

RISK MANAGEMENT PROTOCOL

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April 2024

STATEMENT OF INTENT

NWSSP is committed to ensuring that the management of risk throughout the organisation is consistent and effective.

NWSSP Statement

NWSSP:

- is committed to achieving and maintaining the highest standards of managerial practices that maximise and progress service benefits.
- recognises that effective risk management is a key component of corporate governance and is critical to achieving the strategic objectives of the organisation.
- continues to embed the risk management process by ensuring staff recognise the principles that “risk management is everyone’s business,” and encourage them to report any hazards, risks, incidents and near misses within their working activities or environment.
- recognises the importance of continuing to promote a culture of honesty and openness when dealing with a breakdown/failure in a system or individual error/mistake. NWSSP is committed to investigating system failures and or individual errors to establish the underlying causes.
- seeks to ensure that risks and incidents are identified and managed in a positive and constructive manner, so that lessons learned are shared across the organisation.
- acknowledges that effective risk management allows managers and staff to respond to opportunities and to take appropriate risks on behalf of the organisation with greater confidence of a successful outcome.

Introduction

NWSSP seeks to integrate the risk management process by having a single clear systematic approach. Therefore risk management is not seen as a separate function but is an integral part of the day-to-day management activities of the organisation including financial, health and safety and environmental functions.

It is the aim of NWSSP to assess and control the risks which threaten or compromise its ability to fulfil its aims and objectives. Risk Management should be able to provide a suitable framework from within which staff can manage risks potentially facing the organisation in a consistent and meaningful way. This protocol sets out a framework, which identifies the risk management arrangements for the organisation.

Background

This protocol is intended to complement the Velindre University NHS Trust strategy by establishing a comparable framework around which NWSSP will manage risks potentially facing the organisation. It is the intention that this will provide a framework which enables NWSSP to define its risk management arrangements.

Purpose

The purpose of this protocol is to provide a clear systematic approach to the management of risk within NWSSP. The protocol will define the way in which NWSSP will continue to embed the risk management process across the whole organisation whilst taking note of the various requirements of external agencies and statutory bodies.

Aims

NWSSP has a clear commitment to operate high standards of governance and internal control and will aim to minimise and contain any costs or consequences that may arise in the event of an incident occurring. NWSSP is committed to the following aims and objectives:

- A clear commitment to operate to the highest standards of governance and internal control through the adoption of Risk Management Policy and regular reporting of risk management issues to the NWSSPC;
- Provide evidence that NWSSP is making every effort to meet the objectives set within the protocol and will, in doing so, protect staff, the public and other stakeholders against risks of all kinds;
- To inform the SSPC about significant risks within the organisation for which they are responsible;
- Assist staff and the SSPC to identify risks, determine unacceptable levels of risk, and decide on where best to direct limited resources to eliminate or reduce those risks;
- Promote risk management awareness at all levels of the organisation;

- Develop, establish, and implement an infrastructure and arrangements to ensure that managing risk becomes an integral part of the planning and management processes and general culture of the organisation;
- Ensure that NWSSP adopts best practice and achieves the highest standards of risk management;
- Manage risk in a positive but not punitive way as an opportunity to learn and improve systems in practice;
- Increase public confidence in the quality of service provided with the NHS; and
- Enable NWSSP to effectively meet its key objectives.

Objectives

NWSSP will:

- Ensure a safe environment for staff to work in;
- Improve business performance by informing and improving decision making and planning;
- Continue to promote a single consistent approach to risk management across NWSSP;
- Ensure clear lines of accountability and responsibility for risk management exist;
- Ensure adequate risk reporting structures are in place across the whole organisation that provide assurance to the SSPC;
- Develop and promote the risk management escalation process;
- Ensure effective processes are in place to achieve staff compliance with statutory, mandatory, and professional standards;
- Encourage open and honest reporting of hazards, risks, and incidents and near misses;
- Ensure that risks and incidents identified are managed in a positive and constructive manner, so lessons learned are shared;
- Promote a culture where innovation is encouraged; and

- Provide a sound basis for integrated risk management and internal control as components of good corporate governance.

Organisational Arrangements and Responsibilities

NWSSP is a large and complex organisation with over 5,000 employees. The Managing Director, NWSSP is ultimately accountable for ensuring that risk is managed adequately, although there are levels of responsibility throughout the structure to ensure effective risk management. However, day-to-day implementation thereof is delegated to the Director of Finance and Corporate Services of NWSSP, who is assisted in this role by the Head of Finance and Business Development.

It is the responsibility of each of the Directors, Assistant Directors, and Heads of Service to ensure that risk is addressed at each of the locations relevant to their Directorates and that an effective feedback mechanism operates through NWSSP such that corporate and significant/critical risks are reported and discussed at NWSSP Senior Leadership Group (SLG) meetings.

All employees individually and collectively have a responsibility for risk management with the identification of risks and the reporting of incidents and near misses being encouraged.

Staff should:

- Report risks, incidents and hazards using the appropriate reporting procedure;
- Be aware of their legal duty to take care of their own health and safety and the safety of others affected by their work activities;
- Attend statutory and mandatory training in line with NWSSP requirements;
- Act in accordance with the training and instruction provided by NWSSP; and
- Comply with the Velindre University NHS Trust Risk Management strategy and NWSSP Protocol supporting health and safety policies and procedures.

Head of Finance and Business Development

The NWSSP Head of Finance and Business Development will provide advice and guidance on risk management related functions across

NWSSP. The post holder will also support the development and implementation of a standard overarching risk management framework. This includes the coordination of risk assessments, risk registers, assurance maps and development and maintenance of the risk management system and its modules.

Third Party Risks

Hazards and risks may be identified which are not within the ability of NWSSP to control or manage, such as building or facilities management issues which are instead the responsibility of another NHS Wales organisation. The arrangements of NWSSP will be such that it is a requirement on its officers to bring such matters to the attention of the organisation controlling that building or service at the earliest possible opportunity. Such action should always be the subject of a written report to the Director of Finance and Corporate Services of NWSSP.

Risk Management Framework

The organisational framework for Risk Management is controlled through the establishment of various Committees. The Committees are responsible for ensuring that risks that fall under their remit are reviewed and where significant risks are identified, these are appropriately escalated. See Annex 1 for the structure.

Risk Identification, Assessment & Management

NWSSP will embed processes to ensure that risk is identified, assessed, and managed.

Identification of Risks

NWSSP will identify risks both by proactive and reactive methods. These will be managed proactively on an NWSSP Corporate Risk Register, supported by risk registers in each directorate which will be maintained by all nominated individuals assessing the risks which exist in their service area.

Corporately, all papers presented to the SSPC, Audit Committee and SLG meetings must contain a section on identified risks contained in the paper presented and how they will be managed. The Director of Finance and Corporate services will be responsible for reviewing the risks raised in papers and ensuring they are added where appropriate to the Corporate Risk Register.

Reactively, risks will become apparent from a number of sources including complaints, claims, losses, and internal and external audit. Adverse incidents are also an important information source. It is crucial

that all incidents are reported and investigated through the Incident Reporting Procedure (Datix). Any trends identified will be recorded as risks along with the corresponding actions to mitigate them.

Risk Assessment Process

A formal risk assessment is required for all risk assessments that are held on the Datix system. See Annex 2.

The basic steps within the risk assessment process are:

- Identify the hazard(s);
- Assess who and what might be affected, and how;
- Evaluate the risks and decide whether existing precautions are adequate or should more be done;
- Record the findings;
- Monitor and review the risks and any resulting further actions; and
- Communicate and consult.

Risk Register

The Risk Register contains an overview of the identified risks, the controls already in place to manage the risks, and any actions that have been identified to further mitigate the risks. The format for the Risk Register has been agreed by the SLG and the Audit Committee. All risk registers presented to any committee or sub-group will follow this agreed format. It is important that this format is implemented at all levels to ensure consistency is achieved across NWSSP.

Risks are scored within the Register as follows:

- **Inherent (or Gross) Risk Score** – evaluation of the risk without consideration of any current or future controls or actions to mitigate it;
- **Residual (or Current) Risk Score** – evaluation of the risk as at today (i.e. taking into account current controls and mitigations, but **not** any further actions that are yet to be undertaken); and
- **Target Risk Score** – where the risk score should be once planned actions have been completed. (This should be a realistic rather than an aspirational assessment).

All risks identified will be assessed using the following matrices (in accordance with the Velindre University NHS Trust Risk Policy) which consider the likelihood of the risk occurring and the resulting severity.

Risk Quantification – MATRIX

Simple risk quantification is identified by multiplying the Impact X Likelihood = Risk Rating. This impact matrix below has been developed by the NPSA (National Patient Safety Agency) and is adopted by Velindre University NHS Trust.

	LIKELIHOOD DESCRIPTION
5 Almost Certain	Likely to occur, on many occasions
4 Likely	Will probably occur, but is not a persistent issue
3 Possible	May occur occasionally
2 Unlikely	Not expected it to happen, but may do
1 Rare	Can't believe that this will ever happen

	Impact, Consequence score (severity levels) and examples				
	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. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects 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 Single failure to meet internal standards Minor implications for patient safety if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review 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
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 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
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	Enforcement action Multiple breaches in statutory duty Improvement notices Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required 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 Schedule slippage	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
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	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract / payment by results 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

Risk Rating Matrix = Impact x likelihood

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

Actions and Treatment Timetable

Risk Score	Risk Level	Action and Timescale
1-3	LOW	No action required providing adequate controls in place.
4-6	MODERATE	Action required to reduce/control risk within 12-month period
8-12	SIGNIFICANT	Action required to reduce/control risk within 6-month period
15-25	CRITICAL	Immediate action required by Senior Management

Management of Risk

Roles and Responsibilities

- **Senior Leadership Group (SLG)** - The SLG is accountable for the systems of internal control, based on an ongoing process designed to identify and prioritise the risks of the organisation, to

evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. SLG review and update the Corporate Risk Register at their monthly meetings which contains the corporate, significant, and critical risks from across NWSSP including any escalated departmental risks. A SLG lead is assigned to each risk on the register.

- **The Audit Committee** - The Audit Committee provides the SSPC with a means of independent assurance that the systems in place for the management of risk are operating efficiently and effectively. The Committee will also provide an objective review of the corporate governance responsibilities, financial systems, financial information and compliance with law, guidance, and codes of conduct. The Audit Committee reviews the Corporate Risk Register at each of its meetings.
- **Shared Services Partnership Committee** - The Shared Services Partnership Committee ensures that risk management arrangements are in place, and both receives and provides assurance that appropriate and effective control systems are in place to identify and manage risks. The Shared Services Partnership Committee reviews the Corporate Risk Register at its bi-monthly meetings.
- **Sub/Working Groups** - A wide range of sub/working groups are in place across NWSSP to discuss their departmental/site risks and to ensure that any critical and significant risks are escalated to SLG along with risks which may become corporate. The aim of the working groups is to gather information and where appropriate share the lessons learned across the department.
- **NWSSP All Wales Health and Safety Meeting** - NWSSP All Wales Health and Safety meeting is chaired by the Director of Finance & Corporate Services. Each Service Division will ensure an appropriate representative attends this committee to ensure that their risks and incidents are monitored and discussed and that the lessons learned can be shared across NWSSP. All significant risks regarding Health and Safety are reported to the Velindre University NHS Trust Health and Safety Management Group.

Directorate Risks

Directors, Assistant Directors, and Managers should ensure that all risks associated with their directorate are input into the risk management system. Any red-rated risks should be referred to the NWSSP SLG for possible inclusion on the Corporate Risk Register. Directorate Management Teams monitor and review their risk register on a regular

basis. Review of Directorate key risks is also a standing agenda item for the Quarterly Reviews undertaken by the Managing Director and senior colleagues.

Risk Escalation

The SLG, assisted by key senior officers, are responsible for ensuring that risk management policies are implemented within NWSSP and that both risk assessment and incident reporting operates appropriately within the various areas of responsibility and in a climate where staff are encouraged to report incidents without fear of blame.

The process of escalation is used where a risk is unmanageable or uncontrolled or where the risk is significant or critical (15 and above). The purpose of the escalation process is to ensure that all managers at all levels across NWSSP have the option to escalate a risk where they are not able to manage or control it within their area. These risks are discussed at SLG.

Training and Awareness

All NWSSP staff receive basic risk management awareness as part of their statutory training. This training can be facilitated at induction or via eLearning and includes:

- principles of risk management;
- roles and responsibilities for management of risk within NWSSP;
- techniques for identification and evaluation of risk;
- how to report hazards, incidents, and near misses;
- awareness that risk is everyone's business; and
- policies that cover risk management and assessment.

Directors and Managers ensure that all staff involved in the risk assessment process have sufficient knowledge, experience and understanding of risk and are provided with sufficient training to ensure competence is demonstrated.

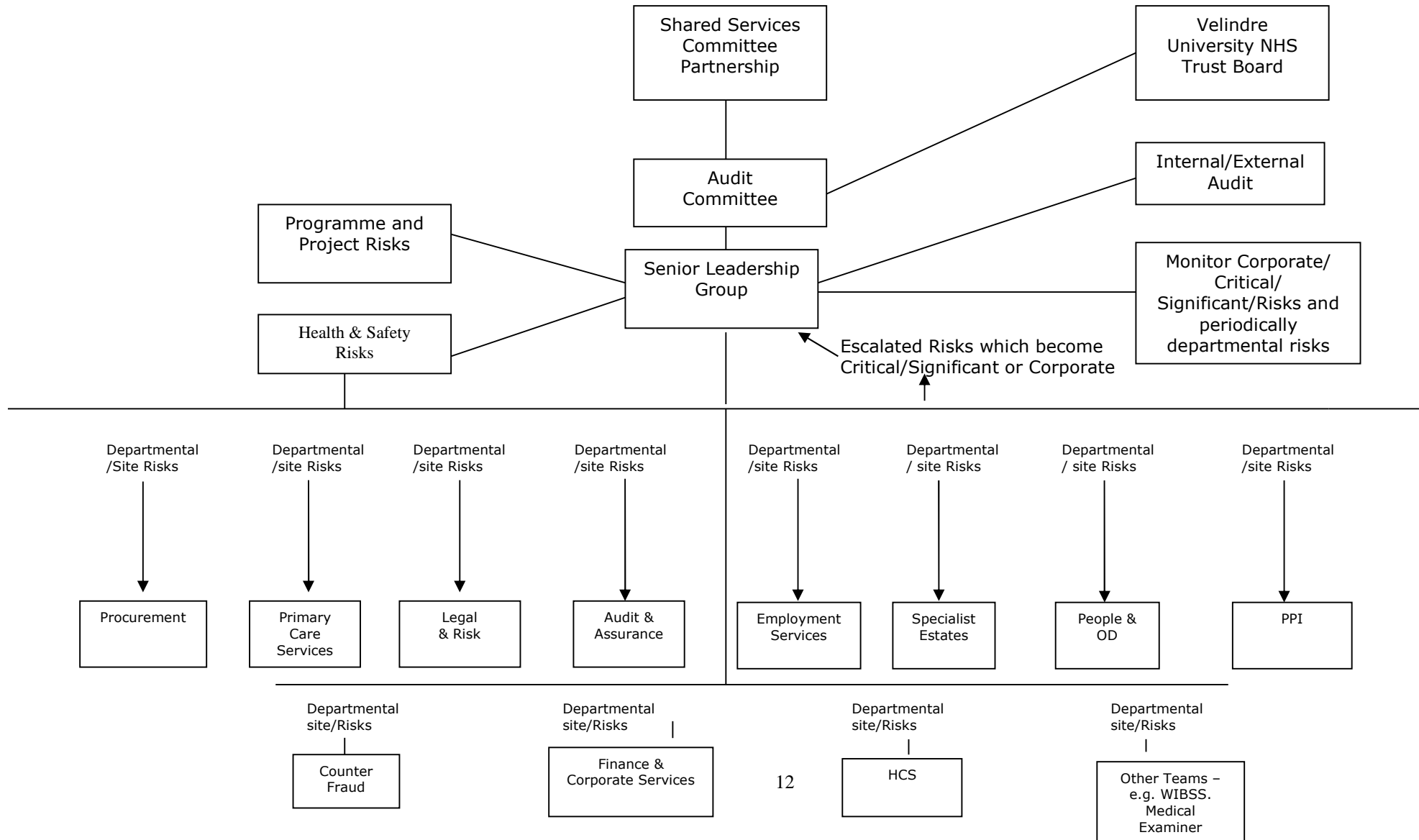
Managers ensure that risk assessment training is included in local training programmes.

Review Mechanism


The risk management process is continually evolving, and it is therefore intended to review this Protocol on a bi-annual basis in light of changes in guidance, best practice, and legislation.



ASSURANCE FRAMEWORK



Annex 2

	Service Area:	DATIX - REF NO:
	RISK ASSESSMENT	
Title of Assessment:		Date of Assessment:

Tick the Type of Risk Assessment:

Business & Org	Operational	Clinical	Quality	Health & Safety
Strategic	Financial	Legal	Project.	Environmental

Describe the situation or the work activity or process being assessed.
Summarise the specific risks to NWSSP

Please give a full range of Hazards:
Include any Materials, Biological, Chemical, Environment, Ergonomic and Psychological etc.

Hazards identified:	Impact Severity	Likelihood	Risk Rating

Who is affected by the hazards and how many: Whole organisation, division, department, ward etc.
All, Many or One - staff, visitors, contractors or service users etc. may be harmed.

Evaluate Overall Initial – Risk : I x L= Risk Rating	Impact	Likelihood	Rating

List control measures in place: Are they acceptable Y/N

Evaluate Current – Risk with controls: I x L= Risk Rating	Impact	Likelihood	Rating

Further action required - additional control measures - to reduce risk

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Actions Agreed by Manager:

Managers Name & Signature :

Evaluate **Target** – Risk with actions completed: I x L= Risk Rating **Impact** **Likelihood** **Rating**

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Risk Assessment performed by:

Print Name/s	Signature/s	Date

Progress Report on further Actions: include review dates:

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Applying risk appetite matrix

RISK APPETITE LEVEL ▶	0 NONE	1 MINIMAL	2 CAUTIOUS	3 OPEN	4 SEEK	5 SIGNIFICANT
	Avoidance of risk is a key organisational objective.	Preference for very safe delivery options that have a low degree of inherent risk and only a limited reward potential.	Preference for safe delivery options that have a low degree of residual risk and only a limited reward potential.	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering higher business rewards (despite greater inherent risk).	Confident in setting high levels of risk appetite because controls, forward scanning and responsive systems are robust.
RISK TYPES ▼						
FINANCIAL How will we use our resources?	We have no appetite for decisions or actions that may result in financial loss.	We are only willing to accept the possibility of very limited financial risk.	We are prepared to accept the possibility of limited financial risk. However, VFM is our primary concern.	We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not the overriding factor.	We will invest for the best possible return and accept the possibility of increased financial risk.	We will consistently invest for the best possible return for stakeholders, recognising that the potential for substantial gain outweighs inherent risks.
REGULATORY How will we be perceived by our regulator?	We have no appetite for decisions that may compromise compliance with statutory, regulatory or policy requirements.	We will avoid any decisions that may result in heightened regulatory challenge unless absolutely essential.	We are prepared to accept the possibility of limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident we would be able to challenge this successfully.	We are willing to take decisions that will likely result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks.	We are comfortable challenging regulatory practice. We have a significant appetite for challenging the status quo in order to improve outcomes for stakeholders.
QUALITY How will we deliver safe services?	We have no appetite for decisions that may have an uncertain impact on quality outcomes.	We will avoid anything that may impact on quality outcomes unless absolutely essential. We will avoid innovation unless established and proven to be effective in a variety of settings.	Our preference is for risk avoidance. However, if necessary we will take decisions on quality where there is a low degree of inherent risk and the possibility of improved outcomes, and appropriate controls are in place.	We are prepared to accept the possibility of a short term impact on quality outcomes with potential for longer-term rewards. We support innovation.	We will pursue innovation wherever appropriate. We are willing to take decisions on quality where there may be higher inherent risks but the potential for significant longer-term gains.	We seek to lead the way and will prioritize new innovations, even in emerging fields. We consistently challenge current working practices in order to drive quality improvement.
REPUTATIONAL How will we be perceived by the public and our partners?	We have no appetite for decisions that could lead to additional scrutiny or attention on the organisation.	Our appetite for risk taking is limited to those events where there is no chance of significant repercussions.	We are prepared to accept the possibility of limited reputational risk if appropriate controls are in place to limit any fallout.	We are prepared to accept the possibility of some reputational risk as long as there is the potential for improved outcomes for our stakeholders.	We are willing to take decisions that are likely to bring scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.	We are comfortable to take decisions that may expose the organisation to significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for our stakeholders.
PEOPLE How will we be perceived by the public and our partners?	We have no appetite for decisions that could have a negative impact on our workforce development, recruitment and retention. Sustainability is our primary interest.	We will avoid all risks relating to our workforce unless absolutely essential. Innovative approaches to workforce recruitment and retention are not a priority and will only be adopted if established and proven to be effective elsewhere.	We are prepared to take limited risks with regards to our workforce. Where attempting to innovate, we would seek to understand where similar actions had been successful elsewhere before taking any decision.	We are prepared to accept the possibility of some workforce risk, as a direct result from innovation as long as there is the potential for improved recruitment and retention, and developmental opportunities for staff.	We will pursue workforce innovation. We are willing to take risks which may have implications for our workforce but could improve the skills and capabilities of our staff. We recognize that innovation is likely to be disruptive in the short term but with the possibility of long term gains.	We seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive a positive change.

Risk Management	The co-ordinated activities to direct and control the organisation with regard to risk.
Risk Management Process	A systematic application of risk management policies to the task of identifying, analysing, evaluating, controlling and the monitoring and review of risk.
Risk Assessment (Pro-active)	A careful examination of the hazards in the workplace that may cause harm, to people the environment or the business and these include processes and tasks. The formal recording on a documented form.
Risk Assessment (Re-active)	A risk assessment that has been completed following an incident occurring, this may form part of the investigation process or may be a review of the original risk assessment in light of the incident and its severity.
Risk Appetite	The level of risk NWSSP is prepared to accept before action is deemed necessary to reduce it.
Risk Acceptance	The risk is managed to a level defined as reasonably practicable and where to implementation of any further controls will outweigh any benefit.
Residual Risk	The risk remaining following treatment or control.
Risk Register	The risk register is a term for a detailed list of risk assessments, the format for the register itself has been agreed at the SLG.
Risk Inventory	A risk inventory or profile has no agreed format it may be a shortened version of the risk register or a more detailed profile. A risk inventory is normally less formal than a register and is managed at department level.
Risk Structure	A formal management structure that outlines the basic reporting and communication links and committees and groups that provides assurance to the SLG that risk is being effectively managed across all Service Divisions.
Risk Matrix	This is a tool developed to quantify risk, by scoring the impact x the likelihood that the risk will probably be realised to establish a Risk Rating. This tool can be used by Managers to prioritise significant risks.
Risk Impact	Potential harm scored via an impact matrix rising from 1-5
Risk Likelihood	Potential for occurrence scored via a likelihood matrix from 1-5
Significant Risk	Risk that are scored 15 and above that require treatment and control within 6-month period.
Critical risk	Risk scored 15 and above requiring immediate Senior management control.