NHS

Nottingham North and East Clinical Commissioning Group

Putting good health *into practice*

Integrated Risk Management Framework 2017 - 2018

Sept 2017

Reference:	004
Title:	Integrated Risk Management Framework 2017-18
Author/Nominated Lead:	Nottingham North and East CCG Director of Operations
Approval Date:	
Approving Committee:	Governing Body
Review Date:	September 2018
Target Audience:	All NNE Staff, Committee Members, Governing Body
Circulation List:	All NNE Staff, Committee Members, Governing Body
Cross Reference:	
Superseded Documents:	Version 1 2012-2014, Version 2 2015-2017, Version 3 2015-2017
Action Required:	
Contact Details:	Samantha Walters Chief Officer NHS Nottingham North & East Clinical Commissioning Group Civic Centre Arnot Hill Park Arnold Nottingham NG5 6LU
Version Control:	Version 4.0 Draft (19/09/2017)

Version Control page

Contents

Appendices

1.   INTRODUCTION

Nottingham North and East Clinical Commissioning Group (hereafter referred to as NNE CCG) recognise that risk management is integral to all its activity and business, and assists in achieving its strategic objectives and priorities.

This Integrated Risk Management Framework describes how NNE CCG identifies risks; how those risks are managed throughout the organisation; the likelihood of occurrence; and their potential impact on the successful achievement of NNE CCG's strategic objectives.

The policy applies to NNE CCG, its entire staff, the Governing Body and all its committees (and their sub-groups). It is the responsibility of the Accountable Officer, Chief Finance Officer and the senior management team to ensure that risk management is an integral part of NNE CCG's approach to its governance structure and arrangements.

The policy also recognises the commitment of NNE CCG to work with and support its member practices with regard to risk management.

2.   DEFINITION

There are many definitions of risk. Risk Management for Primary Care, Roy Lilley, 1999 defines risk as "A chance or possibility of danger, loss, injury, or other adverse consequence". The international standard, ISO 31000:2009 'Risk management – Principles and guidelines' defines risk as "the effect of uncertainty on objectives"

For the purposes of this document, risks can be identified in any or all of the following areas:
- Safeguarding
- Quality & Clinical
- Financial
- Corporate (including Transformation)
- Information Governance

3.   NOTTINGHAM NORTH AND EAST STATEMENT – RISK APPETITE

Nottingham North and East CCG is working towards a 'mature' risk appetite. Nottingham North and East CCG have no appetite for fraud/financial risk and zero tolerance for regulatory breaches. Nottingham North and East CCG may take considered risks, where the long term benefits outweigh any short term losses. Nottingham North and East CCG supports well managed risk taking and will ensure that the skills, ability and knowledge are there to support innovation and maximise opportunities to further improve services. Nottingham North and East CCG Governing Body commit to review its risk appetite statement on an annual basis.

Nottingham North and East CCG acknowledges that providing health services is an inherently risky business and that risk can bring with it positive advantages, benefits and opportunities. NNE CCG is not aiming to create a risk-free environment, but rather one in which risk is appropriately identified, considered as part of everyday business and then appropriately mitigated.

4.   PURPOSE

The purpose of this Integrated Risk Management Framework is:

- To ensure that there is strong leadership and management processes for integrated risk management in NNE CCG.

- To encourage a culture where risk management is viewed by staff as an essential and integral process of NNE CCG activity.

- To ensure processes are in place to enable a systematic, timely and structured approach to the identification and management of risks throughout NNE CCG governance structure.

- To assure the public, patients, staff and partner organisations that NNE CCG is committed to managing risk appropriately.

- To assure member practices that NNE CCG is committed and structured to managing risk appropriately.

- To encourage proactive risk management to improve operational effectiveness, efficiency and resilience.

- To achieve greater accountability and improved governance

5. ACCOUNTABILITIES FOR RISK MANAGEMENT

5.1 The Governing Body

NNE CCG Governing Body has a duty to assure itself that the organisation has identified the risks it faces, and that it has processes and controls in place to mitigate those risks and the impact they have on the organisation and its stakeholders. The Governing Body discharges this duty by:

- Identifying risks to the achievement of its strategic objectives

- Monitoring these via the Governing Body Assurance Framework

- Ensuring that there is a structure in place for the effective identification and management of risk throughout NNE CCG

- Approving and reviewing strategies for risk management on an annual basis

- Receiving regular reports from the Audit and Governance Committee

- Demonstrating leadership, active involvement and support for risk management.

- Receiving reports on significant risks through Governing Body meetings which might impact on the achievement of NNE CCG strategic objectives

5.2 The Accountable Officer

The Accountable Officer has overall accountability for the management of risk and is responsible for:

- Continually promoting risk management and demonstrating leadership, involvement and support

- Ensuring an appropriate committee structure is in place, with regular reports to NNE CCG Governing Body.

- Ensuring appropriate Policies, Procedures and Guidelines are in place and operating throughout NNE CCG.

- Ensuring significant risks which might impact on the achievement of NNE CCG Strategic objectives are reported to the Governing Body.

5.3 The Lay Members

The Lay Members have a specific role for governance including audit, risk management, remuneration and managing conflicts of interest. The Lay Members provide a strategic and impartial external view of governance ensuring NNE CCG behaves with the utmost probity at all times. The Lay Members have the following responsibilities:

- Ensuring risk management systems are in place throughout NNE CCG.

- Ensuring the Governing Body Assurance Framework is regularly reviewed and updated.

- Ensuring that there is appropriate external review of NNE CCG risk management systems, and that this is reported to the Audit and Governance Committee and Governing Body.

- Overseeing the management of risks as determined by the Audit and Governance Committee

- Ensuring that risk registers are developed and maintained within NNE CCG.

- Ensuring that significant risks are identified and referenced in the Governing Body Assurance Framework as appropriate.

- Ensuring risk action plans are put in place, regularly monitored and implemented.

5.4 Senior Managers

Senior Managers should incorporate risk management within all aspects of the work of their department, and are responsible for ensuring implementation of NNE CCG Integrated Risk Management Framework by:

- Demonstrating personal involvement and support for the promotion of risk management.

- Ensuring that staff accountable to them understand and pursue risk management in their areas of responsibility.

- Ensuring risks are identified and managed and mitigating actions implemented in functions for which they are accountable.

- Ensuring action plans for risks relating to their responsibilities are prepared and reviewed on a regular basis.

- Ensuring that the actions identified in the risk register for which they are lead and for which relate to their area of responsibility are implemented, and to involve staff in this process to promote ownership of the risks identified.

- Ensuring risks are escalated where they are of a strategic nature.

5.5 Shared CCG positions with a responsibility in risk management include the following:

- Caldicott Guardian
- Deputy Director of Finance
- Director of Nursing and Quality
- Director of Outcomes and Information
- Safeguarding Leads

5.6 All Staff

All staff working for NNE CCG are responsible for:

- Being aware that they have a duty under legislation to take reasonable care of their own safety and the safety of others who may be affected by NNE CCG' business and to comply with appropriate CCG rules, regulations, instructions, policies, procedures and guidelines.

- Taking action to protect themselves and others from risks.

- Identifying and reporting risks to their line manager using the process described in this document.

- Ensuring incidents, claims and complaints are reported using the appropriate procedures and channels of communication

- Co-operating with others in the management of NNE CCG' risks.

- Attending mandatory and statutory training as determined by NNE CCG or their Line Manager.

- Being aware of emergency procedures relating to their particular department locations.

5.7 Contractors and Temporary Staff

- Managers must ensure that where they are contracting with Contractors, member practices and temporary staff they are made aware of and adhere to, all relevant policies, procedures and guidance of the CCG, including the Policy for the Reporting and Management of Incidents including Serious Untoward Incidents and the Health and Safety Policy.

- Take action to protect themselves and others from risks

- Bring to the attention of others the nature of risks which they are facing in order to ensure that they are taking appropriate protective action.

6. ORGANISATIONAL FRAMEWORK FOR RISK MANAGEMENT

6.1 The CCG Governing Body

The Governing Body has ultimate responsibility for risk management and deciding options to mitigate risks to strategic objectives and where relevant, high risks.

6.2 The CCG Audit and Governance Committee

The Audit and Governance Committee provides an independent overview of risk management and reporting risk management issues and advising the Governing Body on all matters pertaining to risk management.

To ensure effective reporting to the Governing Body NNE CCG has implemented an Audit and Governance Committee which will hold a minimum of five meetings per year.

6.3 The South CCG Quality and Risk Committee

The South CCG Quality and Risk Committee ensure that robust systems and processes are established and maintained for monitoring clinical risks. The minutes and highlight reports of the

meetings are presented to the Governing Bodies of Nottingham West, Rushcliffe and Nottingham North and East CCGs for assurance.

6.4   Nottinghamshire Safeguarding Committees

Safeguarding governance arrangements within Nottinghamshire will be discharged through Newark and Sherwood Clinical Commissioning Group (N&S CCG) on behalf of all Nottinghamshire CCGs. The committees will meet at least quarterly and minutes and highlight reports will be provided to the Governing Body.   Key issues will be summarised outlining significant risks and mitigation plans. Where relevant, risks will be recorded on NNE CCG risk register.

6.5   The Information Governance, Management and Technology Committee

The CCG Information Governance, Management and Technology (IGM&T) Committee will provide assurance to the Nottinghamshire Clinical Commissioning Groups (CCGs) that the national and local IGM&T strategies are appropriate, supporting the delivery of associated improvements in health and are facilitating the realisation of clinical and non-clinical benefits.   The committee will review information governance risks.

The purpose of the committee is to support and drive the broader information governance and management agenda. The committee will also ensure those components of Information Governance and Information Management, are developed and embedded within each Clinical Commissioning Group (CCG).

6.6   The Finance and Information Group

The CCG Finance and Information Group is a committee of the Governing Body which will provide assurance to the Governing Body and to the CCG on financial risks and delivery against Financial Recovery including Quality, Innovation, Productivity and Prevention .

6.7   The NNE Executive Team

The NNE Executive Team, including the Chair of the Governing Body and the Accountable Officer, will regularly review corporate risks and provide assurance to the Governing Body. The Chief Officer will report risks to the Governing Body where relevant.

6.8   Internal and External Audit

Internal Auditors are positioned to audit NNE CCG as per the Internal Audit Plan, under the contract with 360 Assurance.

Internal Auditors will take a risk based approach, taking into consideration:

- The key risks arising from the environment within which you operate;
- Specific risks facing your organisation and the achievement of your organisational objectives (including review of your Governing Body Assurance Framework);
- Outcomes from discussions with key officers, including the Executive team and the Chair of the Audit and Governance Committee;

The contract for external audit work to be undertaken is with KPMG.

6.9   Counter Fraud and Fraud Risk Assessment

Support for CCGs on Counter Fraud is provided by 360 Assurance.   Counter Fraud will provide a risk assessment for NNE CCG and a self-assessment will be carried out by the CCG.

7.   SYSTEM FOR INTEGRATED RISK MANAGEMENT

The integrated risk management process is set out as follows (It is also set out in a flowchart in Appendix 1):

7.1   Risk Identification

All risks relating to the business planning, and commissioning and delivery of services for which we are responsible, be they clinical, non-clinical, financial or corporate, and all risks that could threaten the achievement of NNE CCG strategic objectives must be identified and reported.

There are a number of ways in which risks can be identified:

- It is the responsibility of all CCG staff to identify and report risks.

- Risks should be identified at meetings of the Governing Body and through all of its committees.

- The Governing Body Assurance Framework identifies the strategic objectives of the CGG and the risks that could threaten their achievement. The Governing Body Assurance Framework is reviewed and updated at least every six months, to include any identified new risks and to amend risk ratings as appropriate.

7.2   Reporting Risk

Any member of NNE CCG staff that identifies a risk must report it to their line manager and/or to the Director of Operations.

Risks that are identified during meetings of the Governing Body and/or any of its committees must be reported to the owner of the risk area ie quality/clinical, finance, information governance, corporate.

7.3   Analysing and Quantifying Risk

Once the risk has been identified, the reporting person along with the owner of the risk area will establish the likelihood of it occurring and the potential impact if it did occur. This will be measured by using the risk assessment matrix presented in Appendix 2, and will take into account the following:

- Risk type (Health, financial, safety, etc.)
- Risk source/context (internal or external)
- What is at risk (impact/exposure to people, reputation, results, assets etc)

Appendix 3 provides a checklist for use in determining the potential impact of a risk.

7.4 Recording risk

NNE CCG populates and maintains one overall risk register with separate areas of responsibility including finance, clinical, information governance, safeguarding, corporate. The relevant Director will enter all identified risks once reported and quantified.

The actions required, and any existing controls to minimise or eliminate a potential risk are then identified and recorded on the risk registers to include a time scale for expected completion of that action and the person responsible for implementation.

After identifying action/s and controls to minimise a risk, the risk should be reassessed taking into account the effect of planned actions. This is referred to as the residual risk score and should be quantified using the risk assessment matrix. The residual risk score confirms the level of risk outstanding after actions have been completed. The residual risk score is recorded on NNE CCG Risk Register.

7.5 Risk Registers

It is the responsibility of each relevant Director to ensure that the register covering their area of risk is maintained and monitored. The monitoring and updating of the risks takes place in relevant Committee and Group meetings. This is then reported to the Governing Body through the minutes.

Those risks identified as significant, those that are rated at 15 or above, are escalated to the Accountable Officer, and then if relevant to the Governing Body if they are a risk to the achievement of the strategic objectives.

A copy of the format of the risk registers is attached at appendix 4.

Guidelines for completing a risk register are attached at appendix 5.

7.6 Finance Risk Management

Financial risks will be monitored and managed through a variety of means including:

- High level review of management accounts, budgets, medium term plans, forecasts, DH returns and annual accounts
- Adherence to the finance standing orders, prime financial policies and scheme of delegation and reservation
- Systems of internal control to ensure transactions are properly recorded and assets safeguarded
- Independent review by Internal and External Audit
- Rigorous approach to Financial Recovery workstreams (including QIPP)
- Financial Recovery PMO arrangements
- Regular updates of the Financial Plan to reflect the previous year's recurrent underlying position
- Detailed review by the Governing Body on the financial position and forecasts including running costs.
- The monitoring and updating of the Finance risk register will take place every month at NNE CCG Executive Team Meeting

7.7 Financial Recovery (QIPP) Risk Management

The delivery of Financial Recovery and QIPP will be monitored and measured by NNE CCG's Finance and Information Group, membership of which includes the senior Exec Team, Lay Member Audit, Chair of the CCG and the CCG Systems Analyst.

Financial Recovery will be managed, monitored and measured through the Financial Recovery Group and the Financial Recovery Delivery Group through the PMO arrangements. Through the PMO, risks will be highlighted to the Governing Body and these will be discussed in detail in the CCG Finance and Information Group.

Financial Recovery and QIPP risks will be managed through NNE CCG system and risk registers, relevant to the type of risk. Risks will be escalated to the Governing Body through regular reporting on financial turnaround.   A Turnaround Director will be responsible for ensuring risks and mitigating actions are identified.

8   INFORMATION GOVERNANCE

NNE CCG is responsible for complying with statutory and Department of Health Information Governance requirements which include:

- The Information Governance Toolkit
- Responding to Freedom of Information requests (FOI)
- Responding to Subject Access Requests
- The Data Protection Act

The organisational risk is managed through a structured approach which includes the information asset owners and the SIRO. The information governance risk register is monitored through the Information Governance Management & Technology Committee.

9   RISK MANAGEMENT TRAINING

Bespoke training is provided as required to CCG staff and committee members, and on request.

10   MONITORING THE EFFECTIVENESS OF THE POLICY

NNE CCG Governing Body, and the Audit and Governance Committee monitors and reviews performance in relation to the management of risk, and the continuing suitability and effectiveness of the systems and processes in place to manage risk through a programme of internal and external audit work.

11   CONSULTATION AND COMMUNICATION WITH STAKEHOLDERS

Systems of communication with external stakeholders are in place to contribute to the minimisation of reputational risk to the organisation. These include a public website, a People's Council, Local Authority Partnership Group and the Public Governing Body meetings.

12   REVIEW AND REVISION OF THE DOCUMENT

The Audit and Governance Committee will review this Integrated Risk Management Framework, annually due to the continually changing infrastructure.

13 DISSEMINATION AND IMPLEMENTATION

This document will be made available to all CCG staff and to the staff of its member practices via the intranet.
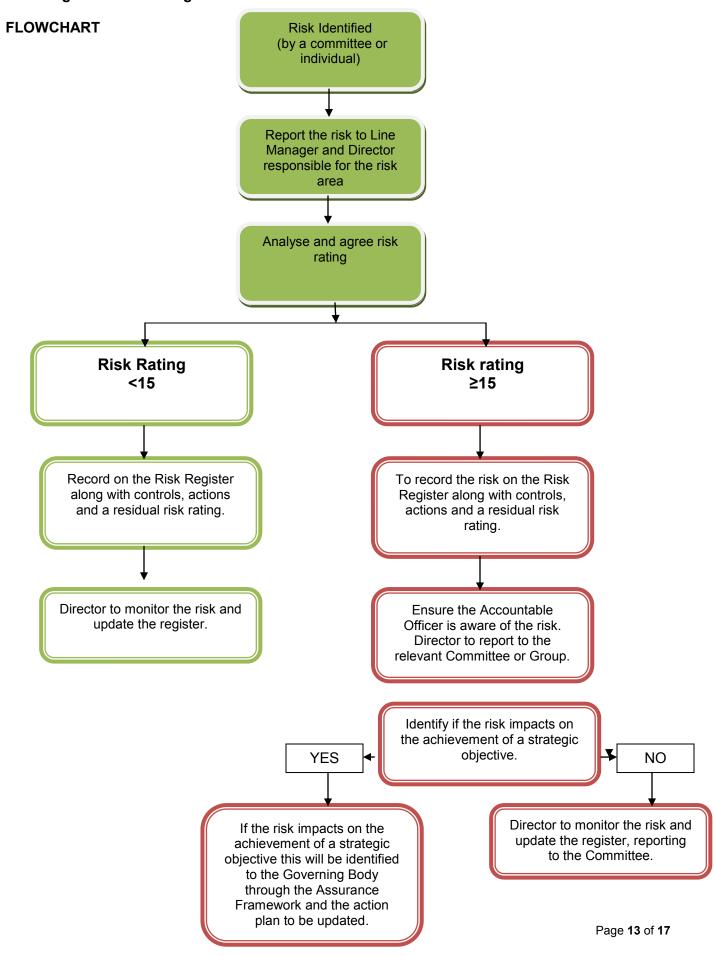
14 EQUALITY AND DIVERSITY STATEMENT

The organisation aims to design and implement services, policies and measures that meet the diverse needs of our service, population and workforce, ensuring that none are placed at a disadvantage over others.

All policies and procedures should be developed in line with Equality and Diversity policies and need to take into account the diverse needs of the community that is served.

15 ASSOCIATED DOCUMENTS

- Policy for the reporting and management of incidents and near misses including SIRIs
- Procedure for reporting incidents near misses and serious incidents requiring investigation (SIRI)
- Complaints Policy
- Health and Safety Policy
- Nottinghamshire Clinical Commissioning Group Safeguarding Vulnerable People Policy 2013
- Internal Audit Plan
- Financial Policies

Appendix 1
The Integrated Risk Management Process

FLOWCHART

Risk Identified
(by a committee or
individual)

↓

Report the risk to Line
Manager and Director
responsible for the risk
area

↓

Analyse and agree risk
rating

**Risk Rating
<15**

↓

Record on the Risk Register
along with controls, actions
and a residual risk rating.

↓

Director to monitor the risk and
update the register.

**Risk rating
≥15**

↓

To record the risk on the Risk
Register along with controls,
actions and a residual risk
rating.

↓

Ensure the Accountable
Officer is aware of the risk.
Director to report to the
relevant Committee or Group.

↓

Identify if the risk impacts on
the achievement of a strategic
objective.

YES ← → NO

If the risk impacts on the
achievement of a strategic
objective this will be identified
to the Governing Body
through the Assurance
Framework and the action
plan to be updated.

Director to monitor the risk and
update the register, reporting
to the Committee.

Appendix 2

RISK ASSESSMENT MATRIX

Risk Priority

Key: Red – High Risk   Amber – Medium Risk   Green – Low Risk

RISK MATRIX					
5 - Very High	A	A/R	R	R	R
4 - High	A	A	A/R	R	R
3 - Medium	A/G	A	A	A/R	A/R
2 - Low	G	A/G	A/G	A	A
1 - Very low	G	G	G	G	G
Impact	**1 - Rare**	**2 - Unlikely**	**3 - Possible**	**4 - Likely**	**5 - Almost Certain**
	Liklihood				

Risk Matrix – Likelihood

Likelihood rating	Description
5 Almost Certain	this type of event will happen frequently
4 Likely	this type of event will happen, but its not a persistent concern
3 Possible	this type of event may well happen (e.g. 50/50 chance)
2 Unlikely	unlikely that this type of event will happen
1 Rare	cannot believe that an event of this type will occur in the foreseeable future

Appendix 3
Risk Matrix – Descriptor of Impact

DESCRIPTOR	1 INSIGNIFICANT	2 MINOR	3 MODERATE	4 MAJOR	5 CATASTROPHIC
Injury	Minor injury not requiring first aid	Minor injury or illness, first aid treatment needed	Over three days off "sick" = **RIDDOR** reportable. 10 days to report to the HSE.	Major injuries, or long term incapacity / disability (loss of limb)	Death or major permanent incapacity
Patient Experience	Unsatisfactory patient experience not directly related to patient care	Unsatisfactory patient experience - readily resolvable	Mismanagement of patient care – short term effects	Mismanagement of patient care – long term effects	Totally unsatisfactory patient outcome or experience
Complaint/ Claim Potential	Locally resolved complaint	Justified complaint peripheral to clinical care	Justified complaint involving lack of appropriate care	Multiple justified complaints	Multiple claims or single major claim
Objectives/ Projects	Insignificant cost increase/schedule slippage. Barely noticeable reduction in scope or quality	< 5% over budget/schedule slippage. Minor reduction in quality/scope	5 -10% over budget/schedule slippage. Reduction in scope or quality requiring client approval	10 - 25% over budget/schedule slippage. Doesn't meet secondary objectives	> 25% over budget/schedule slippage. Doesn't meet primary objectives
Service/ Business Interruption	Loss/interruption > 1 hour	Loss/interruption > 8 hours	Loss/interruption > 1 day	Loss/interruption > 1 week	Permanent loss of service or facility
Human Resources/ Organisational Development	Short term low staffing level temporarily reduces service quality (< 1 day)	Ongoing low staffing level reduces service quality	Late delivery of key objective/service due to lack of staff (recruitment, retention or sickness). Minor error due to insufficient training. Ongoing unsafe staffing level	Uncertain delivery of key objective/ service due to lack of staff. Serious error due to insufficient training	Non-delivery of key objective/ service due to lack of staff. Loss of key staff. Very high turnover. Critical error due to insufficient training
Financial	Small loss (> £100)	Loss > £1,000	Loss > £10,000	Loss > £100,000	Loss > £1,000,000
Inspection/ Audit	Minor recommendations. Minor non-compliance with standards	Recommendations given. Non-compliance with standards	Reduced rating. Challenging recommendations. Non-compliance with core standards	Enforcement Action. Low rating. Critical report. Multiple challenging recommendations. Major non-compliance with core standards	Prosecution. Zero Rating. Severely critical report
Adverse Publicity/ Reputation	Rumours	Local Media - short term	Local Media - long term	National Media < 3 Days	National Media > 3 Days. MP Concern (Questions in House)

Appendix 4

Template Risk Register

Risk Ref	Corporate or Clinical Risk	Risk Source	Risk Description	Initial Risk Rating			Date Identified	Mitigations	Current Risk Rating			Progress Update Action Plan	Review Date	Lead	Directorate
				Likelihood	Consequence	Score			Likelihood	Consequence	Score				

Appendix 5

GUIDELINES FOR THE COMPLETION OF A RISK REGISTER

COLUMNS TO COMPLETE

1. Risk Reference – Unique number

2. Strategic Objective – The strategic objectives that are required to be achieved by NNE CCG. Objectives should be specific and include timescales where appropriate.

3. Risk Description - For each individual objective the risk (s) that could prevent the objective being achieved.

4. Current Controls – For each individual risk details any controls in place such as policies/ reporting procedures/ monitoring procedures that currently manage the risk.

5. Likelihood – The likelihood [probability] of a risk occurring [utilising the 5x5 numerical matrix]

6. Impact – The Impact [consequence] of a particular risk on the objective [utilising the 5x5 numerical matrix]

7. Score – The risk rating score – achieved by multiplying the Likelihood and Impact scores (utilising the 5x5 numerical matrix). The priority of the Risk(s) identified as low (green), medium (amber) or high (red) depending on the risk rating score (utilising the risk assessment matrix). This should be shown in this column as either LOW / MEDIUM / HIGH with the risk rating calculation and score also shown i.e. L x I = Rating

8. Date – The date that the risk was reported.

9. Action – Action[s] or controls identified to manage the risk by minimising the likelihood of the risk occurring or reducing the impact of a risk. The person responsible and a time for completing any action should be stipulated.

10. Action completed – Confirmation that an action has been completed. Date of completion should be stipulated. When actions are complete and now form part of the controls within the system the key controls column should be updated and the action removed from the register. The risk score should be reassessed when actions are complete as the level of risk should have reduced.

11. Date – The date for the next risk review.

12. Lead – Senior Manager within NNE CCG.

13. Residual Risk Score – Confirmation of the level of risk outstanding after action completed. The risk level should comprise of a risk rating score and a risk classification in accordance with the risk assessment matrix. This should be completed when the risk is identified to ensure the planned actions are sufficient to reduce the risk to an acceptable level. This should be shown in this column as either LOW / MEDIUM / HIGH with the risk rating calculation and score also shown ie L x I = Rating