

Governing Body

26 July 2017

Details	Part 1	✓	Part 2		Agenda Item No.	8a
Title of Paper:	Corporate Risk Register					
Board Member:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Author:	Lynne Byers, Risk Manager					
Presenter:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Please indicate:	For Decision		For Information		For Discussion	X

Executive Summary

Summary	<p>A key part of the organisation's internal control system is its risk management function. This should ensure that the organisation has a process for identifying and assessing risks both external and internal in order to select the most appropriate controls to manage these risks and therefore ensure delivery of key business objectives.</p> <p>In line with the Risk Management Strategy, the Audit Committee is required to retain oversight of any risks with a net risk score of 15 and above. These risks are classified as significant were they to materialise and therefore the Committee's review of these ensures that these have received independent scrutiny.</p> <p>There are currently 5 risks being monitored across the CCG, excluding those reported through the Governing Body Assurance Framework.</p> <p>The Corporate Risk Register was presented to the Audit Committee at its meeting on 02 June 2017 where each of the risks were discussed, with the exception of the two new financial risks which were identified after the Audit Committee meeting.</p> <p>Further updates have since been made available via the Quality and Performance Committee 12 July 2017 for A&E waiting time (PAHT) – Total time in A&E Department (4hrs) and these have been reflected in the report presented.</p> <p>The Audit Committee was also asked to confirm the approach for risks which are likely to remain on the risk register more than 12 months the outcome of this discussion has also been reflected in the report presented.</p> <p>The Audit Committee was assured on the level of focus that is being directed to each of the risks, of which three relate to service delivery at Pennine Acute Hospital Trust, and two relate to financial impact on the CCG. These risks underpin a principal risk on the GBAF.</p> <p>The report was recommended for submission to the Governing Body.</p>					
Risk	High		Medium	X	Low	
	If risks identified on the Corporate Risk Register are not sufficiently managed or assured against through the CCGs governance arrangements, there is a risk that improvements are not made and adverse consequence will arise.					

Recommendations	<p>The Governing Body is asked to:</p> <ul style="list-style-type: none"> • receive the Corporate Risk Register; • note the assurance provided by the Audit Committee in the report; and • discuss further any of the risks presented.
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Strategic objectives

To deliver improved outcomes and reduce health inequalities for patients through better preventative strategies			
To deliver service re-design in priority areas through innovation			
To develop primary care to become excellent and high performing commissioners			
To develop the CCG leadership to work with the Local Authority to be excellent integrated commissioners			
To develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning			
To deliver long term financial sustainability through effective commissioning and innovative investment across the wider system			
To develop and influence the provider landscape through development of a Locality Care Organisation (LCO)			
Equality Analysis Assessed?	N/A	Supports NHS Bury CCG Governance arrangements	✓

Corporate Risk Register

1 Introduction

- 1.1 This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to the CCG, collectively referred to as the Corporate Risk Register, as recorded on Covalent, the risk management system used by the CCG.
- 1.2 The report presents the risk position and status as at **30 June 2017**.

2 Corporate Risk Register

- 2.1 The Corporate Risk Register **Appendix A** captures risks with a score 15 or above. The risk matrix is also provided at **Appendix B** for ease of reference.
- 2.2 There are currently a total of 31 risks being monitored across the organisation (excluding the risks on the Governing Body Assurance Framework (GBAF), of which **5** (16%) are included on the Corporate Risk Register.
- 2.3 The following commentary presents updates to each of these **5** risks.
- **RR_S_QS_33 Pennine Acute Maternity Services**
- 2.4 This risk was last assessed in May 2017 and remains assessed as a level (15) risk (no change). A dedicated paediatric and maternity subgroup to the Improvement Board has been established and has oversight of the issues affecting this risk which is intrinsic with managing serious incident investigations at PAHT.
- 2.5 A table top review of open Serious Incidents (SIs) is being undertaken relating to the department, providing some control and assurance that plans are in place to minimise incident recurrences.
- 2.6 CQUIN evidence for Quarter 4 16/17 for SaBINE (Saving Babies in the North of England) has been received demonstrating the roll out of CO2 monitors, staff training, audit of reduced foetal movement and effective foetal monitoring during labour.
- 2.7 Although at the present the risk remains at level (15), the date to achieve the target level of risk has been adjusted from June 2017 to September 2017 and supported by the responsible Committee to allow sufficient time for progress to be demonstrated. This is in line with the monthly planned 'themed' deep dives.
- 2.8 This risk was considered at the Quality and Performance Committee on 10th May 2017 and the Audit Committee on 02 June 2017. The Audit Committee determined that there was an adequate level of assurance against this risk presented.
- **RR_Q_QS_43 Failure to Complete Timely Serious Incident Investigations leading to the inability to corroborate the Number or Level of Harm to patients at PAHT**
- 2.9 This risk was last assessed in May 2017 and remains assessed as a level (16) risk, (no change) as there are still a high number of cases still open of which are at various stages of the review/investigation process.

- 2.10 An identified process for review and closure of Serious Incidents (SIs) has been agreed. From May 2017 there will be a sequence of monthly planned 'themed' deep dives into open SIs, commencing with falls.
- 2.11 Key lines of enquiry (KLOE) have been provided to PAHT from the SI Panel following a table top review. Once assured through the deep dives that the KLOEs are being addressed then the SI Panel will close all open incidents relating to each theme which will bridge the gap and reduce the risk score to the intended target of 4 (target date September 2017).
- 2.12 As an added assurance the paediatric waits 'deep dive' will undergo a second check of the 27 closed cases by undertaking a table top exercise.
- 2.13 As an added control the process for managing lower grade incidents is also being reviewed. A proposal is being made to the Improvement Board around the historic management of the backlog of Root Cause Analysis (RCA) and assessment of Duty of Candour.
- 2.14 Although at the present the risk remains at level (16), the target date has been adjusted from August 2017 to September 2017 and supported by the responsible Committee to allow sufficient time for progress to be demonstrated. This is in line with the monthly planned 'themed' deep dives.
- 2.15 This risk was considered at the Quality and Performance Committee on 10 May 2017 and the Audit Committee on 02 June 2017. The Audit Committee determined that there was an adequate level of assurance against this risk presented.
- **KPI_SD_C_B5_QP 2016/17 - A&E waiting time (PAHT)- Total Time in the A&E Department (4hrs) -Type 1-3 (25% QP Penalty)**
- 2.16 This risk was considered at the Quality and Performance Committee on 12 April 2017, and the Audit Committee on 02 June 2017, in addition a second review has been undertaken by the Quality and Performance Committee on 12 July 2017 as part of the new risk retention/deep dive review process.
- 2.17 This risk is being recommended for closure outside of normal process. The risk is a high scoring risk and is not at target level, however, following a request by the Audit Committee, any performance risks for a single year are to be closed and a new risk if appropriate identified irrespective of year end.
- 2.18 The latest review March 2017 shows no change to the risk score of (20) and represents 2016/17 year end position, this is aligned to the year-end cumulative performance for PAHT which is reported as below target level (82.1%). *The target risk identified for 16/17 although not achievable (12) indicates the acceptable level of risk if A&E had been sustained during 16/17 financial year.*
- 2.19 As part of the CCG's approach to control the risk during 2016/17 a redesigned service has been launched which includes a new vulnerable patient service. The aim of this service is to reduce the number of 'minor' attendances at A+E by providing greater access to primary

care across the locality. This service is expected to have a positive impact on this risk in the future.

- 2.20 Looking forward, as part of the Bury Locality Plan, more investment proposals are under development to include A&E front end models, virtual clinical hubs, NWAS paramedic cars and ambulatory care. These will aid performance in 2017/18 and will provide additional controls in managing the future risk.
- 2.21 The Quality and Performance Committee at the 12 July 2017 meeting agreed that in its current state this risk is to be recommended for closure as it meets the requirements of the 12 month review / deep dive process. Two separate risks are to be considered for 2017/18 with regards to financial impact and statutory duty (constitutional measure) impact.
- 2.22 In line with the CCG's Risk management Strategy the Committee which has oversight of the risk must support the closure, this will be recommended to the Audit Committee September 2017.

- **RR_F_F_02 Failure to operate with 2017/18 financial control totals**

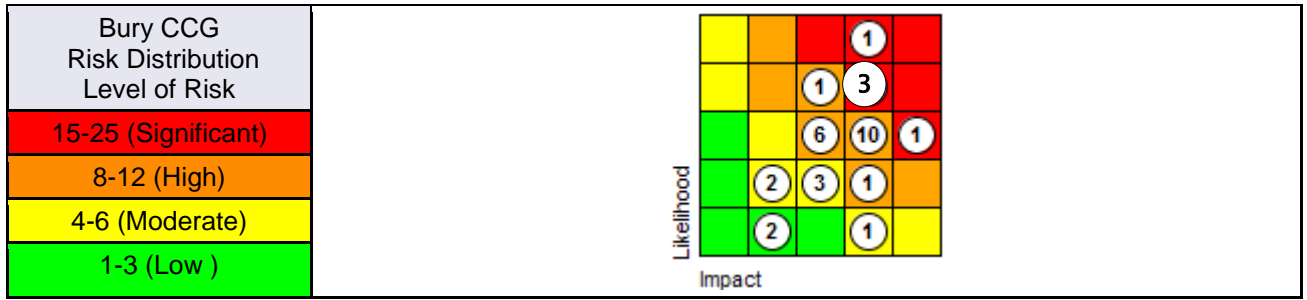
- 2.23 This new risk was identified 19 June 2017 and the current level of risk is 16. It is anticipated that the target risk level of 2 will be realised by January 2018.
- 2.24 Current controls include identification of QIPP schemes to monitor progress against targets; provider activity and contract monitoring in place to monitor provider expectations; detailed plans regarding the significant 'must dos' and governance arrangements are in place.
- 2.25 High level actions have been identified to further manage this risk. The CCG are collaboratively working with Bury MBC to complete the initial financial due diligence work via a workshop to agree next steps.

- **RR_F_F_03 Failure to effectively invest in the medium term transformation of the wider health and care economy**

- 2.26 This new risk was identified 19 June 2017 and the current level of risk is 16. It is anticipated that the target risk level of 6 will be realised by March 2020.
- 2.27 This risk is intrinsic with risk 'failure to operate with 2017/18 financial control totals' and share some high level actions.
- 2.28 The procurement of LCO is underway with initial legal advice being received, with further wider stakeholder meetings planned.

3 Risk Distribution

- 3.1 The heat map identifies a total of 31 risks distributed across the 5x5 matrix and excludes risks associated with the GBAF.






4 Recommendations

- 4.1 The Governing Body is asked to:
- receive the Corporate Risk Register;
 - note the assurance provided by the Audit Committee in the report; and
 - discuss further any of the risks presented.

Lynne Byers
Risk Manager
July 2017

Appendix A: Corporate Risk Register: Summary

Risk Id	Risk Description	Date Risk Identified	Original Risk Score	Risk Last Reviewed	Current Risk Score	Target Risk Score	Direction of Travel	Next Review Date
KPI_SD_C_B5_QP	2016/17 - A&E waiting time (PAHT)- Total Time in the A&E Department (4hrs) -Type 1-3 (25% QP Penalty)	02-Apr-2012	16	15-Mar-2017	20	12		Recommended for closure
RR_Q_QS_43	Failure to Complete Timely Serious Incident Investigations leading to the inability to corroborate the Number or Level of Harm to patients at PAHT	31-Jul-2016	16	05-May-2017	16	4		30-Sep-2017
RR_F_F_02	Failure to operate with 2017/18 financial control totals	19-Jun-2017	20	19-Jun-2017	16	2	New	11-Aug-2017
RR_F_F_03	Failure to effectively invest in the medium term transformation of the wider health and care economy	19-Jun-2017	20	19-Jun-2017	16	6	New	11-Sep 2017
RR_S_QS_33	Pennine Acute Maternity Services	20-May-2015	20	05-May-2017	15	10		10-Jul-2017

Appendix B: 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
Quality/Complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review)	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on 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

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation Reduced performance rating if unresolved	Single breach in statutory duty Challenging external recommendations/ improvement notice	Multiple breaches in statutory duty Enforcement action Low performance rating Critical report	Multiple breaches 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
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