 The CCG recognises that there may be a different level of risk appetite for different risks. For example, the CCG is adverse to reputational damage but willing to accept a level of financial loss.

10.20 Whilst the CCG is committed to reducing all risks to levels as low as reasonably practicable, it will however tolerate overall levels of risk where action is not cost effective or reasonably practicable.

10.21 The CCG has zero tolerance for fraud and regulatory breaches.

10.22 The CCG may take considered risks where the long term benefits outweigh the short term losses and there is sufficient evidence which demonstrates the skills, ability and knowledge are in place to support and manager the risk to support innovation and maximise opportunities for overall improvement.

Risk Registers

10.23 The risk register is a tool used by the CCG to effectively capture, manage and escalate those risks which have been identified which may prevent delivery of the CCG's Strategic Objectives and associated operational delivery plans.

10.24 The CCG uses Covalent, an electronic software system, to capture its risks. This is accessible corporately for population, interrogation and reporting with specialist advice and guidance available from the Risk and Compliance Manager (GM Shared Service)

10.25 All risks, which should be aligned to the Strategic Objectives, either directly or through associated sub-objectives, will be captured through this system. Reports will be produced at a Corporate, Team, Work Stream and project level as required.

10.26 A risk register will be established on Covalent for each team to support the capture of risks.

10.27 The Risk Champion is responsible for validating the risk evaluation, scoring, assignment of risk owner, mitigating actions and risk review date.

10.28 Any new risk scored at a level 15 or above must be notified to the Head of Business Delivery as soon as possible and reported to the Executive Management Team at the nearest available meeting.

10.29 All risk scored at a level 15 or above will be included in the Corporate Risk Register and reported to the Audit Committee and Governing Body.

10.30 Following review by the Audit Committee, risks may be recommended for addition to the GBAF where there is concern that the controls, assurance or mitigating

actions are not sufficient and have the potential to adversely impact on the delivery of the Strategic Objectives.

Monitoring and Reporting

10.31 Risk Registers will be reviewed, monitored, challenged and reported at the appropriate level in accordance with the CCG's risk structure as set out in the table at 10.16.

10.32 A review date appropriate and relevant to the level of risk and supporting actions must be set by the risk owner.

10.33 Monitoring will be undertaken by Risk and Compliance Manager (GM Shared Service), to ensure that all risks are managed in accordance with their review date.

10.34 Risk Registers will be produced for review at team, project, work-stream, committee, corporate and GBAF level as follows:

Risks Included	Risk Register	Reviewed By	Frequency
All relevant to team	Team	Head of Service	Monthly
All relevant to project / work-stream	Project / Work-stream	Project Owner / Project Management Office	At each meeting
All relevant to Committee	Committee	Committee	At each meeting
New significant risks with a score ≥15	Corporate	Head of Business Delivery and EMT	Nearest available EMT meeting
All risks with a score ≥15	Corporate	Audit Committee Governing Body	At each meeting Next meeting subsequent to review by Audit Committee
All principal risks to the Strategic Objectives	GBAF	Audit Committee Governing Body	At each meeting Next meeting subsequent to review by Audit Committee

10.35 The risk rating should gradually decrease from the residual risk score towards the target risk score. Where this is not reducing, the actions to mitigate the risk will need to be reviewed to ensure they are appropriate. This will discussed through the appropriate channels and escalated to Audit Committee as appropriate.

10.36 Where review and challenge indicates that the score is likely to increase, changes in risk, this should be captured through the covalent system and will be escalated in accordance with the management responsibility set out at 10.16.

10.37 Any risk that moves to a 'significant' level of risk should be notified to EMT immediately.

10.38 The CCG will use the GBAF and CRR as the main tools for demonstrating that the principal risks to the strategic objectives are being managed effectively and will submit updated documents to each Audit Committee and Governing Body Meeting.

Closing Risks

10.39 The risk register will contain all the risks relevant to the CCG, its strategic objectives and associate work-streams that are being addressed.

10.40 Once a risk has reached its target rating and is at an acceptable level of risk, it may be closed.

10.41 The decision to close the risk must be submitted to the Audit Committee by the Risk Owner and supported by the referring Committee.

10.42 The Audit Committee decision on the closure of risk is final.

10.43 Where actions have reduced the risk but the residual risk remains high and it is agreed that no further action can be taken to reduce the risk, the recommendation to close it whilst accepting the risk must be escalated to the Governing Body.

Managing Risk across Organisational Boundaries

10.44 The CCG recognises that risk is increased when working in partnership or across organisational boundaries.

10.45 The CCG is committed to working closely and collaboratively with its partner organisations to ensure that clarity of role, responsibility and accountability exists where risks occur.

10.46 The CCG will endeavour to involve organisations in all aspects of risk management as appropriate.

10.47 Where partnership agreements are developed, risk management will be specifically addressed and the statement will be explicit in detailing how the risk management structures and systems link to the organisation, including how decisions will be made and which partner will lead on all or specific risks.

11.0 Implementation and Distribution

11.1 The Risk Management Strategy and Policy will be published as part of the CCG's Publication Scheme following approval and will be available to all staff on the website.

12.0 Training

12.1 Training to ensure competency at all levels is recognised as one of the most cost effective controls for good risk management.

12.2 A Training Needs Analysis (TNA) will be undertaken on an annual basis to determine the needs of the CCG and training will be made available reflective of the findings of the TNA through either on-line resources and / or workshops tailored specifically to reflect the audience, specific roles, level of accountability and authority.

12.3 Risk Management Training will form part of the CCGs mandatory training requirements.

12.4 Training records will be held corporately and reported through the Mandatory Training report to Executive Management Team. An update will also be provided to the Audit Committee.

13.0 Monitoring

13.1 The Risk Management Strategy and Policy is a rolling three year document. It will be reviewed on an at least an annual basis or earlier where changes in legislation or organisational structure occur.

13.2 The Governing Body will approve the Risk Management Strategy and Policy on recommendation from the Audit Committee.

13.3 Independent assurance will be sought when required, through internal audit arrangements, to assess the effectiveness of the CCG's risk management arrangements and adherence to this Strategy and Policy.

14.0 Links to Other Strategies / policies

14.1 The Risk Management Strategy links to the following key documents:

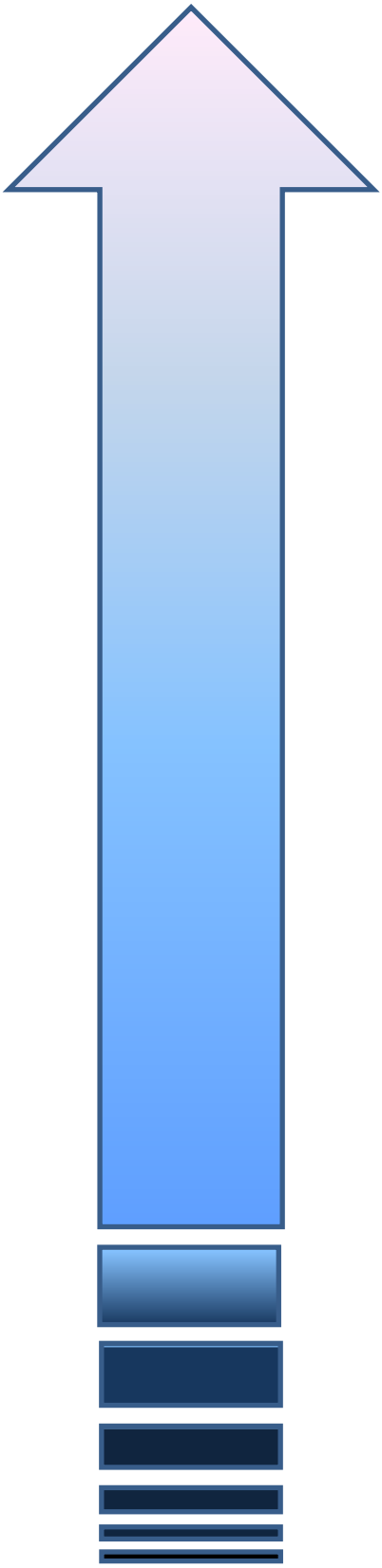
- Health and Safety Policy
- Information Risk Policy
- Information Governance Incident Reporting Procedure
- Whistleblowing Policy
- Emergency Planning and Resilience plan
- Business Continuity Policy

- Anti-Fraud Corruption and Bribery Policy
- Complaints Policy

15.0 References

- A Risk Management Standard, AIRMIC, ALARM, IRM (2002),
- AS/NZ ISO 31000:2009, (2009)
- Building the Assurance Framework: A Practical Guide for NHS Boards, DoH, (2003),
- The Risk Management Process, Federation of European Risk Management Associations (FERMA), 2005
- Risk Management Model (HSG65), Successful Health & Safety Management, HSE, 2006
- Corporate Manslaughter and Corporate Homicide Act, 2007
- A Risk Matrix for Risk Managers, NPSA, 2008
- ISO 31000 Risk Management Principles and guidelines
- GGI Board Briefing: Defining Risk Appetite and Managing Risk by Clinical Commissioning Groups and NHS Trusts, January 2012

Appendix A : Risk Maturity Definitions



Level 5: Risk Enabled

- Driven by the Governing Body.
- Staff at all levels actively consider issues of risk in all areas of activity and develop control and assurance processes to manage those risks
- Risk management fully embedded into the operations

Level 4: Risk Managed

- Staff throughout the organisation are aware of the importance and the organisations approach to risk
- Approach to risk management developed and communicated

Level 3: Risk Defined

- The organisation has considered risk management and put in place strategies led by the risk team
- Strategy and policies in place and are communicated
- Risk appetite is defined

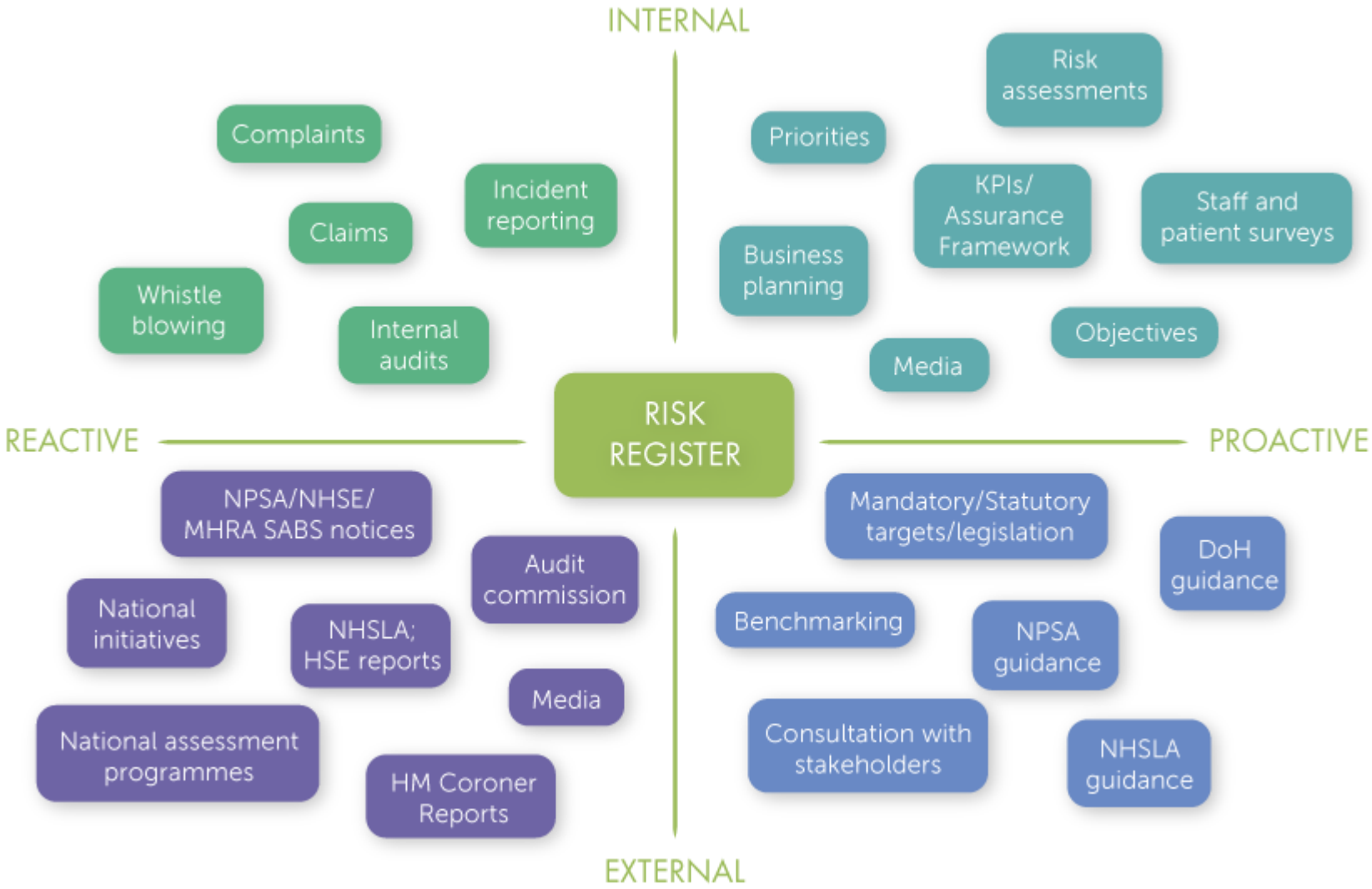
Level 2: Risk Aware

- The organisation is aware of risk management responsibilities and needs to embed systems
- Scatters silo based approach to risk management

Level 1: Risk Naïve

- The organisation has little or no awareness of the importance of risk management
- No formal approach developed for risk management

Appendix B : Sources of Risk



Appendix C : Risk Matrix

Quantitative Measure of Risk – Consequence Score

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment.	Minor injury or illness, requiring minor intervention	Moderate injury requiring professional intervention RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Mismanagement of patient care with long-term effects	Incident leading to death An event which impacts on a large number of patients
Complaints/audit	Informal complaint/inquiry	Formal complaint (stage 1) Local resolution Single failure to meet internal standards Reduced performance rating if unresolved	Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards	Multiple complaints/ independent review Low performance rating Critical report	Inquest/ombudsman inquiry Gross failure to meet national standards Severely critical report
Human resources/ organisational development/staffing/ competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff No staff attending mandatory training /key training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breech of guidance/ statutory duty	Breech of statutory legislation Reduced performance rating if unresolved	Single breech in statutory duty Challenging external recommendations/ improvement notice	Multiple breeches in statutory duty Enforcement action Low performance rating Critical report	Multiple breeches in statutory duty Prosecution Zero performance rating Severely critical report
Adverse publicity/ reputation	Rumours Potential for public concern	Local media coverage short-term reduction in public confidence Elements of public expectation not being met	Local media coverage Long-term reduction in public confidence	National media coverage <3 days service well below reasonable public expectation	National media coverage h >3 days MP concerned (questions in the House) Total loss of public confidence

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	**Negligible**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Business objectives/ projects	Insignificant cost increase No impact on objectives	<5 per cent over project budget Minor impact on delivery of objectives	5–10 per cent over project budget	Non-compliance with national 10–25 per cent over project budget Major impact on delivery of strategic objectives	Incident leading >25 per cent over project budget Failure of strategic objectives impacting on delivery of business plan
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million	Loss of >1 per cent of budget Claim(s) >£1 million
Service/ business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of >8 hours Minor impact on environment	Loss/interruption of >1 day Moderate impact on environment	Loss/interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment

Qualitative measure of risk – Likelihood score

	1	2	3	4	5
Descriptor	**Rare**	**Unlikely**	**Possible**	**Likely**	**Almost certain**
Frequency How often might it/does it happen	Not expected to occur for years	Expected to occur annually	Expected to occur monthly	Expected to occur weekly	Expected to occur daily
Probability	<1%	1-5%	6-20%	21-50%	>50%
	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not occur

Quantification of the Risk – Risk Rating Matrix

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