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**ST CATHERINE'S
HOSPICE**

Risk Management Policy

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CO-07 Risk Management	July 2009	Shaun O'Leary	CO-07 superseded by POL 22 in June 2016

Associated Documents

Complaints policy
Incident management policy
Disaster recovery/business continuity policy
Health & Safety Policy

References

Health & Safety Executive. <i>Managing the Risks</i> www.hse.gov.uk/toolbox/managing/managingtherisks.htm [accessed 09/09/15]
Charity Commission. 2010 <i>Charities and Risk Management</i> www.gov.uk/government/publications/charities-and-risk-management-cc26 [accessed 09/09/15]
PricewaterhouseCoopers. <i>A practical guide to risk assessment</i> http://www.pwc.com/us/en/issues/enterprise-risk-management/assets/risk_assessment_guide.pdf [accessed 09/09/15]
National Patient Safety Agency. <i>A risk matrix for risk managers</i> http://www.npsa.nhs.uk/nrls/improvingpatientsafety/patient-safety-tools-and-guidance/guides/risk-matrix-for-risk-managers/ [accessed 09/09/15]

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1. Purpose

Risk is an inherent part of all organisational activities. Unmanaged risk has the potential to disrupt delivery of a quality service and prevent achievement of organisational objectives. This policy is a formal acknowledgement of the commitment of StCH to risk management, to taking consistently better informed decisions and thereby improving the probability of StCH achieving its strategic and operational objectives. This policy distinguishes between risk management and risk assessment. Risk assessment is a key part of the StCH approach to risk management and is a way of measuring risk.

The aim of the policy is not to eliminate risk completely from StCH activities, but rather to ensure that every effort is made to manage risk appropriately. StCH acknowledges that some risks will always exist and, whilst they can be managed, will never be eliminated; StCH accepts responsibility for risk where this occurs.

2. Scope of policy

This policy applies to all StCH activities and all departments. It covers operational, corporate and strategic risks.

It is the responsibility of all StCH Managers to ensure that all individuals employed or engaged by the Hospice in any capacity, including contractors, volunteers, students, locum and agency staff and staff employed on honorary or temporary contracts comply with this policy.

3. Definitions

In this document the following definitions apply:

Hazard	Something (eg an object, an activity or a phenomenon) that can cause adverse effects
Risk	The <i>likelihood</i> of a hazard resulting in an incident set against the <i>severity</i> of that incident should it occur
Control	The mitigating action put in place to reduce the risk
Risk management	The proactive process undertaken by StCH Managers on behalf of the organisation to manage future uncertainty and which facilitates the evaluation and control of risk
Strategic risks	Risks concerning an organisation's objectives. This can include the risk of failing to achieve the organisation's objectives and risks relating to the liabilities and dangers faced by the organisation as a whole
Operational risks	Risks relating to the prospect of loss/harm resulting from inadequate or failed procedures, systems or policies or from external events; and which threaten day-to-day delivery of any service
Strategic Risk Register	The Strategic Risk Register (StRR) is the document where StCH records and reports on the management of all its strategic risks
Operational Risk Registers	The Operational Risk Registers (OpRRs) are documents where StCH records and reports on risks created and

	maintained at functional levels in the organisation.
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4. Policy statement & aims

Statement

StCH considers risk management to be fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk is an essential contribution towards the achievement of StCH's strategic and operational objectives and a key competency for StCH Managers.

The tone set by the Board towards risk management has the greatest impact on organisational risk appetite, ie the amount of risk an organisation is willing to accept. Culture, strategy and competitive position all influence risk appetite.

Aims

The overall strategic aim of the policy is to make the effective management of risk an integral part of day to day operations at StCH and part of the culture of the organisation. This will be achieved by having a comprehensive and cohesive risk management system in place which is underpinned by clear responsibility and accountability arrangements throughout the organisational structure with particular emphasis on the role of StCH Managers.

By adopting this approach StCH will:

- **Minimise the potential for harm to patients, carers, staff, volunteers and visitors** to a level as low as practicably possible
- **Protect everything of value** (such as high standards of care, staff safety, reputation and assets or income streams)
- **Anticipate and respond** to changing circumstances (social, environmental, legal, financial etc) or events
- Maximise opportunity by **adapting and remaining resilient** to changing risk factors
- Ensure that risk management is **integrated** into day to day practices, and managed in a transparent and consistent way across all departments and **not in silos**
- Consider compliance with **health and safety, insurance and legal requirements as a minimum standard**
- **Inform policy and operational decisions** by identifying risks and their likely impact and implementing mitigation strategies, where appropriate; and
- **Raise awareness** and understanding of the need for risk management and the responsibility for risk management by all those representing, connected with, or working for StCH.

5. Accountability and responsibility

Board of Trustees

Responsible for the total risk exposure of StCH and for approving risk appetite annually.

Board Committees

Delegated responsibility for risk exposure in specific areas and approval of risk tolerance in relation to these areas:

- Quality Committee (risks associated with the quality of care and services)
- Resources Committee (risks associated with financial, human and other resources)

Chief Executive

Overall responsibility for risk management; must seek assurance for risk management from systems and processes and from SMT, and ensure that through this assurance statutory/regulatory requirements are met.

SMT

Responsible for:

- identifying and appointing owners for all strategic risks
- briefing the Board and/or its sub committees as appropriate using the Strategic Risk Register

Individual SMT members

Responsible for ensuring that operational risk registers, covering risks in the functional areas for which they are accountable, are created and managed by the relevant manager; and for seeking assurance that risks are being managed appropriately.

Quality & Information Manager

Responsible for managing the Strategic Risk Register and for monitoring implementation of the policy.

All StCH Managers

Responsible for

- identifying, evaluating, controlling, measuring and reporting on operational risks in their respective areas of functional responsibility;
- ensuring identified risks and control measures are captured on relevant operational risk register and that risk registers are kept up to date;
- ensuring team members (employees and volunteers) are aware of risks within their work environment and of the organisational expectation that they will take a pan organisational view of their responsibilities for risk as well as functional and personal responsibility;
- ensuring team members (employees and volunteers) receive necessary training, information, supervision etc to enable them to work safely and responsibly.

All employees and volunteers

Responsible for

- recognising and reporting risk wherever it occurs so that it can be managed appropriately
- complying with StCH rules, regulations, instructions, policies and procedures
- working in manner which is safe and secure for themselves, colleagues, patients and visitors.

6. Framework

6.1 Risk management and corporate governance

StCH is required to demonstrate that it is doing 'its reasonable best' to manage risk. This means doing all that is reasonably practicable (weighing risks against effort, time and resources needed to control them) to meet objectives, and to protect service users, staff, volunteers and the public from avoidable harm.

In practice, it entails having effective systems and processes embedded in the organisation at all levels and evidence from audit that these systems and processes are being followed.

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At StCH this is achieved by ensuring risk management and corporate governance is an integrated process through which the organisation will identify, assess, analyse and manage risks at every level.

This means:

- risk management becomes a core management competence at StCH;
- risk management is integrated into all decision-making processes;
- risk management is integrated into all service developments and clinical governance activity;
- a consistent approach to training to ensure management analysis and investigation of risk and incidents is implemented;
- a consistent approach to populating and reviewing risk registers is adopted; and
- processes and decisions about risks will be integrated into all strategic and operational plans.

6.2 Risk Registers

StCH documents and reports on risks and their management using risk registers. StCH operates two types of risk register:

Strategic Risk Register (StRR)

The Strategic Risk Register is owned by StCH's Senior Information Risk Owner (SIRO) and managed by the Quality & Information Manager. It captures risks that relate to the liabilities and dangers that the organisation as a whole faces, including risks associated with the organisation's ability to maintain its long term viability (all defined as strategic risks). The StRR is informed by the identification of red-rated operational risks, as captured on department/service-level operational risk registers.

Operational Risk Registers (OpRRs)

OpRRs capture identified operational risks faced directly by services/departments, ie risks that threaten the day-to-day implementation of activity or delivery of these services. Each Operational Risk Register is owned and managed by the relevant manager.

The risk registers are live documents, which provide real time reporting data to help the monitoring and management of identified risks. Both types of risk register record the individual who has been assigned responsibility for each risk, and for ensuring that the risk and its treatment measures are monitored and effectively managed. Through the grading and regular review of risks, managers will be able to prioritise activities related to risk management.

The Chief Executive is responsible for ensuring the Strategic Risk Register is reviewed monthly by SMT, with the relevant Board sub committee reviewing and seeking assurance on specific risks quarterly.

Operational risk registers are reviewed by the relevant manager, with red and orange rated risks reviewed jointly each month by the relevant manager together with their SMT lead. Red-rated risks will be escalated as appropriate to the StRR. Additionally, governance work teams will manage risk registers for their respective areas and report/escalate via Quality & Safety Executive Group to SMT.

Each Head of Department and Director is responsible for reviewing relevant departmental

6.5 Risk assurance framework

See Appendix 3 for details of the StCH risk assurance framework.

6.6 Training

Risk is an important management competency and all managers at StCH are required to undertake face to face training in risk management. This training covers management of strategic and operational risks. This training is an integral part of the StCH managers' training and development programme.

Raising staff and volunteer awareness of the importance of recognising different types of risk and reporting new risks, and of their role and responsibilities in helping StCH effectively manage all risks (not just those which arise in their functional areas or departments), will be carried out through compulsory e-learning modules in risk assessment and in staff inductions, staff briefings and other internal communications.

All StCH staff and volunteers (where it is agreed by their manager to be relevant to their role) are required to undertake the e-learning module in risk assessment. StCH managers will be responsible for ensuring that staff and volunteers access the information and training which is appropriate for them to fulfil their responsibilities and commitments to StCH.

Both forms of training, in risk management and in risk assessment, are compulsory for StCH Managers.

7. Dissemination

This policy will be circulated to all staff and volunteers by email when it is first issued and when it is updated. The accompanying email will contain the key points about the policy that all staff need to be aware of. StCH managers will receive a follow-up email instructing them to ensure that all their staff and volunteers are aware of the policy and where to find it through, for example, team meetings and 1:1s. Information about the policy will also be included in the next available staff newsletter and disseminated to managers at the next available managers update session.

8. Audit and review

StCH will review and audit the implementation and effectiveness of the risk management policy and process to ensure an appropriate risk management culture develops across the organisation.

Aspects to be audited include:

- delivery and uptake of training
- frequency of review/updating of all risk registers
- staff awareness of operational risks, managers' awareness of operational and organisational risks, directors' & trustees' awareness of strategic risks; and the extent to which any/all are used to inform policies and plans.

Responsibility:

Quality & Information Manager will be responsible for leading the monitoring and review, together with SMT.

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How and when:

The approach will include review of: training programme and training records, risk registers (including planned and executed mitigation plans), relevant governance and operational meeting minutes, recently produced or revised policies and plans. It will also include a number of 'deep dives' into specific areas of risk. An audit report will be produced annually which will be shared with relevant governance and executive groups, who will be responsible for taking forward any recommendations.

9. Policy Impact Assessment

The impact assessment is used to ensure:

- we do not inadvertently discriminate as a service provider or as an employer
- that the information governance implications of any changes in the way we work, implicit in any new policies or revisions to existing policies, are considered and addressed appropriately.

To be completed and attached to all policies when submitted to the appropriate committee for consideration and approval.

		Yes/No	Comments
1.	Equality Impact		
a.	Does the policy affect one group more or less favourably than another on the basis of - race - ethnic origins - nationality - gender - culture - religion or belief - sexual orientation (including lesbian, gay & bisexual people) - age - disability (eg physical, sensory or learning) - mental health	N	
b.	If potential discrimination has been highlighted, are any exceptions valid, legal and/or justifiable?	N/A	
c.	Is the impact of the policy likely to be negative? If so, can the impact be avoided or reduced?	N	
2.	Information Governance Impact		
a.	Is the policy (or any of its associated procedures) likely to have an adverse impact on: - information quality - information security - confidentiality - data protection requirements	N	
b.	If so, have these issues already been raised with the Information Governance Group? What action has been agreed?	N/A	

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For advice in respect of answering the above questions, please contact any one of the following:

Caldicott Guardian (StCH Medical Director)

Data Protection Officer (StCH Head of Human Resources)

Senior Information Risk Owner (StCH Finance & Site Services Director)

Quality & Information Manager

Services Information Coordinator

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Appendices

Appendix 1 Risk management process

Appendix 2a Strategic risk register format

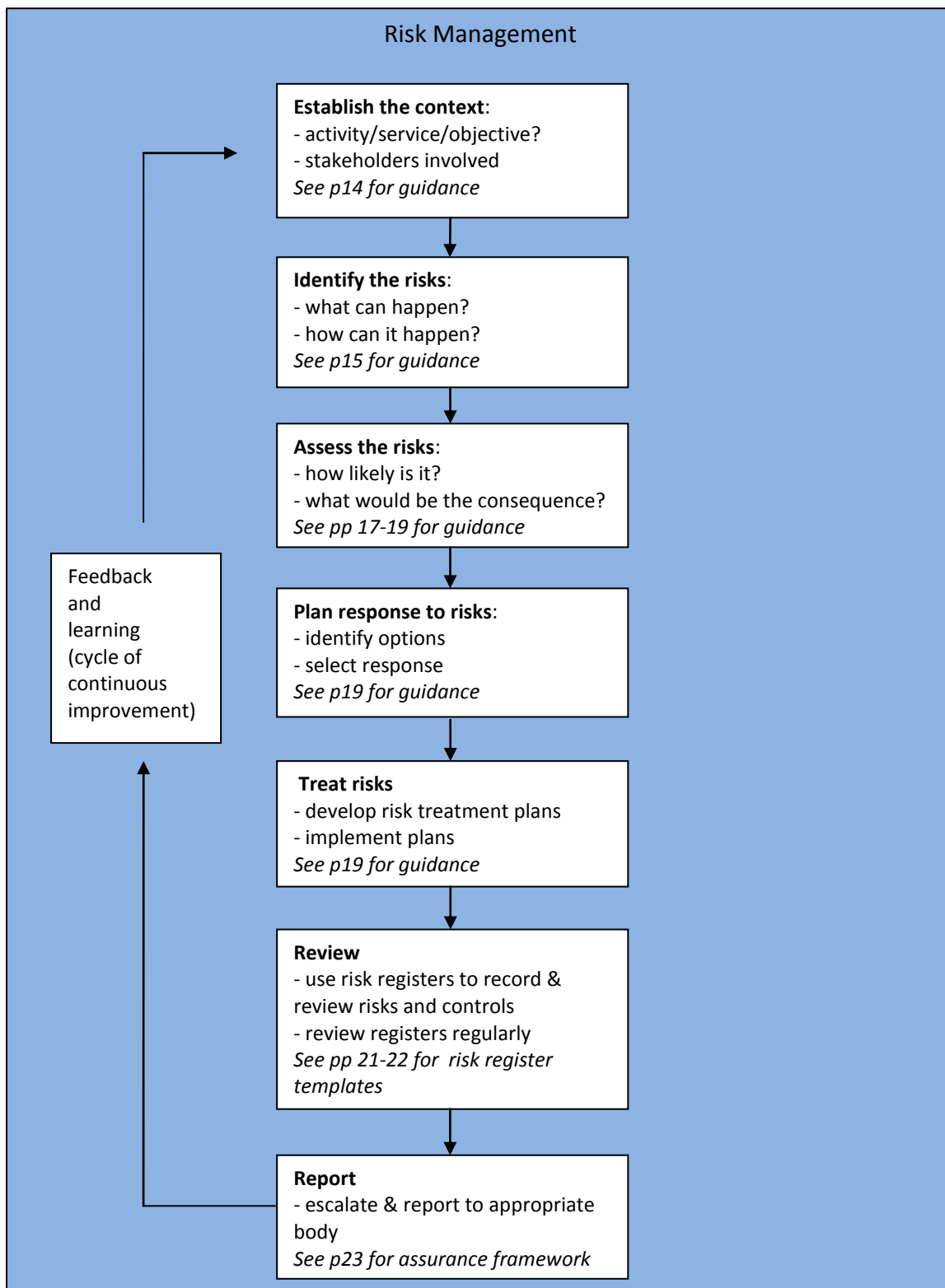
Appendix 2b Operational risk register format

Appendix 3 Risk assurance framework

Risk Management Process

The risk management process is a series of logical steps which are carried out in sequence to progress through each stage of managing a risk:

Figure 1 Risk management process



1. Risk context

The process begins by establishing the context within which StCH needs to identify and assess risks. This could relate to an activity, project, service, event, objective or outcome. The following are examples of domains that StCH should consider and review regularly:

Key Risk Domains/Categories	
Risk category	Examples
Compliance with law and regulation	<ul style="list-style-type: none"> • poor knowledge of the legal responsibilities of an employer • poor knowledge of regulatory requirements of particular activities (eg fundraising, running of care facilities, operating vehicles)
External risks	<ul style="list-style-type: none"> • poor public perception and reputation • demographic changes such as an increase in the size of beneficiary group • turbulent economic or political environment • changing government policy, eg re commission/funding • acting in breach of trust
Financial risks	<ul style="list-style-type: none"> • inaccurate and/or insufficient financial information • inadequate reserves and cash flow • dependency on limited income sources • inadequate investment management policies • insufficient insurance cover
Governance risks	<ul style="list-style-type: none"> • inappropriate organisational structure • inadequate governance structures • conflicts of interest
Operational risks	<ul style="list-style-type: none"> • lack of beneficiary welfare or safety • poorly aligned services or inadequate service specification • poor staff recruitment and training • doubt about security of assets • failure to respond to service user feedback
Strategic risks	<ul style="list-style-type: none"> • failure to integrate services within external market • inadequate response to changes in external market • failure to identify and respond quickly to opportunities

Figure 2 Risk domains (source: *Charities and Risk Management, Charity Commission 2010*)

2. Risk identification

Identifying specific risks involves considering what, when, why, where and how things can happen. More specifically:

- *What are the sources of risk or threat (ie the 'hazards')* – the things which have the inherent potential to harm or facilitate harm.
- *What could happen* – events or incidents that could occur whereby the source of risk or threat has an impact on the achievement of objectives.
- *Where* – the physical locations/assets where the event could occur or where the direct or indirect consequences may be experienced.
- *When* – specific times or time periods when the event is likely to occur and/or the consequences realised.
- *How* – the manner or method in which the risk event or incident could occur.
- *Causes* – what are the direct and indirect factors that create the source of risk or threat.
- *Business consequences* – what would be the impact on objectives if the risk was realised.
- *Business areas/stakeholders affected* – what parts of the organisation and what stakeholders might be involved or impacted?

StCH will use a standard risk assessment form to support the risk identification process and record/describe the risks (see over)

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St Catherine's Risk Assessment Form

Electronic version can be found here: <P:\Risk Management\Templates & Guidance\StCH risk assessment form.dotx>

Premises/Activity/Project/Service being assessed:			
List Hazard(s) <i>All hazards associated with the activity should be entered here</i>			
Those at Risk <i>Staff (types), volunteers patients, visitors, others</i>			
Current Control measures			
Risk rating	Likelihood score	Severity score	= Risk level (delete as appropriate)
			Negligible / Moderate / Significant / High
Date			
Name and Signature			
Position			

Further control measures required: <i>List further action needed to adequately control risk</i> <i>Develop Action plan if appropriate</i>			
Risk - after actions completed	Likelihood score	Severity score	= Risk level (delete as appropriate)
			Negligible / Moderate / Significant / High
Further control measures work/activity completed	Date:		
	Signature:		

Next Review Date	
-------------------------	--

Likelihood of recurrence of incident	Severity				
	1 Negligible	2 Minor	3 Moderate	4 Major	5 Extreme
1 Very unlikely	1	2	3	4	5
2 Unlikely	2	4	6	8	10
3 Possible	3	6	9	12	15
4 Likely	4	8	12	16	20
5 Certain	5	10	15	20	25

Negligible risk 0-4	Moderate risk 5-10	Significant risk 11-15	High risk 16-25
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3. Risk assessment

StCH will use a risk matrix (figure 3) to assess and grade each risk identified. This looks at both the likelihood of the risk materialising and the consequence of it. The grade assigned to each risk in turn influences the level of risk treatment that should be applied to manage/reduce/prevent the risk from occurring, and also to indicate level at which responsibility and acceptance should sit (see figure 4). Further guidance on how to assign consequence and likelihood scores is given in figures 5 and 6.

		CONSEQUENCE				
		Negligible 1	Minor 2	Moderate 3	Major 4	Extreme 5
LIKELIHOOD	Very unlikely 1	1	2	3	4	5
	Unlikely 2	2	4	6	8	10
	Possible 3	3	6	9	12	15
	Likely 4	4	8	12	16	20
	Almost certain 5	5	10	15	20	25

Figure 3 Likelihood and Consequence Matrix

Negligible risk	0-4	Risk accepted by StCH and managed locally by relevant manager/service lead
Moderate risk	5-10	Responsibility to manage the risk accepted by relevant Director
Significant risk	11-15	Responsibility to manage risk accepted by SMT/ Chief Executive/governance committee
High risk	16-25	Responsibility to manage the risk accepted corporately by Board of Trustees

Figure 4 Risk Management Responsibilities & Acceptance

The table below provides guidance on how to determine the appropriate level/score for risk consequence severity:

Level/score	Examples of actual or potential consequence on persons	Examples of actual or potential consequences on organisation
Negligible 1	<ul style="list-style-type: none"> • Minor first aid treatment or no obvious harm 	<ul style="list-style-type: none"> • No disruption to operational activities. • Financial implications - litigation/costs up to £2k
Minor 2	<ul style="list-style-type: none"> • Minor injury or illness requiring minor intervention • Time off work (≤ 3 days) • Increased length of patient stay • No permanent harm 	<ul style="list-style-type: none"> • Short-term business interruptions to specific elements of StCH's core business • Financial implications - litigation/costs less than £30k • Some loss of reputation, minor adverse publicity • Increased level of care
Moderate 3	<ul style="list-style-type: none"> • Moderate injury requiring professional intervention • Time off work (4-14 days) • RIDDOR/agency reportable incident • Increased length of stay 	<ul style="list-style-type: none"> • Moderate/long term disruption to small number of functions/staff • Financial implications - litigation/costs £30k-£50k • Local adverse publicity, loss to reputation • Implications for StCH's registration with regulatory bodies
Major 4	<ul style="list-style-type: none"> • Major injury leading to long-term incapacity/disability • Requiring time off work (>14 days) • Increase in length of stay • Mismanagement of patient care with long-term effects 	<ul style="list-style-type: none"> • Long term disruption to a number of aspects of StCH's core activity; viability of service area(s) affected • Financial implications - litigation/costs £250k-£1 million • Regional/national adverse publicity, major loss to reputation, loss of public confidence • Damage to StCH's registration status with regulatory bodies
Extreme 5	<ul style="list-style-type: none"> • Single or multiple deaths involving any persons 	<ul style="list-style-type: none"> • Extended service closure • Financial implications - litigation/costs over £1m • National adverse publicity, extreme loss to reputation, loss of public confidence • Major impact on future development or sustainability • Removal of StCH's registration with regulatory bodies

Figure 5 Risk consequence severity scores

The table below provides guidance on how to determine the appropriate level/score for risk likelihood:

Score/level	Broad descriptor of frequency <i>(How often might it/does it happen)</i>	Probability descriptor <i>(Will it happen or not?)</i>
Very unlikely 1	This will probably never happen/recur	Less than a 1-in-1000 chance of happening
Unlikely 2	Do not expect it to happen/recur but it is possible it may do so	Between 1-in-1000 and 1-in-100 chance of happening
Possible 3	Might happen or recur occasionally	Between 1-in-100 and 10-in-100 chance of happening
Likely 4	Will probably happen/recur, but it is not a persisting issue/circumstance	Between 1-in-10 and 5-in-10 chance of happening
Almost certain 5	Will undoubtedly happen/recur, possibly frequently	More than a 1-in-2 chance of happening

Figure 6 Risk likelihood scores

4. Risk treatment

For each risk identified, assessed and assigned StCH will agree the plan needed to effectively manage the risk. There are five basic strategies that can be applied:

- Prevention/elimination - taking action to stop the threat occurring or preventing it from impacting on the activity/service/objective
- Reduction - taking action to reduce the likelihood of threat occurring or limiting the impact it would have on activity/service/objective
- Transference - passing responsibility for the risk to a third party (eg through insurance or outsourcing)
- Acceptance - tolerating the risk either because nothing can be done at reasonable cost, or the magnitude of risk is at an acceptable level
- Contingency - planning actions to take in response to the risk materialising.

All identified risks will be recorded on the appropriate risk register and reviewed as follows:

Risk level		Review frequency
Green risks	Grades 0-4 / negligible	annually
Yellow risks	Grades 5-10 / moderate	6 monthly
Orange risks	Grades 11-15 / significant	quarterly
Red risks	Grades 16-25 / high risk	monthly

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StCH's risk management is aimed at reducing the 'gross level' of risk identified to a 'net level' of risk, in other words, the risk that remains after appropriate action is taken/controls put in place. The Board of Trustees will need to review and agree annually the level of acceptable net risk.

Risk treatment controls and plans will be recorded on StCH risk registers and monitored within agreed timeframes.

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Appendix 2a

Risk register formats

Strategic Risk Register template

Ref	Risk description	SMT lead	Review committee	Risk score/rating				In quarter change
				Q1	Q2	Q3	Q4	
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
etc								

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Appendix 2a

Operational risk register template

Operational Risk Register for <i>[insert name of team/service/department]</i>						
Ref	Risk description	Lead	Risk score/rating	Date of last review	Change in rating from previous review (↑ ↓ ↔)	Date next review due
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
etc						

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Risk Assurance Framework

Appendix 3

