


# Risk Management Policy and Framework

## **Document Status:**

This is a controlled document. Any printed or downloaded copies are not controlled. The version of this document published on the Bedfordshire, Luton & Milton Keynes Integrated Care Board website is the controlled copy  
[www.befordshirelutonandmiltonkeynes.icb.nhs.uk](http://www.befordshirelutonandmiltonkeynes.icb.nhs.uk)

## **Sustainable Development - Environmental**

 Do you really need to print this document?

Please consider the environment before you print this document and where possible copies should be printed double-sided. Please also consider setting the page range in the print properties, when relevant to do so, to avoid printing the document in its entirety.

<b>Document Control</b>	
Document Owner:	Chief of Strategy and Assurance
Document Author(s):	Deputy Head of Organisational Resilience
Directorate:	Strategy and Assurance Directorate
Approved By:	The Board of the Integrated Care Board
Date of Approval:	27-09-2024
Date of Next Review:	27-09-2026
Effective Date:	01-07-2022

<b>Version Control</b>			
<b>Version</b>	<b>Date</b>	<b>Reviewer(s)</b>	<b>Revision Description</b>
v1.0	01-07-2022		The Board of the Integrated Care Board adopted the policy as approved.
V2.0	24-06-2024	Ola Hill, Deputy Head of Organisational Resilience	General update and addition of System Risk Appetite and Dynamic Risk Management approach
V2.1 & V2.2	03-09-2024	Maria Wogan, Chief of Strategy and Assurance	Review post Audit and Risk Assurance Committee feedback on 26 July 2024 and incorporating feedback from the Chair of the Audit and Risk Assurance Committee.
V2.2	27-09-2024	Board of the Integrated Care Board	The Board of the Integrated Care Board approved the updated policy.

## Implementation Plan

<b>Development and Consultation:</b>	<p>The following individuals were consulted and involved in the development of this document:</p> <ul style="list-style-type: none"> <li>▪ Risk Facilitators</li> <li>▪ Internal Audit</li> <li>▪ Bedfordshire, Luton &amp; Milton Keynes Clinical Commissioning Group Audit Committee</li> <li>▪ Chair Designate Bedfordshire, Luton &amp; Milton Keynes Integrated Care Board Audit and Risk Assurance Committee</li> <li>▪ BLMK ICB Audit and Risk Assurance Committee</li> </ul>
<b>Dissemination:</b>	<p>Staff can access this document via the website and will be notified of new / revised versions via the staff huddle and internal communications.</p> <p>This document will be included in the organisation's Publication Scheme in compliance with the Freedom of Information Act 2000.</p>
<b>Training:</b>	<p>The following training will be provided to make sure compliance with this document is understood:</p> <ul style="list-style-type: none"> <li>▪ Team Meeting Drop-ins – for all ICB directorates and teams</li> <li>▪ 1-1 4Risk training – for all users of 4Risk</li> <li>▪ Risk Management Awareness Training – mandatory for all ICB staff and Board members every 3 years</li> <li>▪ Training will be supported by a communications plan.</li> <li>▪ The delivery of training and attendance at training will be reported in the Annual Risk Management Report to the Audit and Risk Assurance Committee.</li> </ul>
<b>Monitoring:</b>	<p>Monitoring and compliance of this document will be carried out via:</p> <ul style="list-style-type: none"> <li>▪ Annual Risk Maturity Assessment</li> <li>▪ Benchmarking</li> <li>▪ Internal Audit</li> </ul>
<b>Review:</b>	<p>The Document Owner will ensure this document is reviewed in accordance with the review date on page 2.</p>
<b>Equality, Diversity and Privacy:</b>	<p>Appendix 1 - Equality Impact Assessment Appendix 2 - Data Protection Impact Assessment</p>
<b>Associated Documents:</b>	<p>The following documents must be read in conjunction with this document:</p> <ul style="list-style-type: none"> <li>▪ N/A</li> </ul>

**References:**

The following articles were accessed and used to inform the development of this document:

- HM Treasury Risk Management Assessment Framework
- ISO 31000

## Table of Contents

1.0	<b>Introduction</b>	6
2.0	<b>Scope</b>	7
3.0	<b>Definitions</b>	7
4.0	<b>Policy Statement</b>	7
5.0	<b>Roles and Responsibilities</b>	9
6.0	<b>Risk Management Processes and Procedures</b>	14
6.1	<b>Risk Management and Monitoring</b>	14
6.2	<b>Risk Management Process</b>	19
6.3	<b>Risk Register Reporting</b>	20
6.4	<b>System Risk Management</b>	21
6.4.1	System Risk Appetite and Matrix	21
6.4.2	Dynamic Risk Management and Key Risk Indicators	22
6.5	<b>Board Assurance Framework as the System Risk Register</b>	23
6.5.1	Role of the Board Assurance Framework	23
6.5.2	Integration of BAF and System Risk Management	23
6.5.3	Governance and Oversight	23
6.6	<b>Measuring Effectiveness</b>	24
6.7	<b>EPRR Risk Management</b>	24
	Appendix 1 - Equality Impact Assessment Initial Screening	26
	Appendix 2 - Data Protection Impact Assessment Initial Screening	28
	Appendix 3 - Risk Scoring Framework	29
	Appendix 4 - Corporate Risk Register Criteria	33
	Appendix 5 - Risk Management Vocabulary	34

## 1.0 Introduction

- 1.1 NHS Bedfordshire, Luton and Milton Keynes Integrated Care Board (ICB) aims to ensure robust governance through its formal written procedural documents, such as this document, which communicate standard organisational ways of working. These documents help clarify operational requirements and consistency within day-to-day practice. They can improve the quality of work, increase the successful achievement of objectives and support patient safety, quality and experience. The ICB aims to ensure its procedural documents are user friendly, up-to-date and easily accessible.
- 1.2 The ICB must design and implement procedural documents that meet the diverse needs of our service and workforce, ensuring that none is placed at a disadvantage over others, in accordance with the Equality Act 2010. The Equality Impact Assessment initial screening, which was used to determine the potential impact this policy might have with respect to the individual protected characteristics is incorporated at Appendix 1.
- 1.3 A Data Protection Impact Assessment is a process which helps assess privacy risks to individuals in the collection, use and disclosure of personal information. The Data Protection Impact Assessment initial screening, which was used to determine the potential impact this policy might have with respect to an individual's privacy is incorporated at Appendix 2.
- 1.4 The ICB's vision for risk management is for all decision makers to be fully informed of risk and that risks are effectively managed in the achievement of our objectives. Risk Management benefits the ICB, our stakeholders and the local population by enabling new ideas to be explored and potential risks to be managed to minimise their impact.
- 1.5 The ICB is committed to continuing to improve its operational efficiency and find innovative ways of delivering services to the population of Bedfordshire, Luton and Milton Keynes without compromising quality or lifting risks beyond a level that we are willing to accept.
- 1.6 Risk management plays a critical role in helping the ICB understand the impacts and manage the risks associated with achieving its priorities. It helps us determine an appropriate control environment and mitigations ~~balance of strategies~~ to address the risk so that we are using resources efficiently and effectively. It involves making decisions and establishing governance systems that embed and support effective risk processes, as well as building an organisational culture that supports integrity, accountability, honesty, openness and responsiveness to change.
- 1.7 This Policy and Framework sets out the key principles that guide how risk management is embedded at all levels and how the ICB will ensure that risk is managed effectively and efficiently.

1.8 Every member of staff needs to be committed to continue to improve governance arrangements through strong leadership, responsible and ethical decision making, management and accountability, and performance improvement. To manage risk effectively, the commitment and participation of all staff and the support of the ICB Board is required. The ICB's policy therefore involves creating an awareness of and responsibility for the principles of risk management both as an organisation, a system and as part of any commissioning process. The policy is supported at Board level and aims to complement and support the ICB's strategy.

## **2.0 Scope**

2.1 This policy **applies** to all ICB staff members, including Members of the Board of the ICB, whether permanent, temporary or contracted-in under a contract for service (either as an individual or through a third-party supplier).

## **3.0 Definitions**

3.1 For a glossary of terms used within this document and in Risk Management in general, refer to Appendix 5 – Risk Management Vocabulary, which is adapted from ISO Guide 73:2019.

## **4.0 Policy Statement**

4.1 The purpose of this policy and framework is to promote a dynamic and coordinated process that is responsive at every level of the organisation, embracing clinical, organisational and financial risks. It aims to do this through a robust governance structure, sound processes and systems of working. It provides the necessary foundations and arrangements for managing risks effectively and efficiently, ensuring that risks are either eliminated or reduced to an acceptable level to protect the residents in the ICB's area and employees and its services (assets & finances). The ICB is aware that some risks will always exist and will not be totally eliminated and recognises the importance of managing these risks effectively.

4.2 A key component of an effective and mature risk management strategy is having a culture of knowledge and understanding of risk management. Developing and maintaining a strong and positive risk culture is important for several reasons, including its influence on compliance, organisational performance, and risk management effectiveness.

4.3 The document describes the key principles, elements and processes to guide all staff in effectively managing risk, making it part of our day-to-day decision making and business practices.

4.4 The ICB applies risk management across the entire organisation – all Directorates and Places, as well as specific functions, programmes, projects and activities. Implementation of this framework will contribute to the strengthening of management

practices, decision making and resource allocation, whilst at the same time maintaining trust and confidence.

- 4.5 This framework will support the ICB in helping staff across the organisation to develop capacity and skills in identifying, understanding and managing the risks facing the ICB. The ICB will fully embed risk management into the organisation so that it becomes an automatic part of everyday business process rather than being seen as an add-on. It will also ensure that there is transparent and timely risk information continuously flowing up and down the organisation.
- 4.6 To support the population it serves, the ICB also expects risk management to be a priority for all those organisations within the system. Partners will be invited to participate in system risk assessments and discussions to inform the identification and management of system risks as well as establishing risk appetite. Organisations from whom the ICB commissions services and will be required to evidence robust risk management systems. The ICB must be informed of, and where necessary consulted on, all significant risks that arise from the commissioning of services. Risks associated with commissioned services must be systematically identified, assessed and analysed in the same way as other risks to the organisation. Risks relating to commissioned services assessed as being of strategic impact will be reported on the Corporate Risk Register to provide a complete risk profile of the organisation.
- 4.7 Some risk taking is inevitable within the ICB if we are to achieve our objectives. Organisations that are more risk aware appreciate that actively managing threats but also potential opportunities provides them with a competitive advantage. Establishing an agreed risk appetite will allow the ICB to actively manage these threats and opportunities.
- 4.8 Effective risk management is likely to improve performance against objectives by contributing to:
- More efficient use of resources
  - Reduced waste
  - Reduced fraud
  - Better service delivery
  - Better management of contingent and maintenance activities
  - Lower costs of capital
  - Improved innovation
  - Increased likelihood of change initiatives being achieved
  - More focus internally on doing the right things properly
  - More focus externally to shape effective strategies.
- 4.9 It is also recognised that inadequately managed risks have the potential to prevent the ICB from achieving its objectives and may directly or indirectly cause harm to its residents, employees or people it otherwise affects as well as incurring loss relating to assets, finance, reputation, goodwill, partnership working or public confidence.

- 4.10 The objectives of this strategy are to:
- Establish a framework for risk management and board assurance
  - Define a common risk management process that is understood by all ICB staff
  - Provide an environment for proactive decision making
  - Empower all staff to manage risk within delegated limits
  - Provide a proactive early warning system and enable a comprehensive response to mitigate risk where indicated
  - Establish a platform for managing system risks within partnership working
  - Provide the board with assurance that risks to system strategic goals and corporate objectives are effectively managed.
- 4.11 The ICB will achieve these aims by undertaking the following delivery actions:-
- Maintain a robust and consistent risk management approach that will embed systems and processes within the organisation enabling risk management to be a natural part of day-to-day activity.
  - Ensure accountabilities, roles and responsibilities for managing risk are clearly defined and communicated.
  - Ensure risk management is considered as an integral part of business planning, service delivery, key decision-making processes and partnership governance.
  - Communicate risk information effectively through a clear reporting framework
  - Increase understanding and expertise in risk management through targeted training and the sharing of good practice.

## **5.0 Roles and Responsibilities**

5.1 The ICB has a governance structure within which risk is addressed and managed. The governance structure ensures that internal controls are in place to support the organisation to achieve its policies, aims and objectives. The following have specific responsibilities in relation to this policy.

### **5.2 The Board**

5.2.1 The Board is accountable and responsible for ensuring that system has effective arrangements in place for managing system risks and that the ICB as a statutory NHS organisation also has an effective programme for managing all types of risk within the statutory organisation.

5.2.2 The Board is responsible for the following:

- Reviewing and maintaining an effective system of internal control, including systems and resources for managing all types of risk.

- Proactively analysing the environment and the risks therein to achieve its strategic commitments on an annual basis. This analysis will feed the System Risk Register/Board Assurance Framework and risk process.
- Approving the Risk Management Policy and Framework through which it ensures that the ICB approaches the control of risks in a strategic and organised manner.
- Reviewing the System Risk Register/Board Assurance Framework (SRR/BAF) which contains the most significant risks that can impact the system and the Corporate Risk Register (CRR), which contains the most significant risks that can impact on the ICB as an organisation.

#### 5.2.3 The Board will receive:

- The System Risk Register/Board Assurance Framework (SRR/BAF) at least every six months – The Board will review the document and agree that it is a true and fair reflection of strategic risks and evidence that satisfactory progress is being made towards managing these risks.
- The Corporate Risk Register at least annually - The Board will review the document and agree that it is a true and fair reflection of ICB risks and evidence that satisfactory progress is being made towards managing these risks.
- As part of its annual report, assurance via the Audit Committee that the Risk Management Policy and Framework is complied with.

### 5.3 **Audit & Risk Assurance Committee**

5.3.1 The Audit & Risk Assurance Committee's role is to review the establishment and maintenance of an effective system of governance, risk management and internal control that supports the achievement of the ICB's objectives, across the whole of the ICB's activities.

5.3.2 The Audit & Risk Assurance Committee has an overall scrutiny role and provides the Board with assurance via its minutes and Annual Reports that risk management, internal control and governance processes are in place and working effectively. In carrying out this work, the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

5.3.3 The Committee will also oversee and monitor risk activity in relation to its scope and provide assurance to the Board that there is an effective framework in place for the management of risks associated in the following areas:

- Counter Fraud
- Information Governance
- Emergency Preparedness, Resilience and Response

5.3.4 The Committee will seek assurance that changes are made to the ICB's risk registers, where necessary, following discussions on system strategic risks at Part 2 meetings

of the Committee, to which representatives from Trusts and Local Authorities are invited. This will be where these impact on the ICB and its contribution to wider system risk management.

- 5.3.5 The Committee can undertake deep dives into any risk as it sees fit, including those that may be assigned to other Committees to obtain assurance that they are being effectively managed.

#### 5.4 **Quality and Performance Committee**

5.4.1 The Quality and Performance Committee oversees and seeks assurance on the development of systems and processes, through which the organisation ensures patient safety and improves the quality of services, which it commissions for its resident population. It also has responsibility for seeking assurance that adverse incidents and complaints are investigated and that the learning takes place in order to minimise recurrence.

5.4.2 The Committee is assigned risks in relation to the scope of the Committee in the following areas:

- Quality
- Patient Experience
- Clinical Effectiveness
- Safety
- Delivery of statutory duties relevant to the Committee's remit

5.4.3 The Committee is responsible for reviewing and monitoring those risks on the System Risk Register/Board Assurance Framework and Corporate Risk Register which relate to quality, and high-risk operational risks which could impact on patient care and ensuring that appropriate and effective mitigating actions are in place. The Quality and Performance Committee will receive a quarterly risk report on risks relevant to its areas of responsibility.

#### 5.5 **Finance & Investment Committee**

5.5.1 The Finance & Investment Committee oversees and seeks assurance on the development of systems and processes, through which the organisation ensures delivery of statutory financial targets, financial recovery plans and delivery of statutory performance targets.

5.5.2 The Committee is assigned risks in relation to the scope of the Committee in the following areas:

- Finance
- Information Management & Technology
- Contracts & Procurement
- Delivery of statutory duties relevant to the Committee's remit

5.5.3 The Committee is responsible for reviewing the risks on the System Risk Register/ Board Assurance Framework and the ICB Corporate Risk Register that have been assigned to the Committee and ensuring that appropriate and effective mitigating actions are in place. The Committee will receive a quarterly risk report on risks relevant to its areas of responsibility.

## 5.6 Primary Care Commissioning Assurance Committee

5.6.1 The Primary Care Commissioning and Assurance Committee oversees and seeks assurance on issues relating to the commissioning of primary care services (services provided in GP practices) under delegated authority from NHS England.

5.6.2 The Committee is responsible for reviewing those risks on the System Risk Register/ Board Assurance Framework and the ICB Risk Register that have been assigned to the Committee and ensuring that appropriate and effective mitigating actions are in place. The Primary Care Commissioning and Assurance Committee will receive a quarterly risk report on risks relevant to its areas of responsibility.

## 5.7 ICB Operational Group

5.7.1 The ICB Operational Group is chaired by the Chief of Staff and comprises all Deputy Directors in the ICB. It provides comprehensive oversight and monitoring of the Corporate Risk Register. This includes regular reviews to ensure that all identified risks are accurately documented, assessed, and managed in accordance with the ICB's risk management framework.

5.7.2 The group reviews all proposed risk escalations to the Corporate Risk Register. This involves evaluating the significance and impact of risks to determine whether escalation from directorate or local risk registers is appropriate. The group will confirm and approve these escalations to ensure they are justified and necessary.

5.7.3 The ICB Operational Group will also review and approve the de-escalation of risks from the Corporate Risk Register to directorate, place, provider or project and programme risk registers. This process ensures that risks are managed at the appropriate level within the organisation, with oversight and control measures tailored to the risk's current impact and likelihood.

## 5.8 Chief Executive

5.8.1 The Chief Executive has overall accountability and responsibility for risk management within the ICB that enables the maintenance of a sound system of internal control that supports the achievement of the organisation's policies, aims and strategic commitments and for ensuring that:

- The ICB's strategic commitments are agreed;
- The ICB has sound systems of internal control based on an ongoing management process designed to identify the principal risks to the achievement of the

organisation's aims; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically;

- Internal Audit Plans are set which review the effectiveness of the system of internal control.

5.8.2 The Chief Executive will oversee and sign the Annual Governance Statement on control for inclusion in the Annual Accounts and the Annual Report.

## 5.9 Executive Directors

5.9.1 On behalf of the Chief Executive, who has overall accountability and responsibility for risk management in the organisation, Executive Directors are collectively and corporately responsible and accountable for the management of all risks in the organisation (including operational, corporate and strategic risks). This involves:

- The identification and evaluation of the key controls intended to manage risks.
- Obtaining assurance on the effectiveness of key controls across all areas of risk.
- Identification of areas where there are gaps in controls and / or assurances
- Overseeing plans / actions to take corrective action where gaps have been identified in relation to risks.

5.9.2 Executive Directors are also responsible for ensuring that an up to date record is maintained of all risks for their respective team/work streams and to update the risk register and System Risk Register/Board Assurance Framework within the required timescales for reporting onto the relevant committees.

## 5.10 Executive Management Team

5.10.1 The Executive Management Team is responsible for reviewing all RED rated risks from across the organisation and the System Risk Register/Board Assurance Framework on a bi-monthly basis. The review is part of each risk reporting cycle, focussing on the completeness and accuracy of content and on the appropriateness of scoring and of any further actions proposed to manage risk.

## 5.11 Managers

5.11.1 All Managers within the ICB are responsible and accountable for the day-to-day management of all types of risks within their areas. They are charged with, and have the authority for, ensuring that any risks identified are managed effectively, that risk assessments are also undertaken on a proactive basis and that preventative action is carried out where necessary.

5.11.2 Managers are responsible for the ongoing maintenance and review of their service/area/function risks and risk registers and are required to operate in accordance with the risk management process contained within this strategy.

5.11.3 Team Risk Registers should be reviewed at team meetings on a monthly basis in order to raise awareness of issues and the actions required to reduce risk, and share lessons learned. If it is considered that the risk(s) cannot be managed locally or is significant, the risk(s) must be brought to the attention of a Director.

5.11.4 Managers are also responsible for setting objectives relevant to the strategic commitments, for their own team members, and monitoring employee achievement against them.

## 5.12 All Staff

5.12.1 All staff are responsible for their own working practices and are required to assist with the Risk Management process. This includes:

- Ensuring they report all risks and concerns to their line manager. If they are not satisfied that the risks they have reported have been acted upon, then the risks or concerns should be escalated to their Director.
- Being familiar and complying with this Risk Management Policy and Framework and their own directorates risk management procedures and practices.

## 6.0 Risk Management Processes and Procedures

### 6.1 Risk Management and Monitoring

6.1.1 Risk management is a multifaceted process of continuous improvement. The main elements of the process are shown in Figure 1 and described below in more detail.

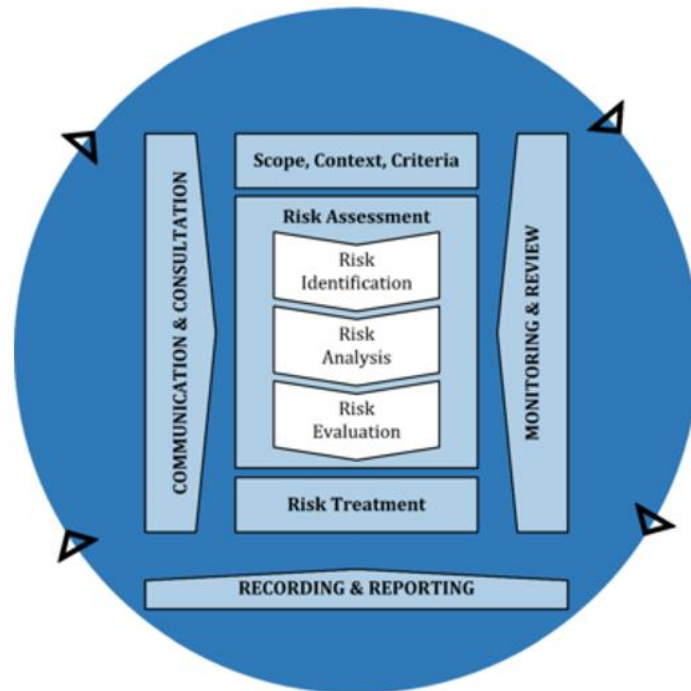


Figure 1 - Risk Management Process (from ISO 31000)

## 6.1.2 Scope, Context and Criteria

6.1.2.1 As the risk management process may be applied at different levels (e.g., strategic, operational, programme, project, or other activities), it is important to be clear about the scope under consideration, the relevant objectives to be considered and their alignment with organisational objectives.

6.1.2.2 The context of the risk should be established from the understanding of the external and internal environment in which it operates and should reflect the specific environment of the activity to which the risk management process is to be applied.

6.1.2.3 Understanding the context is important because:

- risk management takes place in the context of the objectives and activities of the organisation;
- organisational factors can be a source of risk; and,
- the purpose and scope of the risk management activity may be interrelated with the objectives of the organisation as a whole.

6.1.2.4 Risk criteria should be aligned with this risk management framework and should reflect the ICB's values, objectives and resources and also be consistent with any policies and statements about risk management.

## 6.1.3 Risk Assessment

6.1.3.1 Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

6.1.3.2 Risk assessment should be conducted systematically, iteratively and collaboratively. It should use the best available information, supplemented by further enquiry as necessary.

6.1.3.3 Risk identification involves determining what can happen, why and how. It is critical to the risk management process and should take place on all new ICB activities, initiatives and service changes to ensure it is an integral part of the corporate planning process.

6.1.3.4 Risks can also be identified in the following ways, and these should also be included on the risk register:

1. Consideration of any risks to the achievement of corporate objectives
2. Analysis of incidents, complaints or claims to determine risks that still exist.
3. Review of internal and external audits and assessments.
4. Risk assessments of work areas or key activities.
5. Brainstorming with as many of a team as possible to list clinical and non-clinical risks associated with main areas of work.
6. Risks that arise during the year

6.1.3.5 The ICB should identify risks, whether or not their sources are under its control.

#### 6.1.4 Analysis and evaluation

6.1.4.1 Risk analysis includes:

- What may occur?
  - What would cause this to happen?
  - What is the likelihood of this occurring?
  - What would be the impact should it happen?
- } **Cause and effect**

6.1.4.2 Assessing risks involves consideration of the likelihood of occurrence or recurrence of the risk and an assessment of the impact or consequence that the risk is likely to have. This enables risks to be graded into one of three categories: low, medium, or high. Grading in this way allows prioritisation of action and determines the acceptability of the risk.

6.1.4.3 Risks are assessed using the risk matrix described in Appendix 3.

#### 6.1.5 Treating and accepting risks

6.1.5.1 Where possible risk treatment will take place as near as practicable to the risk source. If a risk is deemed unacceptable, action should be planned to reduce it to an acceptable level. Reducing risk involves either lowering the likelihood of occurrence or reducing its impact. Therefore, actions to treat risk should focus on either or both of these aspects and such action should be set out in the directorate's risk register.

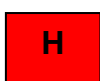
6.1.5.2 The three categories of risk within the matrix provide an initial prioritisation for action and generally will be treated as follows:



**Low risks** will be regarded as acceptable and generally managed locally through routine procedures. Further detailed analysis is unlikely to be beneficial.



**Moderate risks** may be acceptable at Directorate level but managers should make an assessment of the impact against cost of treating the risk. Must be included on the Risk Register.



**High risks** will generally not be acceptable and require detailed review and urgent treatment should be undertaken by the senior manager. Must be included on the Risk Register.

6.1.5.3 Risk treatment options should be assessed according to the balance between the extent of the risk reduction against the effort or expenditure required. Options for treatment include:

- Avoiding the risk occurring
- Reducing the likelihood of it occurring
- Reducing the impact of the risk
- Transferring the risk to another Team, Directorate or Organisation
- Retaining the risk and monitoring

## 6.1.6 Communicate and consult

6.1.6.1 Communication and consultation are important considerations at each stage of the risk management process and will take place as necessary at appropriate levels of the organisation.

6.1.6.2 The emphasis is on learning from risk and in order to do this effectively there is a need to acknowledge, consult on and communicate learning across the organisation.

## 6.1.7 Monitoring and review

6.1.7.1 It is necessary to monitor risks, the effectiveness of risk action plans, strategies and the management system set up to control implementation. The Board will have overall responsibility for managing risks of all kinds.

6.1.7.2 The Audit & Risk Assurance Committee will be responsible for evaluating the adequacy and effectiveness of the risk management framework and strategy.

6.1.7.3 The Board will receive reports and consider whether there is sufficient assurance that risks are being adequately managed.

6.1.7.4 The responsibility for the management of risk within a Directorate or programme area lies with the Executive Director, Associate Director or identified Risk Lead (as appropriate) who is responsible for ensuring that proper arrangements are in place to manage and monitor risks at all levels within their respective Directorates or Programme Areas. Appropriate management arrangements should include the following:

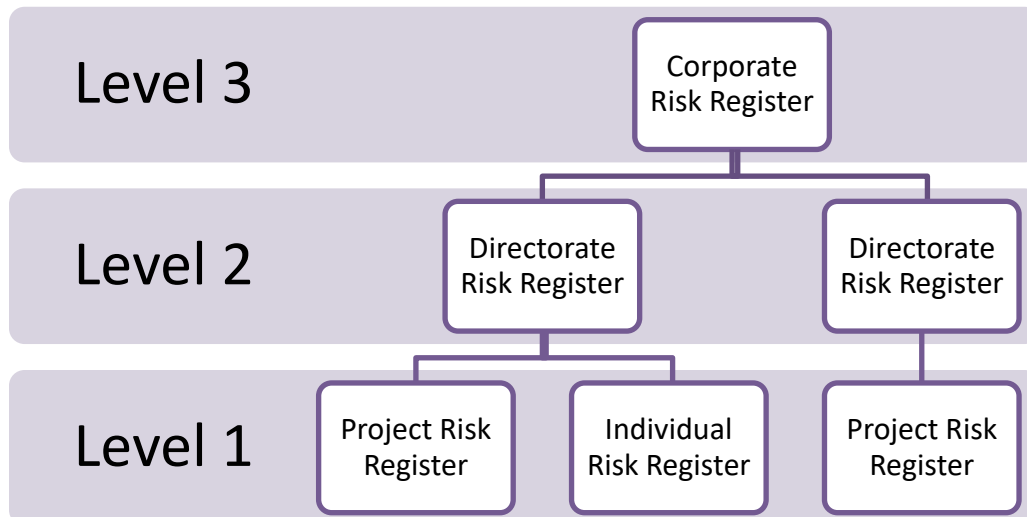
- Risks are identified at team/service level are recorded on 4Risk System
- Risks are reflected in the relevant risk register.
- Risk registers are updated on a continuous basis and reviewed formally regularly
- Action plans to address the risks raised in the risk register reviewed and updated regularly
- Assurance that controls are effectively mitigating the risk sought
- Inherent risk scores evaluated
- ~~Escalation of appropriate risks to the strategic risk register~~
- Routine consideration of escalation of appropriate risks to the Corporate Risk Register (CRR) or the System Risk Register/Board Assurance Framework.

6.1.7.5 Through a structured reporting process the ICB will monitor the effectiveness of its Risk Management arrangements through:

- ICB Annual Report
- Annual Governance Statement
- System Risk Register/Board Assurance Framework
- Risk Management Reports
- Risk Registers
- Internal and External Audit Reports
- Minutes from related committees and groups

## 6.2 Risk Management Process

6.2.1 The risk process should be bottom up, and culminating into a ICB Corporate Risk Register, the following process will outline how that will be achieved.



### 6.2.2 Level One – Individual or Project Risk Register

6.2.2.1 Individuals and Projects can and will be encouraged to create and maintain a risk register with risks relevant to their work area or project. This will be managed by the 4Risk system with individual logins created. Individuals and projects will be able to elevate a risk, from their register to their Directorate’s risk register.

### 6.2.3 Level Two – Directorate Risk Register

6.2.3.1 Each Directorate will hold a Directorate Risk Register, and it will be the Executive Director’s responsibility to ensure the management of their own Risk Register. Each Directorate will identify a Risk Facilitator for the 4Risk system.

6.2.3.2 Risk Facilitators will be able to accept risks onto the Directorate Risk Register from individuals or projects. The Risk Facilitator will be supported by the ICB’s Risk Manager however, it will be the Executive Director’s overall approval which will be required for risks to be elevated to their Register.

6.2.3.3 Most of the organisation’s risks will be managed at this level, in Directorate Risk Registers on the 4Risk system.

6.2.3.4 Escalation of risk should facilitate decision-taking that cannot be taken at the risk source. It may be acceptable for high risks to be retained and contained within a Directorate. If a Directorate can adequately mitigate or control risks within its own resources, there is no need to escalate.

6.2.3.5 Risks should be transferred from one Directorate risk register to another when:

- the Directorate deems it has sufficiently mitigated the risk to the extent of its remit and further mitigation is best carried out elsewhere; or
- the Directorate has identified the risk but it is not within its remit to mitigate the risk, thereby needing to transfer the risk to where it can be properly mitigated.

#### 6.2.4 Level Three – Corporate Risk Register

6.2.4.1 The Corporate Risk Register is designed to provide comprehensive reporting on the management of risks within the organisation. Its primary focus is to manage high-level risks using a top-down approach. It serves as a high-level management assessment process and record of the main risks related to the delivery of ICB corporate objectives and the strength of internal controls to prevent these risks from occurring. It also identifies assurances against those controls and highlights any gaps in control and/or assurance..

6.2.4.2 The Corporate Risk Register will hold those risks that have a broad impact (that is, they have the potential to impact extensively on the capability, vitality or success of the ICB as a whole) or deep impact (i.e., the effects of the risk event occurring are limited to a given area but especially serious). Criteria for escalation to the Corporate Risk Register is found at Appendix 4.

### 6.3 Risk Register Reporting

6.3.1 The Corporate Risk Register is managed using 4Risk online risk management software. This software enables the ICB to coordinate, monitor, and report on various performance assessments, ensuring a comprehensive overview of all risks affecting the organisation. It facilitates decision-making regarding which risks require immediate treatment and which can be tolerated for a specified duration.

6.3.2 Each risk in the Corporate and Directorate Risk Registers will be allocated an owner (usually a member of the Executive Management Team) and a lead (typically the lead manager). The risk lead is responsible for reviewing and updating their risks on 4Risk, while the risk owner is accountable to the Board for the management of the risk.

6.3.3 The use of 4Risk software facilitates the updating and monitoring process and improves reporting..

6.3.4 Oversight of the entire risk reporting process will be managed by the Chief of Strategy and Assurance, supported by the ICB Risk Lead.

6.3.5 The Corporate Risk Register will be reviewed by the ICB Operational Group at once a month. This provides an opportunity for members to consider all the main risks facing the organisation, assess levels of risk, review each other's risks, controls, and assurances, and discuss any gaps.

- The Corporate Risk Register will be reported in full to the Audit & Risk Assurance Committee at every meeting.
- The Audit & Risk Assurance Committee will provide assurance to the Board of the ICB regarding the status and management of risks within the Corporate Risk Register.
- The Audit & Risk Assurance Committee will commission an internal audit of risk management maturity and monitor the implementation of any agreed actions, at least every three years.

## 6.4 System Risk Management

System risk management involves a coordinated approach to identifying, assessing, and mitigating risks to achieving objectives that require partnership work from two or more ~~across all partner organisations~~ within the Integrated Care System (ICS). ~~This holistic approach ensures that risks are managed not only within individual entities but also in terms of their potential impact on the entire system.~~ Effective system risk management also fosters collaboration among partner organisations, promoting the sharing of best practices, resources, and information to manage risks collectively.

### 6.4.1 System Risk Appetite and Matrix

6.4.1.1 The ICS has developed a System Risk Appetite and Matrix to guide decision-making and ensure a consistent approach to risk management. The risk appetite (see Figure 2) defines the level and type of risk the ICS is willing to accept in pursuit of its strategic objectives and delivery of high-quality health and care across Bedfordshire, Luton and Milton Keynes.

## System Risk Appetite – Statement

The BLMK Integrated Care System (ICS) has undertaken a comprehensive review of its system risk appetite across various operational and strategic categories. We ensure that our decision-making, governance, and strategic planning are guided by a clear understanding of our risk thresholds, always with the patient, workforce and population at the core. Below is a summary of the BLMK System's stance on different risk categories:

1. **Clinical/Quality Risk:** The System maintains a minimal-cautious appetite in clinical and quality dimensions, prioritising patient safety and overall care excellence. Innovations are adopted only when they demonstrably improve patient outcomes and service quality, without increasing risk.
2. **Financial Risk:** For financial risks, the System exhibits a cautious but open attitude, demonstrating a calculated willingness to explore different investment and funding options to enhance the value and quality of care, while ensuring long-term financial health.
3. **Operational Risk:** The System's perspective to operational risk amalgamates caution and openness, striving to attain operational efficiencies without compromising effectiveness.
4. **Reputational Risk:** In terms of reputational risks, the System follows a cautious but open approach. The System prioritises maintaining the trust of the communities it serves by delivering consistently high-quality care and being responsive to the evolving needs of our population and stakeholders.
5. **Compliance/Regulatory Category:** The System has a cautious yet open attitude toward compliance and regulatory risks, emphasising the importance of adhering to legal frameworks while also being open to various options.
6. **Workforce Category:** In workforce-related matters, the System's stance is open-seeking, manifesting an eagerness to pursue innovative workforce solutions and calculated risk-taking, fostering a culture of engagement, development, and well-being that supports our staff in delivering exceptional care.
7. **Strategic Category:** Strategically, the System's appetite is open-seeking, welcoming innovative approaches that promise to enhance patient outcomes and system performance. Calculated risk-taking is supported in strategic initiatives that align with the long-term vision for health care innovation and quality improvement.

This consolidated risk appetite serves as a fundamental touchstone for the BLMK System's decision-making, operational directives, and strategic planning, ensuring that our actions consistently reflect our dedication to the individuals we serve. This statement will be reviewed and updated periodically to remain congruent with evolving organisational contexts and objectives.

*Figure 2 - System Risk Appetite Statement*

6.4.1.2 The matrix at Figure 3 below, outlines the risk appetite of each partner across various risk categories, providing a clear understanding of how much risk each entity is



- **Continuous Monitoring and Review:** DRM involves the continuous monitoring and review of risks and KRIs. This ongoing process ensures that risk management activities remain relevant and effective in the face of evolving circumstances.

6.4.2.3 The Dynamic Risk Management approach significantly enhances the ICS's ability to manage risks in a proactive and agile manner. By incorporating the use of KRIs, the ICS can respond to risks effectively, ensuring the continuous delivery of high-quality health and care and the achievement of strategic objectives. This approach enhances the maturity of our risk management processes and supports the effective delivery of strategic priorities.

## 6.5 Board Assurance Framework as the System Risk Register

### 6.5.1 Role of the Board Assurance Framework

6.5.1.1 The System Risk Register/Board Assurance Framework (SRR/BAF) serves as the primary risk register for the ICS. The BAF is a key tool used to document and manage the main risks that could impact the delivery of the system's strategic objectives. By providing a structured and comprehensive overview of risks, the BAF enables effective risk management and assurance processes across the ICS.

### 6.5.2 Integration of SRR/BAF and System Risk Management

6.5.2.1 The SRR/BAF aligns risks with the ICS's strategic objectives, ensuring that risk management efforts are focused on areas critical to the system's success. This alignment helps prioritise risks that could significantly impact the achievement of strategic goals.

6.5.2.2 The SRR/BAF is regularly reviewed and updated to reflect the current risk landscape. This dynamic approach ensures that the risk register remains relevant and responsive to emerging risks and changes within the system.

6.5.2.3 KRIs are integrated into the SRR/BAF to provide early warning signs of increasing risk exposure. Monitoring these indicators supports proactive risk management and timely intervention.

### 6.5.3 Governance and Oversight

6.5.3.1 The SRR/BAF is reviewed at multiple levels within the ICS. Both the ICB Executive Management Team and the System Chief Executives' Group conduct regular reviews to assess risk levels, controls, and mitigation actions. The Audit & Risk Assurance Committee reviews the SRR/BAF at every meeting to ensure robust oversight and provide assurance to the Board.

6.5.3.2 The Audit & Risk Assurance Committee provides assurance to the Board regarding the management and status of the risks captured in the SRR/BAF. This reporting ensures that the Board remains informed about the key risks facing the system and the effectiveness of risk management strategies.

6.5.4 The SRR/BAF is a critical component of the ICS's risk management framework, serving as the system risk register. Its comprehensive, dynamic, and integrated approach to documenting and managing risks ensures that the ICS can effectively mitigate potential threats and capitalise on opportunities, thereby supporting the achievement of strategic objectives and the delivery of high-quality care.

## 6.6 Measuring Effectiveness

6.6.1 The ICB will ensure that its risk management approach and arrangements continue to be effective in a number of ways, including:

- Complete an annual risk maturity self-assessment, using an adaption of the HM Treasury Risk Management Assessment Framework. Risk maturity refers to where the ICB is on its risk management journey and how well-established risk management is as a discipline across the organisation. The maturity assessment provides a flexible tool to assist in evaluating performance and progress in developing and maintaining effective risk management capability and assessing the impact on delivering effective risk handling and required/planned outcomes.
- Undertake regular reviews of other ICBs and NHS Trust models and standards to ensure risk management processes continue to reflect best practice.
- Gain assurance from internal and external auditors on whether the ICB's risk management, control and governance processes are adequate and operating effectively.

6.6.2 An annual report will also be presented to the Audit & Risk Assurance Committee and Board providing assurance and evidence of a programme of work is in place to identify, assess and manage risk within the ICB.

## 6.7 EPRR Risk Management

6.7.1 Robust risk management processes support Emergency Preparedness, Resilience and Response by ensuring that underpinning controls are in place to mitigate the impact of a hazardous event and therefore reducing the scale of the continuity or incident response required in the event of the hazardous event materialising.

6.7.2 The Bow-Tie model in Figure 2 below illustrates the interconnectivity of risk management and EPRR.

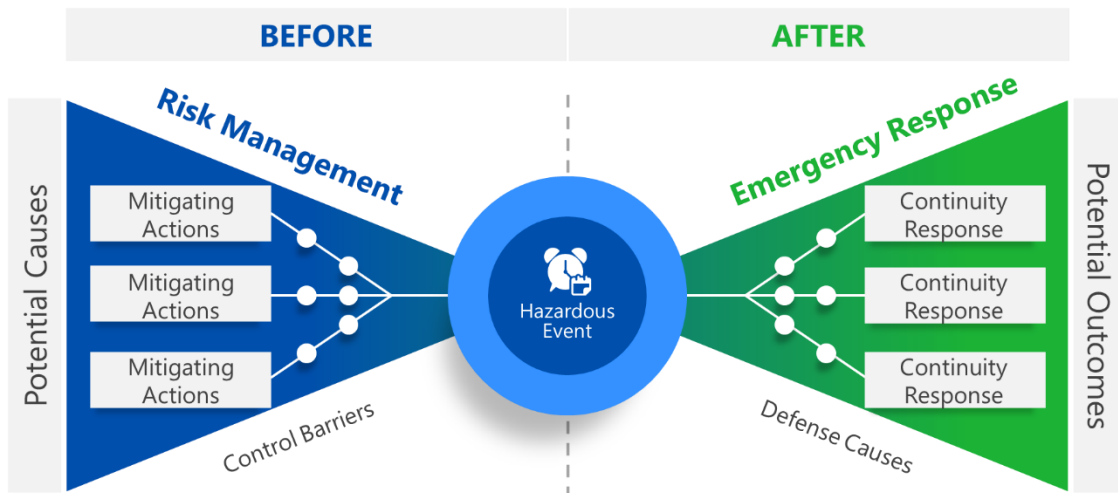


Figure 4 - Bow-Tie Model of Risk Management and EPRR

- 6.7.3 Within the context of Emergency Preparedness, Resilience and Response, reference should be made to national and community risk registers to ensure that local risk assessment is made against nationally and locally identified risks. Risks with the potential to affect the ICB directly or indirectly should be subject to the risk process described in this document.
- 6.7.4 The National Risk Register is intended to capture the range of emergencies that might have a major impact on all, or significant parts of, the UK. It provides a national picture of the risks we face, and is designed to complement Community Risk Registers, already produced and published locally by emergency planners.
- 6.7.5 Community Risk Registers (CRRs) currently consider the likelihood and potential impact of a range of hazards occurring in specific areas of England and Wales. They are approved and published by Local Resilience Forum (LRFs) which have been established under the Civil Contingencies Act. They include representatives from local emergency services, and public, private and voluntary organisations.
- 6.7.6 The Community Risk Register also supports the development and management of the Risk Register for the Local Health Resilience Partnership (LHRP) which considers risks from the Community Risk Register with particular implications for Health within Bedfordshire, Luton & Milton Keynes.
- 6.7.7 Linking local risks to the national and community risk registers are essential components of a holistic risk assessment and management process ensuring as part of an integrated system.

## Appendix 1 - Equality Impact Assessment Initial Screening

Please answer the questions against each of the protected characteristic and inclusion health groups. If there are significant impacts and issues identified a full Equality / Quality Impact Assessment (EQIA) must be undertaken. It is against the law to discriminate against someone because of these protected characteristics. For support and advice on undertaking EQIAs please contact: [agcsu.equalities@nhs.net](mailto:agcsu.equalities@nhs.net)

<b>Name of Policy:</b>	ICB Risk Management Framework
<b>Date of assessment:</b>	25-06-2024
<b>Screening undertaken by:</b>	Deputy Head of Organisational Resilience

Protected characteristic and inclusion health groups.  Find out more about the Equality Act 2010, which provides the legal framework to tackle disadvantage and discrimination: <a href="https://www.equalityhumanrights.com/en/equality-act/protected-characteristics">https://www.equalityhumanrights.com/en/equality-act/protected-characteristics</a>	Could the policy create a disadvantage for some groups in application or access?  (Give brief summary)	If Yes - are there any mechanisms already in place to mitigate the potential adverse impacts identified?  If not, please detail additional actions that could help.  If this is not possible, please explain why
<b>Age</b> A person belonging to a particular age (for example 32 year olds) or range of ages (for example 18 to 30 year olds).	Not applicable to this Policy	
<b>Disability</b> A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.	Not applicable to this Policy	
<b>Gender reassignment</b> The process of transitioning from one gender to another.	Not applicable to this Policy	
<b>Marriage and civil partnership</b> Marriage is a union between a man and a woman or between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'.	Not applicable to this Policy	
<b>Pregnancy and maternity</b> Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman	Not applicable to this Policy	

unfavourably because she is breastfeeding.		
<b>Race</b> Refers to the protected characteristic of race. It refers to a group of people defined by their race, colour and nationality (including citizenship) ethnic or national origins.	Not applicable to this Policy	
<b>Religion or belief</b> Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition.	Not applicable to this Policy	
<b>Sex</b> A man or a woman.	Not applicable to this Policy	
<b>Sexual orientation</b> Whether a person's sexual attraction is towards their own sex, the opposite sex, to both sexes or none.	Not applicable to this Policy	
<b>Carers</b> Individuals within the ICB which may have carer responsibilities.	Not applicable to this Policy	
<b>Please summarise the improvements which this policy offers compared to the previous version or position.</b>		
Not applicable to this Policy		
<b>Has potential disadvantage for some groups been identified which require mitigation?</b>		
Yes / No		

## Appendix 2 - Data Protection Impact Assessment Initial Screening

Data protection is the fair and proper use of information about people. Before completing this form, please refer to the Data Protection Impact Assessment (DPIA) Guidance in the Information Governance (IG) section on the staff Intranet or contact the Data Protection Officer for support via [blmkicb.ig@nhs.net](mailto:blmkicb.ig@nhs.net)

A DPIA is a process to help you identify and minimise the data protection risks. You must do a DPIA for processing that is likely to result in a high risk to individuals. You can use our screening checklist below to help you decide when to do one. If you have answered 'Yes' to any of the 10 screening questions, you must then carry out a full DPIA using the Stage 2 form, which is also available on the Intranet in the IG section.

<b>Name of Policy:</b>	ICB Risk Management Framework
<b>Date of assessment:</b>	25-06-2024
<b>Screening undertaken by:</b>	Deputy Head of Organisational Resilience

### Stage 1 – DPIA form

please answer 'Yes' or 'No'

<b>1. Will the policy result in the processing of personal identifiable information / data?</b> This includes information about living or deceased individuals, including their name, address postcode, email address, telephone number, payroll number etc.	Yes / No
<b>2. Will the policy result in the processing of sensitive information / data?</b> This includes for living or deceased individuals, including their physical health, mental health, sexuality, sexual orientation, religious belief, National Insurance No., political interest etc.	Yes / No
<b>3. Will the policy involve the sharing of identifiers which are unique to an individual or household?</b> e.g., Hospital Number, NHS Number, National Insurance Number, Payroll Number etc.	Yes / No
<b>4. Will the policy result in the processing of pseudonymised information by organisations who have the key / ability to reidentify the information?</b> <b>Pseudonymised data</b> - where all identifiers have been removed and replaced with alternative identifiers that do not identify any individual. Re-identification can only be achieved with knowledge of the re-identification key. <b>Anonymised data</b> - data where all identifiers have been removed and data left does not identify any patients. Re-identification is remotely possible, but very unlikely.	Yes / No
<b>5. Will the policy result in organisations or people having access to information they do not currently have access to?</b>	Yes / No
<b>6. Will the policy result in an organisation using information it already holds or has access to, but for a different purpose?</b>	Yes / No
<b>7. Does the policy result in the use of technology which might be perceived as being privacy intruding?</b> e.g., biometrics, facial recognition, CCTV, audio recording etc.	Yes / No
<b>8. Will the policy result in decisions being made or action being taken against individuals in ways which could have a significant impact on them?</b> Including profiling and automated decision making. (This is automated processing of personal data to evaluate certain things about an individual i.e., diagnosis and then making a decision solely by automated means - without any human involvement)	Yes / No
<b>9. Will the policy result in the collection of additional information about individuals in addition to what is already collected / held?</b>	Yes / No
<b>10. Will the policy require individuals to be contacted in ways which they may not be aware of and may find intrusive?</b> e.g., personal email, text message etc.	Yes / No

## Appendix 3 - Risk Scoring Framework

### Risk Matrix

<b>IMPACT</b>	Catastrophic	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Insignificant	1	1	2	3	4	5
			1	2	3	4	5
			Rare	Unlikely	Moderate	Likely	Certain
			<b>LIKELIHOOD</b>				

### Risk Likelihood

Level	Descriptor	Description
1	<b>Rare</b> <b>&lt;20%</b>	The event is not expected to occur.
2	<b>Unlikely</b> <b>21%-40%</b>	The event might occur at some time.
3	<b>Moderate</b> <b>41%-60%</b>	The event will occur at some time.
4	<b>Likely</b> <b>61%-80%</b>	The event will occur in most circumstances.
5	<b>Certain</b> <b>&gt;80%</b>	The event is certain to occur

## Risk Impact

Level	Descriptor	Description
1	<b><i>Insignificant</i></b>	Dependant on Risk Category; A. Business Intelligence (Data) B. Clinical leadership C. Commissioning (Procurement) D. Communication (Reputation) E. Financial F. HR (Skills) G. Operational H. Partnership I. Quality/Compliance (Patient Satisfaction) J. Strategy
2	<b><i>Minor</i></b>	
3	<b><i>Moderate</i></b>	
4	<b><i>Major</i></b>	
5	<b><i>Catastrophic</i></b>	

## Risk Impact Guide

	1.INSIGNIFICANT	2.MINOR	3.MODERATE	4.MAJOR	5.CATASTROPHIC
A. BUSINESS INTELLIGENCE	Breach of confidentiality (no adverse outcome)  Health records/ documentation incident (no adverse outcome)	Minor breach of confidentiality (resolvable). Unplanned loss of IT facilities (<1 day)  Small percentage of inaccuracies in data or incorrect coding	Moderate breach of confidentiality – complaint initiated.  Some incorrect coding or incorrect data	Serious breach of confidentiality (more than 1 person)  Health records/ documentation incidents – patient care affected with major consequence.  Significant incorrect coding or incorrect data also impacting performance stats	Serious breach of confidentiality (Large numbers)  Health records/ documentation incidents – catastrophic consequence.  No or inaccurate service data available also impacting performance stats
B. CLINICAL	Potential risk for loss of specialist skill	Low risk of loss of specialist skill	Small time of specialist time to invest in transformational work  Moderate risk of loss of specialist skill	Limited time of specialist time to invest in transformational work  Medium risk of loss of specialist skill	Lack of specialist skill to invest in transformational work  High/immendant risk of loss of specialist skill
C. COMMISSIONING	Insignificant impact to the quality/ cost effectiveness of commissioning.  Manageable within project/team/work stream.	Minor impact on the quality/ cost effectiveness of commissioning activities.  Less than 2 week delay to milestones/plans	Short term impacts to quality/ cost effectiveness of commissioning.  Resources used from other parts of the organisation	Significant delays /reduction in provision commissioning across multiple work streams (<1 month delay to work stream)	Realisation of risk preventing delivery of significant services through its contracts with providers to the public

	1.INSIGNIFICANT	2.MINOR	3.MODERATE	4.MAJOR	5.CATASTROPHIC
D. COMMUNICATION	Rumours, potential media coverage	Local media coverage – short term reduction in public confidence  Elements if public expectations are not being met	Local media coverage – long-term reduction in public confidence  Significant effect on staff morale and public perception of the organisation	National media / adverse publicity, < 3 days service well below reasonable public expectation  Public confidence in the organisation undermined	National / international media / adverse publicity, more than 3 days  MP Concern (questions in parliament)  Total loss of public confidence
E. FINANCIAL	Small loss risk of claim remote	Budget is short by 0.1- .99%  Budget shortfall results in <4 months delay in benefits delivery  Claims less than £10k	Budget is short by 1-5% Budget shortfall results in >4 months delay in benefits delivery  Claims between £10k- £100k	Budget is short by 5- 10%  Failure to deliver >25% of savings target  Claims between £100k- 1m	>10% over budget  Failure to deliver major elements of financial savings targets  Loss of contract / payment by results  Claims >£1m
F. HR (SKILLS)	Short term low staffing level, where there is temporary reduces service quality (>1 day)	Ongoing low staffing level reduces service quality  Minor error due to ineffective training / implementation of training	Late delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>1 day)  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>5 days)  Loss of key staff  Very low staff morale  No staff attending mandatory key training.	Non-delivery of key objective/service due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff  No staff attending mandatory training/key training on an ongoing basis
G. Operational	Insignificant schedule slippage  Regular loss/interruption of access to data >1 hour  Interruption does not impact on delivery of patient care or the ability to provide service  Business continuity issues may cause minimal negative impact  Unplanned loss of IT facilities (< half day)	Schedule slippage causing minor project delays  Regular loss/interruption of access to data >8 hours  Short term disruption to service with minor impact on patient care  Business continuity issues may only have a minor impact  Health records/documentation incident (readily resolvable)	Schedule slippage requiring 5-10 % more time  Regular loss/interruption of access to data >1 day  Disruption causes unacceptable impact on patient care  Temporary loss of ability to provide service  Health records/documentation incidents – patient care affected with short term consequence.	May be completed within the agreed time frame with additional resources  Major injuries / long term incapacity or disability (e.g., loss of limb)  Long term sickness>4 weeks  Unplanned loss of IT facilities (>1 day but < 1 week)	Well behind schedule and highly unlikely to deliver project therefore associated benefits  Estimations were completely out sync with reality leading to huge cost overruns and project failure  Death or major permanent incapacity  Significant number of people affected (screening errors)  Unplanned loss of IT facilities (> 1 week)

	1.INSIGNIFICANT	2.MINOR	3.MODERATE	4.MAJOR	5.CATASTROPHIC
H. Partnership	Transformation timescale small slippage	Transformation timescale small slippage	Transformation timescale small slippage or incomplete	Transformation timescale slippage or incomplete  Difficult working relationship  Contractual leavers	Unable to make transformation happen  Difficult working relationship with potential reputational damage  Contractual leavers
I. Quality/Compliance (Patient Satisfaction)	Minimal impact on quality, unnoticeable  Informal complaint/inquiry verbal complaint  Unsatisfactory patient experience not directly related to patient care  Small number of recommendations which focus on minor quality improvement issues	Quality affected but has minor impact  Minor recommendations / impact which is recoverable by a low level of communication/management action  Unsatisfactory patient experience / clinical outcome – readily resolvable  Formal complaint with local resolution  Single failure to meet internal standards  Minor implications for patient safety if unresolved reduced performance rating if unresolved  Increase in hospital LoS by 1-3 days	Moderate impact on quality of service or product  Challenging recommendations which can be addressed with appropriate action plans  Mismanagement of patient care, short term effects (>1 week)  Formal complaint with local resolution (with potential to go to independent review)  Repeated failure to meet internal standards with major patient safety implications if findings are not acted on  Increase in hospital LoS by 4-15 days	Major impact on quality of service or product  Serious mismanagement of patient care, long term effects (more than a week), non-compliant service  Major adverse effect on delivery of key objective - Critical report  Multiple complaints/independent review  Low performance rating Critical report  The reputation of the organisation/service is significantly damaged and will require major investment of resources to recover it  Increase in hospital LoS by >15 days	Quality cannot be achieved  Complete systems change required, zero performance rating  Totally unsatisfactory patient outcome or experience continued ongoing long term effects  Totally unacceptable level or quality of treatment/service or level of compliance  Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry  Confidence in the organisation/service is irrecoverable  Litigation certain  Event impacts a large number of patients
J. Strategy	Insignificant cost increase/schedule slippage	<5 % project budget Schedule slippage	<5-10 % project budget Schedule slippage	Noncompliance with national 5-10 % over project budget  Schedule slippage Key objectives not met	Noncompliance with national >25 % over project budget  Schedule slippage Key objectives not met

## Appendix 4 - Corporate Risk Register Criteria

Directorate risks which meet one or more of the criteria below will be considered for escalation to the Corporate Risk Register

<input type="checkbox"/>	strategic and cross-cutting, with the potential to impact on a range of different areas or functions;
<input type="checkbox"/>	rated 12 or above and out of the Directorate's capacity to adequately mitigate;
<input type="checkbox"/>	linked to the organisation's ability to successfully deliver transformational change and major initiatives, while continuing with business as usual; and
<input type="checkbox"/>	may impact significantly and broadly on the ICB's reputation.

## Appendix 5 - Risk Management Vocabulary

(Adapted from ISO Guide 73:2019)

Terminology	Meaning
<b>Acceptance</b>	Informed decision to take a particular <u>risk</u>
<b>Avoidance</b>	Informed decision not to be involved in, or to withdraw from, an activity in order not to be exposed to a particular <u>risk</u>
<b>Communication and Consultation</b>	Continual and iterative processes that an organisation conducts to provide, share or obtain information, and to engage in dialogue with <u>stakeholders</u> regarding the management of <u>risk</u> . The information can relate to the existence, nature, <u>likelihood</u> , significance, acceptability or treatment of the management of risk. Consultation is a two-way process of informed communication between an organisation and its <u>stakeholders</u> on an issue prior to making a decision or determining a direction on that issue. Consultation is: <ul style="list-style-type: none"> <li>• a process which impacts on a decision through influence rather than power; and</li> <li>• an input to decision making, not joint decision making.</li> </ul>
<b>Consequence</b>	Outcome of an event affecting objectives
<b>Control</b>	Measure that is modifying <u>risk</u> Controls include any process, policy, device, practice, or other actions which modify risk.
<b>Level of Risk</b>	Magnitude of a <u>risk</u> or combination of risks, expressed in terms of the combination of <u>consequences</u> and their <u>likelihood</u>
<b>Likelihood</b>	Chance of something happening
<b>Monitoring</b>	Continual checking, supervising, critically observing or determining the status in order to identify change from the performance level required or expected Monitoring can be applied to a risk management framework, <u>risk management process</u> , <u>risk</u> or <u>control</u>
<b>Residual Risk</b>	<u>Risk</u> remaining after risk <u>treatment</u>
<b>Resilience</b>	Capacity of an organisation to adapt in a complex and changing environment
<b>Review</b>	Activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives Review can be applied to a risk management framework, <u>risk management process</u> , <u>risk</u> or <u>control</u>
<b>Risk</b>	Effect of uncertainty on objectives Risk is often expressed in terms of a combination of the <u>consequences</u> of an event (including changes in circumstances) and the associated <u>likelihood</u> of occurrence.
<b>Risk Analysis</b>	Process to comprehend the nature of <u>risk</u> and to determine the <u>level of risk</u>
<b>Risk Appetite</b>	Amount and type of <u>risk</u> that an organisation is willing to pursue or

Terminology	Meaning
	retain
<b>Risk Assessment</b>	Overall process of <u>risk identification</u> , <u>risk analysis</u> and risk evaluation
<b>Risk Description</b>	Structured statement of risk usually containing three elements: events, causes and <u>consequences</u> Risk description is usually expressed as “As a result of X, there is a risk of Y, resulting in Z”
<b>Risk Identification</b>	Process of finding, recognising and describing <u>risks</u> Risk identification involves the identification of risk sources, events, their causes and their potential <u>consequences</u> .
<b>Risk Management</b>	Coordinated activities to direct and control an organisation with regard to <u>risk</u>
<b>Risk Management Audit</b>	Systematic, independent and documented process for obtaining evidence and evaluating it objectively in order to determine the extent to which the risk management framework, or any selected part of it, is adequate and effective
<b>Risk Management Process</b>	Systematic application of management policies, procedures and practices to the activities of <u>communicating</u> , <u>consulting</u> , establishing the context, and <u>identifying</u> , <u>analysing</u> , evaluating, <u>treating</u> , <u>monitoring</u> and reviewing <u>risk</u>
<b>Risk Matrix</b>	Tool for ranking and displaying <u>risks</u> by defining ranges for <u>consequence</u> and <u>likelihood</u>
<b>Risk Owner</b>	Person with the accountability and authority to make a decision regarding the management of a <u>risk</u>
<b>Risk Profile</b>	Description of any set of <u>risks</u>
<b>Risk Register</b>	Record of information about identified <u>risks</u> The term “risk log” is sometimes used instead of “risk register”
<b>Risk Reporting</b>	Form of communication intended to inform particular internal or external <u>stakeholders</u> by providing information regarding the current state of <u>risk</u> and its management
<b>Risk Source</b>	Element(s) which alone or in combination has the intrinsic potential to give rise to <u>risk</u>
<b>Stakeholder</b>	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity
<b>Tolerance</b>	Organisation's or <u>stakeholder's</u> readiness to bear the <u>risk</u> after risk treatment in order to achieve its objectives
<b>Treatment</b>	Process to modify <u>risk</u> Risk treatment can involve: <ul style="list-style-type: none"> <li>• avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;</li> <li>• taking or increasing risk in order to pursue an opportunity;</li> <li>• removing the risk source;</li> <li>• changing the <u>likelihood</u>;</li> <li>• changing the <u>consequences</u>;</li> <li>• sharing the risk with another party or parties [including contracts]; and</li> </ul>

Terminology	Meaning
	<ul style="list-style-type: none"> <li>retaining the risk by informed decision.</li> </ul> <p>Risk treatments that deal with negative consequences are sometimes referred to as “risk mitigation”, “risk elimination”, “risk prevention” and “risk reduction”</p>