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**May 2008**  
**May 2009**

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**HEREFORDSHIRE PUBLIC SERVICES  
RISK MANAGEMENT STRATEGY**

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## **1.0 Strategic Aim**

Herefordshire Council (HC) and Herefordshire Primary Care NHS Trust (HPCT) are committed to having systems in place, which are shared, to understand, monitor and minimise the risks within our organisations and the services they provide and which will contribute to continued improvement.

Effective risk management will ensure:

- a safe environment for all our staff, clients and members of the public
- best service provision for clients and clinical care for patients
- the reputation of the partner organisations is maintained
- costs are saved by reducing dissatisfaction and claims
- the promotion of innovation to achieve objectives
- the realisation of opportunities
- a positive report on risk management in the Statement of Internal Control and compliance with external accreditation bodies – Audit Commission, Healthcare Commission, NHS Litigation Authority

## **2.0 The Cabinet and Board Commitment to Risk Management**

The Cabinet and Board recognise that risk management is an integral part of good management practice and to be most effective must become part of the culture of both organisations. The Cabinet and Board are therefore, committed to ensuring that risk management forms an integral part of their philosophy, practices and business plans rather than being viewed or practised as a separate programme, and that responsibility for implementation is accepted at all levels within both organisations.

The Cabinet and Board believe it is important to recognise that risk taking can bring both rewards and penalties. Modernisation and innovation cannot be achieved without risks being taken. But by understanding fully the consequences of taking those risks staff can have greater confidence in what they do. We aim to fully identify, evaluate and respond to those risks that may prevent us from achieving our objectives and to enable us to take advantage of opportunities in a “risk informed” manner.

## **3.0 Objectives of this Strategy**

HC and HPCT aim to take all reasonable steps in the management of risk with the overall objective of protecting service users, staff and assets.

Risk Management goals for HC and HPCT are to:

- Minimise chances of adverse incidents, injuries or losses to patients, service users, staff and the general public
- Improve the quality of care
- Encourage and train staff to identify risk areas and become involved in reducing risk
- Reduce risks by developing evidence based clinical and professional practice
- Reduce risks by maintaining a skilled and properly trained workforce.
- Encourage open communication and support staff in order to promote the policy of being a transparent and “no blame” organisation which can learn from incidents.

- Promote good risk management practice amongst independent contractors, suppliers and partners.
- Avoid damage to reputation, including through complaints, litigation or failures in organisations from which services have been commissioned
- Achieve key corporate objectives including National Performance targets
- Ensure compliance with the Annual Health Check and Comprehensive Area Assessment.
- Ensure the best interests of the public are served by the continuation of the organisations to commission and deliver required services
- Minimise avoidable financial losses, or the cost of risk transfer, e.g. Increased insurance premiums or the failure to win discounts.
- Work in conjunction with other organisations' risk management strategies and policies when undertaking joint pieces of work or managing projects on behalf of others.

In order to meet these general and specific objectives, HC and HPCT will adopt a pro-active risk management programme which has our total support and we look to each member of staff for your complete commitment to and co-operation in its implementation.

Signed

Chief Executive

Signed

Signed

Leader of the Council

Chairman of the PCT



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**HEREFORDSHIRE PUBLIC SERVICES  
RISK MANAGEMENT POLICY**

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#### **4.0 Purpose of the Policy**

This policy clearly identifies the accountability arrangements and processes to be used for managing risk within Herefordshire Council (HC) and Herefordshire Primary Care NHS Trust (HPCT) which together shall be described as Herefordshire Public Services (HPS) within this document.

This policy covers all areas of risk within the HPS: organisational; clinical; service provision; financial, strategic and the wider, non organisational risks to the achievement of Herefordshire's objectives under the Comprehensive Area Assessment .

#### **5.0 Who does the policy apply to?**

This document applies to all employees of the HPS, and to managers at all levels to ensure that risk management is a fundamental part of the total approach to quality, corporate and clinical governance. In addition the HPS will actively promote and support good practice in risk management particularly within primary care and education.

#### **6.0 Accountability**

##### **3.1 The Chief Executive**

The Chief Executive has overall responsibility for Risk Management within the HPS.

##### **3.2 Directors**

The Director of Quality and Standards has overall accountability for Clinical Risk and together with the Clinical Governance GP Lead is responsible for Clinical Governance systems and processes in HPCT.

HC and HPCT Directors of Finance are accountable for Financial Risks and the preparation of the annual financial statements which will include the Statement of Internal Control.

#### **4.0 Leadership and People**

It is important that those involved in risk management understand the role they play in its successful delivery.

##### **4.1 Responsibility of HC Cabinet and HPCT Board**

HC Cabinet and HPCT Board are responsible for reviewing the effectiveness of internal controls and for monitoring the work of the Committees with delegated responsibility for risk management.

The Cabinet and Board are required to produce annual statements of assurance that they are doing their "reasonable best" to manage the organisation's affairs efficiently and effectively and managing its risks through the implementation of internal controls. They must "sign off" their organisations Statement of Internal Control and HPCT's self assessment against the Healthcare Commissions Core Standards for Better Health.

Board and Cabinet members are responsible for:

- approving the risk management strategy and policy
- ensuring that risk information is available to them to support their decision making processes
- participating in the identification and evaluation of risks appropriate to the decisions they are asked to make.

#### 4.2 Committee Structures

The committees with delegated responsibility for risk management within the HPS are described in Annex 1.

#### 4.3 Individuals Supporting the Risk Committees

A number of individuals have key roles in supporting the HPS to achieve this policy:

HC Corporate Risk Manager and HPCT Head of Corporate Risk - co-ordinate and facilitate the risk management process and raise staff awareness of risk management through educational programmes. They are responsible for the maintenance and development of the overall risk registers and Board Assurance Framework and support risk owners and project boards in the identification and management of their risks.

HC Corporate Risk Manager ensures that appropriate insurance arrangements are in place to manage significant financial risks and to comply with the relevant legal framework for the handling of third party claims.

HPCT Head of Corporate Risk manages claims under the Employers Liability, Property Expenses, Liability to Third Parties and Clinical Negligence schemes according to the NHS Litigation Authority requirements.

HPCT Clinical Governance Manager - highlights and presents quality, audit and patient incident information and trends.

HPCT Associate Director of Finance (Financial Governance) and HC Head of Financial Services – co-ordinates work with internal audit in order to achieve a satisfactory Statement of Internal Control.

### **5.0 Responsibilities**

#### 5.1 Directors and Managers

HPS are working towards ensuring that all levels of management understand and implement the Risk Management Strategy, Policy and Tool Kit. Directors/managers:

5.1.1 Are responsible for managing risks assigned to them on the Assurance Framework and Risk Register

5.1.2 Must ensure all new employees, through local induction, are made aware of the Risk Management Strategy, Policy and Tool Kit. They must also ensure existing employees are made aware of any revisions to the policy.

5.1.3 Are responsible for ensuring that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility; and that all staff are made aware of the risks within their work environment and of their personal responsibilities.

- 5.1.4 Are responsible for ensuring that all necessary risk assessments are carried out within their directorate/department in liaison with appropriate identified relevant advisors where necessary e.g Health and Safety, Infection Control, Security, Environmental, which may include the preparation of specific departmental policies and guidance.
- 5.1.5 Are responsible for implementing and monitoring any identified and appropriate risk management control measure within their designated area(s) and scope of responsibility. In situations where significant risks have been identified and where local control measures are considered to be potentially inadequate, or where the cost of implementation exceeds locally agreed limits and/or requires capital expenditure, Executive Directors/managers are responsible for bringing these risks to the attention of the relevant Committee/Board if local resolution has not been satisfactorily achieved.
- 5.1.6 If control measures which were originally believed to be adequate fail and lead to realisation of the risks, Executive Directors/managers must follow relevant policies (Incident reporting, Major Incident Plan) and inform the Chief Executive/ Executive Directors.
- 5.1.7 Have the authority to accept risks within their scope of responsibility. This must follow completion of a full risk assessment and adhere to the definition of Acceptable Risk in 6.2.
- 5.1.8 Must ensure that all staff must be given the necessary information and training to enable them to work safely. These responsibilities extend to any one affected by HPS operations including sub-contractors, members of the public, visitor's etc.
- 5.1.9 Executive Directors/managers or their designated representatives will implement the policy by:
- a. Ensuring that they have adequate knowledge and/or access to all legislation relevant to their area and as advised by appropriate experts ensure that compliance to such legislation is maintained.
  - b. Ensuring that adequate resources are made available to provide safe systems of work. This will include making provision for risk assessments, appropriate controls measures, raising outstanding concerns, ensuring safe working procedures/practices and continued monitoring and revision of same.
  - c. Ensuring that there is a core of appropriate mandatory training for all employees to attend e.g. Health and Safety, Fire, Moving and Handling, Dealing with Violence and Aggression, Conflict Resolution, Child Protection, etc, and that appropriate mandatory updates are maintained.
  - d. Identifying and releasing suitable staff to be trained as risk assessors, first aiders, moving and handling/health and safety co-ordinators etc.
  - e. Monitoring clinical and professional performance, health and safety standards including risk assessments, infection control measures, use of personal protective equipment, lone worker arrangements, stress at work

assessments etc and ensuring that these are reviewed and updated regularly.

- f. Ensuring the identification of all employees who require Health Surveillance according to risk assessments, ensuring that where Health Surveillance is required no individual carries out those specific duties until they have attended the Occupational Health Department and have been passed as fit to continue their duties.
- g. Ensuring that the arrangements for the first aiders and first aid equipment required within the Directorate/Department are complied with. That the location of first aid facilities are known to employees, ensuring that proper care is taken of casualties and that employees know where to obtain appropriate assistance in the event of serious injury.
- h. Making adequate provision to ensure that fire and other emergencies are appropriately dealt with.
- i. Ensuring that risk issues are considered when setting individual staff objectives which reflect their role in the organisation.

## 5.2 Responsibilities of all Employees

- a. Be familiar with this Policy
- b. Attend risk management training relevant to their post and maintain clinical or professional skills where appropriate
- c. Report incidents/accidents and near misses using HPS procedures
- d. Lead or participate in risk assessment processes, and develop and implement plans to address risks identified in their area (according to the nature of their post)
- e. Comply with all HPS policies and procedures aimed at eliminating or reducing risk e.g. health and safety, emergency procedures, handling equipment safely
- f. Provide safe clinical or professional practice within their area of competence
- g. Be involved in appraisal.

## 5.3 HC Members and HPCT Non Executive Directors

Members/Non Executive Directors have a key role to play in monitoring executive management of risk and contributing to the development of HPS strategy for managing risk.

They must satisfy themselves that the systems of risk management the HPS have in place are robust and defensible.

## 5.4 HC Member Champion and PCT Non Executive Director

The Cabinet Member (Resources) and the Non Executive Director who chairs the Integrated Governance Committee shall actively support the risk management process and encourage all Councillors and Board members to play their full part.



## 5.5 Whistleblowing

If staff are concerned that there are very serious risks in the organisation, which they have raised through the normal management channels without response, it may be appropriate for them to use the HPS Whistleblowing policy.

## 6.0 Risk Management Process

### 6.1 General Principles

HPS are committed to developing a pro-active and systematic approach to risk management. Annex 2 sets out in detail the toolkit in use to identify and analyse the risks to the achievement of objectives – strategic, corporate, programme, project, operational or partnership objectives.

The process will:

- be multi-faceted, drawing on the experience of multi-disciplinary teams, with knowledge of the range of the HPS functions and risks
- be iterative, i.e. improving and refining over time
- ensure the stages are clearly recorded

The stages of the risk management process are to:

- a. identify, assess and score any actual and potential risks
- b. identify the controls required and what action may be necessary - this could range from stopping the activity, to reducing the risk, to transferring some of the risk to another party, to accepting the risk (see definition in 9.2)
- c. monitor the effect of the treatment on the risk and review the risk rating
- d. complete an Action Plan for High and Medium rated risks
- e. monitor the Risk Register and Action Plan at appropriate intervals
- f. communicate with those who need to know and disseminate good practice throughout HPS.

### 6.2 Specific HPS Risk Management Process

Those Committees delegated with responsibility for managing risk will co-ordinate the process as described above within their remit. Each Committee will ensure that the approved and appropriate tools are being used to identify risks in its area. Other supporting groups or advisors may be applying these tools, but the Committees will ensure that they are receiving the appropriate information from those supporting groups/advisors. The Committees will monitor that appropriate actions are being taken.

### Risk Assessment

Directorate and Operational managers are responsible for ensuring that risk assessments are completed as an ongoing process and reviewed as required following the guidance in the Risk Management Tool Kit. It is important that risk management is integrated into the existing business processes and risks identified as part of the following:

Strategic /corporate /service planning - At the time of the development of corporate plans and objectives and “in year” corporate/ policy development.

Financial planning - Risk registers will inform the financial planning process in relation to:

- allocation of resources required to improve the management of unacceptable risks
- allocation of resources to the change programme, projects, ongoing operations and partnerships
- taking into account the impact of budget decisions, both for budget plans and in year budget changes, on the risk profile of the organisation.

Performance management - At the operational level risk registers will be developed alongside the annual business plans for directorates and the service plans for service areas. The registers will be reviewed when monitoring performance against objectives to identify any risk related causes of underperformance and act as an early warning.

Organisational Change Programme - Managing a change programme will bring a range of risks relating to strategic alignment, partnerships, programme planning, competing demands of day to operations and projects and the availability of appropriate skills and capabilities. These will be considered when the business case for major projects within the programme are being reviewed.

Major projects including major procurements and major partnerships - Risk will be assessed and registers created to support project initiation documents (or business cases) for major projects, procurements and partnerships. These risk registers should inform the business case decisions. The risk registers will demand ongoing review throughout the life of the project/procurement/partnership life cycle.

Where risk registers are shared, we will work in conjunction with the risk management strategy and policy of our partners. When undertaking projects on behalf of others, we will manage risks consistent with their strategies and policies.

#### ICT Programmes and Projects

Where ICT Programmes and Projects are managed under MSP or PRINCE2 Programme and Project Management Methodologies, Risks and Issues will be managed according to these methodologies, consistent with this policy and the Risk Management Strategy. Where risks and issues are required to be escalated to the Board/Cabinet, they will conform to the standards laid out in this policy.

Health and Safety - Those groups designated to monitor Health and Safety are responsible for ensuring the annual health and safety audits are completed.

Incident Reporting - All reported incidents (and near misses), will also be assessed by the person completing the form and reviewed by an appropriate manager as described in the HPS Incident Reporting Policy.

**Following assessments within any of the above, any high ranking risks and those which could impact on whether or not the HPS can meet a key objective must be included on the Assurance Framework and reported to the Cabinet/Board.**

### 6.3 Risk Register

The Risk Register is a record of all the risks identified through the Risk Management process, their score and risk treatment. It is a dynamic document which will cover all risks. It will inform the decision making of the risk committees and managers by providing them with a central reference of all risks and will be regularly updated. It will be held centrally by the HPCT Head of Corporate Risk and HC Corporate Risk Manager but will be accessible and available to all managers.

### 6.4 Assurance Framework

This is a high level document which records the risks which could impact on the HPS achieving their strategic or principal objectives, and are therefore known as principal risks. It provides a framework for reporting key information to the Board and Cabinet. It provides assurance about where risks are being managed effectively and objectives are delivered and will also identify which of the HPS objectives are at risk because of gaps in controls or assurance about them. The Board and Cabinet will formally review the Assurance Framework twice a year as a minimum.

Principal risks cannot be considered in isolation, they will be derived from the prioritisation of risks fed up through the whole organisation and in this way the Risk Register will contribute to the Assurance Framework

#### Risk Quantification and Acceptability

The HPS have adopted a common approach to quantifying risk as described in the Risk Management Toolkit. Each risk will be assessed and scored on the likelihood of occurrence and the consequences in the current circumstances.

The score of a particular risk will determine at what level decisions on acceptability of the risk should be made and where it should be reported to within the HPS. The Board and Cabinet have defined as “Significant” any risk that has the potential to damage the organisation’s objectives

General guidelines are:

Extreme Risk	Score 15 - 25	Report to an Director for more detailed analysis of the risk, to be included on the Assurance Framework and reported to the Board and Cabinet with proposed treatment/action plans
High Risk	Score 8 - 12	Report to an Director and then to an appropriate Risk Committee with proposed treatment/action plans
Moderate Risk	Score 4 – 6	Report to Senior Manager with proposed treatment/action plans, for particular monitoring.
Low Risk	Score 1 – 4	Report to local manager for local action to reduce risk

Acceptable Risk will be as scored above, and is defined as follows:

- the likely consequences are insignificant
- a higher risk consequence is outweighed by the chance of a much larger benefit (e.g. In rehabilitation people may accidentally burn themselves while learning how to prepare food and drink but the benefit of independence outweighs that risk)
- occurrence is rare
- the potential financial costs of minimizing the risk outweighs the cost consequences of the risk itself
- reducing the risk may lead to further unacceptable risks in other ways

Therefore a risk with a high numerical value may be acceptable to the organisation, but that decision would be taken at an appropriate level.

### Analysis of Risks

All Directors, Managers, Non Executive Directors and Councillors are trained in risk analysis using the HPS Risk Scoring Matrix.

The HC Corporate Risk Manager and HPCT Head of Corporate Risk are responsible for ensuring that information on incidents, claims, complaints, risks and hazards are analysed for trends and that such information is made available to the appropriate Director/manager so as to be included in the relevant Risk Register and also reported to the committees with delegated responsibility for risk management within the HPS.

## **7.0 Communication**

All staff will be made aware of the Risk Management Strategy, Policy and Tool Kit through induction, team brief and mandatory training. A copy will also be placed on the intranet site of the HPS . The policy will be distributed to HPS sites to ensure that staff with specific management responsibilities receive a copy.

Other stakeholders will be made aware of the Risk Management Strategy, Policy and Tool Kit and will be involved and consulted as appropriate. For example, this could be during consultation on development of other policies or strategies, or through coverage of Risk Management in the HPS Annual Report and public Board and Cabinet papers.

Stakeholders will include:

- Users and Carers
- The General Public
- Local GPs, Dentists, Pharmacists, Optometrists
- Schools
- Strategic Health Authority
- Regional Government
- Hereford Hospitals Trust and West Midlands Ambulance Trust
- PALS
- The Third Sector
- Fire Brigade and Police
- The Utility Companies
- Chamber of Commerce, Hereford
- Chamber of Commerce, Powys
- Audit Commission
- Herefordshire Partnership

## **8.0 Training**

The Board and Cabinet acknowledges that the provision of appropriate training is central to the successful implementation of the risk management process.

Training needs will be identified and a suitable programme implemented for all staff including those with specific responsibilities under this policy, including members of the Board, Cabinet, Governance Committees and managers in HPS.

## **9.0 Key Performance Indicators**

In order to measure the successful implementation of the Risk Management Strategy and Policy the following Key Performance Indicators have been agreed for 2008/2009:

- The establishment of an Assurance Framework for Herefordshire Council.
- The development and delivery of an integrated risk management training programme to be used in the HPS
- The HPS can demonstrate shared learning and improvement across services as a result of incidents reported – see section 6.2.
- Demonstration that the Assurance Framework risks inform the Board and Cabinet Agenda.
- Increase in the number of multi-organisation risks which are assessed and added to the Assurance Framework.

## Risk Management Committee Structures

### 1.0 Herefordshire PCT

#### 1.1 The Integrated Governance Committee

The Integrated Governance Committee is responsible for ensuring that systems for Clinical and Corporate Governance are in place and operating effectively, that they are developed and continually monitored and the risks attached to non performance are identified. Effectiveness may relate to quality, safety, clinical standards or activity. Its way of working is to help ensure these areas of governance are developed in an integrated way which strengthens their application in the PCT, rather than sitting in separate “silos”.

The Committee has a specific remit to oversee the Board Assurance Framework, monitoring compliance with actions, assessments and reports and to ensure that the Risk Register is updated. The Committee co-ordinates and oversees assurance work.

It specifically receives information, guidance and opinion on clinical risk from the Clinical Risk Sub Committee whose remit and terms of reference are to manage Clinical Risk within the PCT, identifying main areas of risk and recommending actions. In particular its remit includes:

- To receive and monitor reported patient incidents, including Serious Untoward Incidents and near misses.
- To identify trends, lessons learnt and spreading of good practice
- To receive and monitor Patient Feedback Reports
- To comply with the DOH Standards of Better Health
- To comply with NHS Litigation Authority Risk Management Standard for Primary Care Trusts
- To identify trends arising from the Poorly Performing Staff Policy
- To contribute towards the appropriate training of staff
- To establish contacts with relevant outside organisations

In addition the Integrated Governance Committee receives information, guidance and opinion from the following working groups:

- Infection Control Committee
- Health and Safety Steering Group
- Hereford Consortium Research and Development Committee
- Medical Devices Steering Group
- Quality, Audit and Care Pathways Sub Committee

- Health Records Management Forum
- Education and Training Committee
- Cleanliness, Environment and Nutrition Group
- Infection Control Committee
- Information Management

The Integrated Governance Committee is chaired by a Board Non-Executive Director.

### 1.2 The Audit and Assurance Committee

The Audit and Assurance Committee is responsible for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.

In particular, the Committee will review the adequacy of all risk and control related disclosure statements (in particular the Statement on Internal Control and declarations of compliance with the Standards for Better Health prior to endorsement by the Board. It will review the adequacy of the Board Assurance Framework, ensuring the risk management agenda of the Board is based on the highest corporate risks and their associated action plans, including those related to Standards for Better Health. It will review the management of any risks at the interface with the PCT's dealings with partners and other organizations.

The Audit and Assurance Committee is chaired by a Board Non-Executive Director.

### 1.3 The Finance and Performance Committee

The Finance Committee is responsible for reviewing all aspects of financial and performance management arrangements.

## **2.0 Herefordshire Council**

### **2.1 Audit and Corporate Governance Committee**

This committee will monitor the effective development and operation of risk management and corporate governance in the Authority.

Responsibilities include:

- consider the effectiveness of the risk management arrangements, the control environment;
- seek assurances that action is being taken on risk related issues identified by auditors and inspectors;
- be satisfied that the Authority's assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it;
- review and update of the risk management policy statement every year
- annual review of the risk management framework; and
- quarterly review of progress against any risk management action plans.

### **2.2 Joint Management Team**

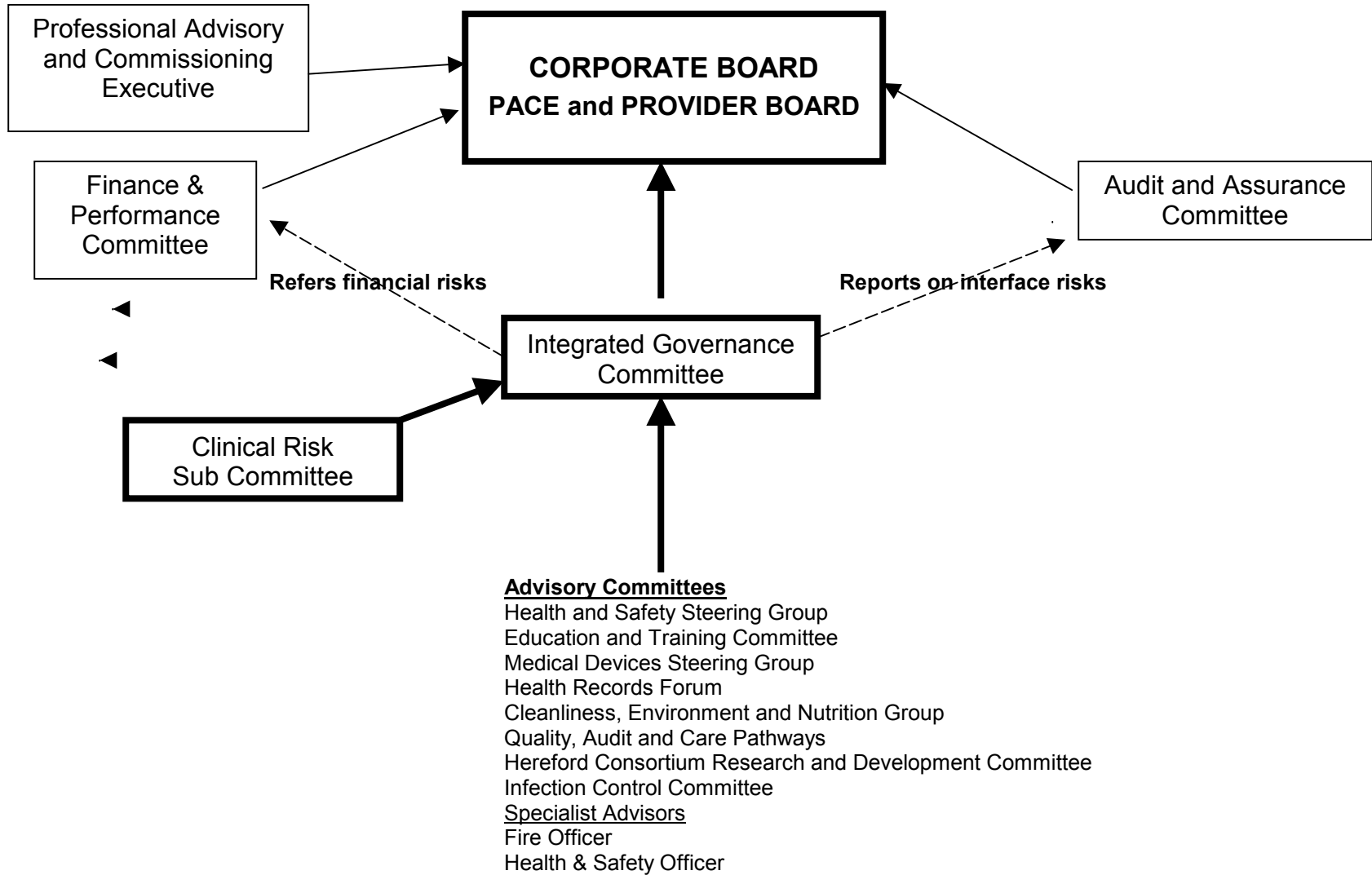
Responsibilities include:

- preparing and updating the risk management strategy;
- identification of strategic and cross cutting risks;
- promoting a culture of risk awareness throughout the authority;
- supporting their directorates in identification, evaluation and monitoring of risks and opportunities;
- reviewing risk as an on-going process;
- making all appropriate officers aware of their responsibilities for managing all relevant risks and provide information on risk management initiatives; and
- ensuring that the outputs of other risk based activities (e.g. Health & Safety, Insurance, Service Continuity Planning, Treasury Management etc.) are used to support the council's overall approach to risk management and feature in the relevant service plans.

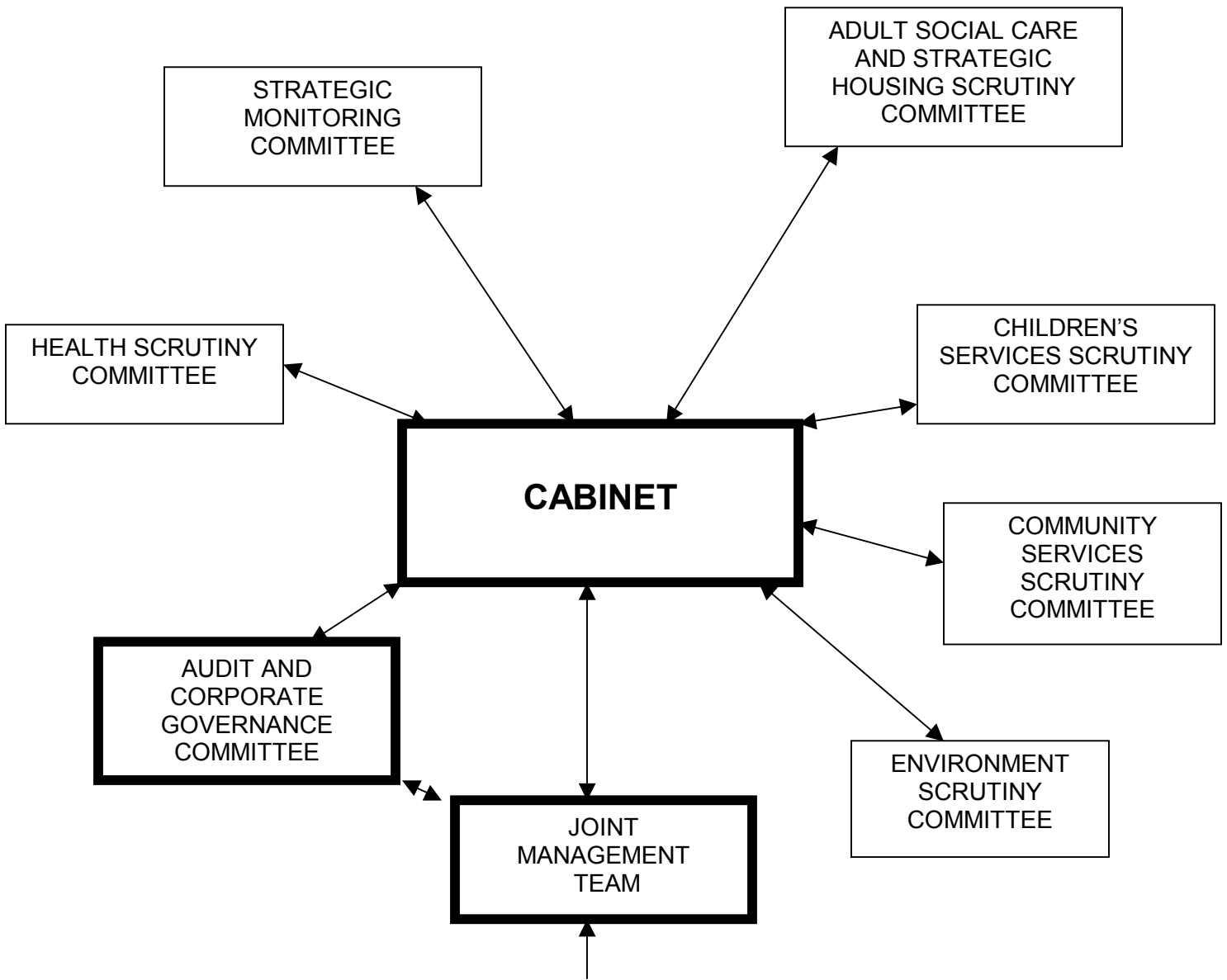


**HEREFORDSHIRE PRIMARY CARE TRUST**

**RISK MANAGEMENT STRUCTURE**



Note on accountability arrangements  
 This diagram provides an overview of the PCT's arrangements for Risk Management and not the formal accountability of Board sub-committees



Health and Safety Committee  
 Integrated Performance Report  
 Performance Improvement Managers  
 Corporate Risk Manager  
 Audit Services Manager  
 Emergency Planning Manager  
 Information Security Officer  
 Head of Financial Services  
 Head of Asset Management and Property Services

**KEY INDIVIDUALS RESPONSIBLE FOR  
ADVISING AND CO-ORDINATING  
RISK MANAGEMENT IN HEREFORDSHIRE COUNCIL**

<b>Name</b>	<b>Title</b>	<b>Area of Responsibility</b>	<b>Contact Details</b>
Andrew Rewell	Corporate Risk Manager	Co-ordinates all risk management activity. Responsible for Risk Register	01432 260295
Jo Goodman	HR Manager	Coordinates OH support and advice	01432 260232
David Powell	Head of Financial Services	Liaise with internal audit to achieve Statement of Internal Control	01432 263173
Emma Mathews	Health and Safety Advisor	Provides Health & Safety advice, support and training	01432 260448
Malcolm MacAskill	Head of Asset Management & Property Services	Provides inspection of property and advice on fire risk assessments	01432 260227
Tony Ford	Chief Internal Auditor	Ensure robust Corporate Governance and liaise with external auditors	01432 260425
Philip Wilson	Emergency Planning Manager	Coordinate the county wide response in an emergency	01432 260567
John Pritchard	Information Security Officer	ICT Risk Assessment	01432 260160

**KEY INDIVIDUALS RESPONSIBLE FOR  
ADVISING AND CO-ORDINATING  
RISK MANAGEMENT IN HEREFORDSHIRE PCT**

<b>Name</b>	<b>Title</b>	<b>Area of Responsibility</b>	<b>Contact Details</b>
Wendy Huxley Marko	Head of Corporate Risk	Co-ordinates all risk management activity. Responsible for Risk Register	01432 363906
Nicky Willett	Clinical Governance Manager	Responsible for patient risks and incident reporting	01432 344344 extn 3759
Jill Sinclair	Associate Director of Finance (Financial Governance)	Liaise with internal audit to achieve Statement of Internal Control	01432 344344 extn 3735
	Health and Safety Advisor	Provides Health & Safety advice, support and training	
Mike Weaver	Via Works Department	Provides fire training & inspection of properties	01432 344344 extn 3910
Julie Davis	Occupational Health	Provides occupational health services to PCT staff	01432 355444 extn 4013/5404
Emma Sneed	Infection Control Nurse	Provides infection control advice and co-ordinates audits	01432 277117
Linda Marsden	Moving and Handling Advisor	Provides advice on moving and handling issues and risk assessments.	01432 344344
Lynne Renton	Senior Nurse Child Protection	Advice & support on child protection issues	01432 343955
Simon Collings	Information Governance Officer	ICT Risk Assessment	01432 344344 extn 7604

## **LINKS TO OTHER POLICIES AND PROCEDURES**

The Risk Management Strategy, Policy and Tool Kit is supported by a number of other policies and procedures, all of which act as risk controls. The following is a list of key documents with which staff should be familiar. They can be found on the relevant intranet site or from your manager:

- Health and Safety at Work - and associated policies
- Incident Reporting Policy and Procedure
- Complaints Procedure
- Lone Worker policy
- Moving and Handling policy
- Recruitment, selection and appointment of staff
- Violence at Work
- Whistleblowing policy
- Standing Financial Instructions
- Standing Orders
- Scheme of Reservation and Delegation
- Child Protection policy
- Sharing information in Child Protection
- Major Incident
- Infection Control
- Medical Equipment policy
- Protection of Vulnerable Adults
- Checking of State Registration
- Fitness to Practice
- Fraud and Illegal Acts
- Computer Security Policy
- Security Policy
- Business / Service Continuity Plans



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**HEREFORDSHIRE PUBLIC SERVICES  
RISK MANAGEMENT TOOL KIT**

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## **INTRODUCTION**

### **DEFINITION**

Risk management can be defined “as a means of reducing adverse events occurring in organisations by systematically assessing, reviewing and then seeking ways to minimise their impact or possibly prevent their occurrence.” Risk management brings huge benefit to Herefordshire Public Services (HPS) as it enables us to be positive in the decisions we make. When we consider potential risks we must remember there is an “upside” as well as a “downside” in whatever we do and it is important not to focus only on the adverse affects but to balance it with the opportunities that may arise.

Risk management is one of the main components of Corporate and Clinical Governance; it requires us to:

- Have clear policies aimed at managing risks
- Undertake risk assessments to identify and manage risk
- Have programmes in place to reduce risk

The full benefits of risk management will only be obtained if there is a comprehensive and co-ordinated approach which is supported at every level of management throughout HPS.

The Audit Commission and Healthcare Commission require all local government and NHS trusts to assess their risks and develop action plans to address the risk.

This Tool Kit is intended to be used by all staff and departments in HPS. Independent contractors are welcome to use any part of this assessment tool in addition to those provided by their insurance company.

### **AIM:**

The aim of the risk assessment should be to review all significant risk areas. The definition of significant risk will vary, but will include those risks that could lead to death, disability or severe distress, could occur more frequently or affect large numbers of people, or impact on the finances or reputation of HPS.

Risk assessments should be undertaken annually or whenever new services are introduced or existing services are changed or expanded. Through the completion of a risk assessment Directorates, service areas, specialities and surgeries will be able to devise an Action Plan, identifying their extreme, high and moderate risks to be addressed.

### **RELATIONSHIP WITH BUSINESS / SERVICE PLANNING:**

The results of the assessment and the Action Plan should be reflected in the next Business / Service Plan for your area.

## **GUIDANCE**

Each directorate, service, department or operational area needs to complete a risk assessment in order to identify risks in their workplace. These do not include health and safety risks for which there is a separate process. This risk assessment tool is to help guide you in identifying, recording and managing potential barriers to the achievement of your objectives in your area of work.

The assessment should be co-ordinated by the Director, Head of Service or Head of Profession with input from other staff.

If you have any queries, please do not hesitate to contact:

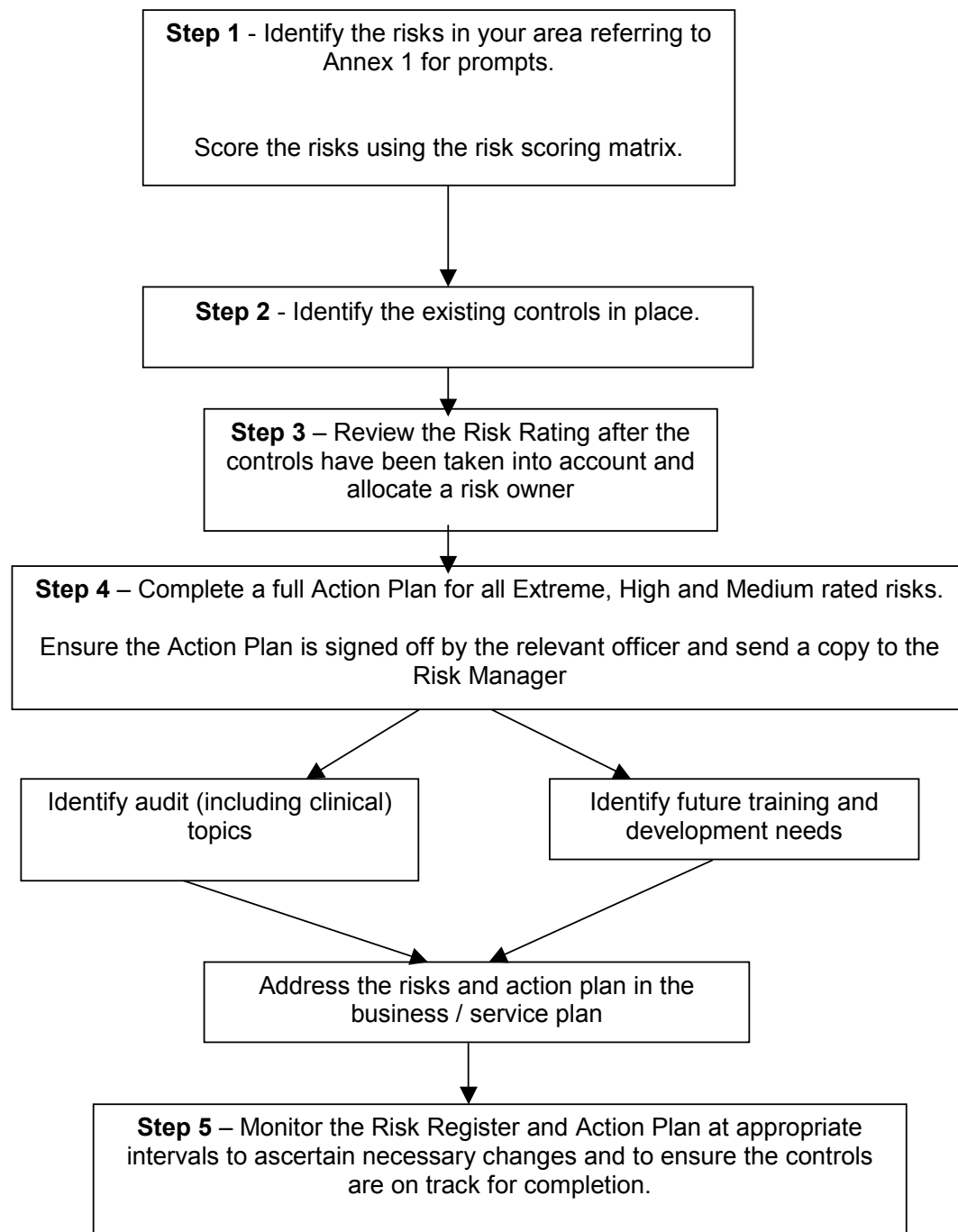
Andrew Rewell, Corporate Risk Manager, Herefordshire Council on Tel: 01432 260295 or 07792880710, email: [arewell@herefordshire.gov.uk](mailto:arewell@herefordshire.gov.uk)

Wendy Huxley Marko, Head of Corporate Risk, Herefordshire Primary Care NHS Trust on Tel: 01432 363906, email: [Wendy.Huxleymarko@herefordpct.nhs.uk](mailto:Wendy.Huxleymarko@herefordpct.nhs.uk)



## The Five Steps of Managing Risk

The five steps for the managing of risk are described in detail on pages 6 to 12, however the following flow chart provides a quick guide summary of the process.



The five steps of the risk management cycle are:

### Step 1: Risk Details

- **Identify the Risks** - Using the following 'Wheel of Risk' and the prompts in Annex 1 (which contains additional examples of service risk assessment issues) make a list of risks that could impact on the success of the service delivery, project outcome etc.



- All risks will be recorded on the risk register and the following information included:
  - a) **Risk reference number**
  - b) **Objective** - Enter the directorate / service objective the potential risk is linked to
  - c) **Risk description** - Brief description of the perceived risk and who is affected by it. Typical risk phrasing could be: Loss to, Failure of, Failure to, Lack of, leads to, resulting in...;
  - d) **Risk Rating** - Using the guidance below score the Likelihood of the risk occurring and score the Consequence of that risk. Multiply these together to gain the total risk rating. The coloured matrix will indicate if the rating is **extreme**, **high**, **moderate** or **low**. These scores should be entered onto the risk register as the initial risk rating.

## RISK SCORING MATRIX

### Consequence scores:

<b>Consequence Types</b>	<b>1 Insignificant</b>	<b>2 Minor</b>	<b>3 Moderate</b>	<b>4 Major</b>	<b>5 Catastrophic</b>
People (including patients, staff, carers and visitors)	No injury	Short term harm Will resolve in a month. First aid treatment required	Semi -permanent harm. Should resolve in a year Medical treatment required	Permanent or long term harm. Jeopardise well being – abuse, neglect assault	Single or Multiple fatalities
Delivery of services/ Strategic	No impact on ability to operate local services	Could threaten the efficiency or effectiveness of some services, but dealt with internally	Severe disruption to a service. Non achievement of local delivery plan	Loss of a service. Loss of stars / reduction in score in national performance review	Threatens the viability of the organisation
Financial Loss (eg. Asset loss, repeat treatment, litigation, fines)	Loss in the range of £0 to £5,000	Loss in the range of £5,001 to £50,000	Loss in the range of £50,001 to £500,000	Loss in the range of £500,001 to £1,000,000	Loss of more than £1,000,000
Organisational Objectives	Management information does not meet business requirements	Service objectives not met or project failures in one service	Service objectives not met or project failures in multiple services	Failure to meet one key organisational objective	Failure to meet multiple key organisational objectives
Reputation	No impact on the reputation of the PST	Increase in patient / customer complaints or staff dissatisfaction	Negative press in local paper. Greater scrutiny by SHA, CAA or Audit Commission	Negative national press & television coverage. Intervention by SHA / Central Government	International television coverage. External investigation (CHI, HSE) Prosecution. Replacement of Board
Workforce and Morale	No impact on staff morale	Staff dissatisfaction	Increased Staff sickness & absenteeism	High rate of staff leaving	Inability to recruit or retain Industrial action
Legal	No breaches of law or local procedures / standards	Breaches of local procedures /standards	Breaches of regulation, national procedures / standards	Breaches of law punishable by fines	Breaches of law punishable by imprisonment

### Likelihood scores:

<b>Level</b>	<b>Descriptor</b>	<b>Description</b>
5	Almost Certain	It has already happened and is a persistent issue.
4	Likely	It has already happened, but is not a persistent issue.
3	Possible	It could occur, but it has not yet.
2	Unlikely	Do not expect it to happen.
1	Rare	Can't believe that it will happen.

**The risk rating or severity then equals Consequence X Likelihood.**

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

Risk Rating:

**Low Risk**            1 to 3  
**Moderate Risk**    4 to 6  
**High Risk**            8 to 12  
**Extreme Risk**        15 to 25

**Step 2: Identify Existing Controls**

On the Risk Register, describe the controls that are already in place. Typical examples of existing controls will include written policies and procedures, staff training, referral or admission criteria, the physical environment. In describing the controls it is worth considering how effective they are, when they were last reviewed / tested or when staff were last trained.

**Step 3: Review Risk Rating**

On completion of the above review the Likelihood and Consequence scores (as in Step 1 above) in light of the existing Controls, this will provide you with a **Current/Residual** risk rating. This will allow the identification of those risks that further resources may need to be allocated to so as to reduce the risk.

**Risk Owner** – Identify the risk owner. Quite simply, this is about giving accountability to managing the risk and ensuring actions required to mitigate the risk are completed.

Those identified as a risk owner should decide how they will achieve the level of control for each risk described in the Action Plan for which they are responsible. The requirements will vary according to circumstances, and they are the people best placed to decide what is required. Key considerations might include:

- Resources required.
- Awareness, understanding and commitment from staff.
- Incentives and sanctions.
- Appropriate delegation.
- Monitoring and reporting mechanisms.
- Parameters of acceptability and trigger points for further action.
- Documentation and review mechanisms.

Risk owners should also take steps to ensure that the contributions required from external partners are also being implemented as agreed.

All risks in the register should have identified risk owners who assume responsibility for ensuring the current controls are being applied.

#### **Step 4: The Action Plan (Annex 2)**

The Action Plan should be completed for all residual risks rated **extreme**, **high** or **moderate** and should include the following information:

- Risk Reference number** – to be taken from the Risk Register;
- Action Description** – A detailed description of the action required to manage the risk.  
Describe the risk or no action to be taken and why. Should the risk be avoided, eliminated, reduced, transferred or accepted? A useful framework for considering these questions is the “4 T’s”

#### **The 4T’s of Risk Control**

	<b>NOTES</b>
<b>Terminate</b> Stop the activity altogether	<ul style="list-style-type: none"> <li>• Rarely an option in public sector activity though this may be possible for some non-core activities.</li> </ul>
<b>Tolerate</b> Accept the risk and live with it	<ul style="list-style-type: none"> <li>• Applies to risks within the tolerance threshold or those where the costs of treatment far outweigh the benefits.</li> <li>• Should be backed up by appropriate contingency plans, business continuity plans and recovery plans.</li> </ul>
<b>Transfer</b> To a third party or through insurance	<ul style="list-style-type: none"> <li>• Can transfer all or part of the risk.</li> <li>• Beware – although responsibility can be transferred, accountability rarely can, so it requires close monitoring.</li> </ul>
<b>Treat</b> Take action to control the likelihood and/or impact	<ul style="list-style-type: none"> <li>• This is where the bulk of the risk management action falls.</li> </ul>

These are not mutually exclusive categories – it is quite normal to use a combination of two or more.

Consider what additional controls can be introduced to either remove the risk or reduce it. Typical examples include the introduction of new policies with associated training for staff, reviewing skillmix, undertaking audits to identify problem areas.

Action planning should follow a structured process to ensure:

- The action is proportionate to the risk.
- There is clarity as to which part of the risk is being managed, i.e. the cause(s), the trigger(s) or the effect(s).
- There is clarity around what dimension of the risk is being considered, i.e. the likelihood, the impact, or both.
- Whether or not there are any residual risks or new risks caused by the action.

Control actions should always be SMART – Specific, Measurable, Achievable, Realistic and Time-bound.

- c) **Action Owner** – Identify the actual person who has been nominated to carry out the action, please ensure that this person has been informed.
- d) **Resources Required** – Are resources required to implement the actions and if so what type i.e. personnel or financial and how can they be secured.
- e) **Target/ Review Date** – enter target date for completion of action(s) or when the actions will be reviewed. It is suggested that the following timescales be used:

<b>Extreme Risk</b>	<b>Score 15 to 25 – Within 3 months</b>
<b>High Risk</b>	<b>Score 8 to 12 - Within 6 months</b>
<b>Moderate Risk</b>	<b>Score 4 to 6 - Within 12 months</b>

- f) **Date Completed** – enter date that the required action (s) was completed to the satisfaction of the risk owner; and

- g) **Progress/Comments** – to be completed each time the risks are reviewed. There should be a clear two-stage decision path to follow in taking action to control risks:

1. Challenge the action already being taken to see if it is appropriate. It is important to be clear about the extent to which existing controls were considered at the risk analysis stage – does our profile show inherent risk prior to any control or residual risk after the application of existing controls?
2. Having assessed the adequacy of the action already being taken, determine what extra or alternative action is appropriate.

All Action Plans must be signed off by the relevant Director or Manager, Head of Service or Head of Profession.

A copy of the Action Plan should be sent to either Andrew Rewell, Corporate Risk Manager (HC) or Wendy Huxley Marko, Head of Corporate Risk (PCT).

## **Step 5: Monitoring**

In order to ensure that this process is effective all risk registers and action plans must be reviewed at appropriate intervals, and confirm:

- all current risks been reviewed and any additional action/s identified have been entered on the Action Plan;
- that the Action Plan has been reviewed and actions are on track for completion within agreed deadlines;
- whether any risks need to be removed, due to time limitation i.e. end of a specific project;
- whether any new risks have been identified that need to be added to the register;
- that the risk register is up to date for new and existing risks;
- whether any operational risks been identified by heads of service/key managers that could, if not managed become a risk for the directorate; and
- that updated Risk Registers and Action Plans have been entered onto the Risk Register Cluster file (for HC Directorate risk registers) or passed to the relevant Risk Manager after updating and review.

### Examples of Service Risk Assessment Issues

- Policies and Procedures
  - Clinical
  - General
  - Departmental
- High risk areas
  - Surgery
  - Minor Injury Unit
  - Anaesthesia
  - Acute Psychiatry
  - Pharmacy
  - Prescribing
  - Infection control
  - Medicines management
  - Blood Transfusion
  - Resuscitation
- Staffing
  - Numbers
  - Grades
  - Competence
  - Access and availability of training
  - Induction
  - Supervision
  - Volunteers
- Contracts for core services
- Information for clients
- Consent issues
  - Policy
  - Process
  - Underage
  - Staff training
- Counselling
- Lone Working
- Records
  - Clinical records
  - Data Protection
  - Storage and retrieval
  - Confidentiality
- Prescribing and administration of drugs
- Maintaining standards in out of hours services
- Criteria for access to and refusal of service
- After care / discharge
- Incident Reporting
- Complaints
- Clinical Audit
- Adverse events
- Research and development
- Organisational arrangements
  - Communication
  - Access to support and advice
  - Geographical issues
- Maintenance & Use of equipment
- Dealing with emergencies
- Health and Safety
  - Manual Handling
  - COSHH
  - Violence and aggression
  - Policy
  - Risk assessment
  - Training
  - Access to support / back up



 <b>HEREFORDSHIRE COUNCIL</b>	<h2 style="margin: 0;">Risk Register</h2>	 <b>Herefordshire</b> Primary Care Trust
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**Corporate/Directorate/Service/Project:** \_\_\_\_\_

**Chief Executive/Director/HOS/Project Owner:** \_\_\_\_\_

Risk Details					Existing Controls	Assessment of Residual Risk					
Risk Reference Number	Council/PCT Service Objective	Risk Description	Likelihood (probability)	Potential Consequence (Severity)	Risk Score	Controls in place	Likelihood (probability)	Consequence (Severity)	Residual Risk Score	Risk Owner	Cost of mitigation

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_



## Action Plan



Corporate/Directorate/Function/Project: \_\_\_\_\_

Chief Executive/Director/HOS/Project Owner \_\_\_\_\_

Risk Reference Number	Mitigation Strategy – Action Description	Action Owner	Target / Review Date	Date Completed	Progress/Comments (since last review)

I confirm that all the proposed control measures detailed in the above table have been implemented

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

