

# Risk Management Policy

<b>Author(s) (name and post):</b>	Alison Smith, Director of Corporate Affairs
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[www.shropshiretelfordandwrekin.nhs.uk](http://www.shropshiretelfordandwrekin.nhs.uk)

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## 1. Introduction

1.1. This policy applies to NHS Shropshire, Telford and Wrekin Integrated Care Board, hereafter referred to as 'NHS STW'.

1.2. NHS STW is a statutory organisation which forms part of the wider Shropshire, Telford and Wrekin Integrated Care System (ICS). Whilst this policy outlines risk management arrangements for the statutory NHS STW, it is important that these arrangements work in partnership with other key parts of the ICS family and so the policy will be applied to those risks relating directly to commissioning functions undertaken in other parts of the ICS on behalf of NHS STW.

1.3. The management of risk across organisational boundaries is complex. Governance models should allow those sovereign organisations who are partners in the ICS to manage their own risks independently, whilst enabling a strong and holistic partnership approach to risk management to support the delivery of system objectives.

1.4. Risk should be an important feature within the different parts of the system architecture e.g. Integrated Care Board (ICB)/ Acute / Mental Health / Community Providers/ Councils/ Ambulance Provider/ Primary Care/ Place /Voluntary Sector. Partnership working can often lead to risks regarding risk ownership and accountability. As such, it is important that there are clear interrelationships regarding the management and ownership of risks between these different elements and acknowledge that organisations across the system may be responsible for implementing the controls and providing the assurances for aspects of strategic ICS risk.

1.5 The factors that determine whether a strategic ICS risk is likely to require controls and assurances from organisations other than NHS STW and as such should be seen as "system" risks and covered by this policy are defined as follows:

Risk to strategic objectives that:

- Can be controlled by an organisation but have an impact on other system partners and so action is required by others to manage the consequential impact; or
- Cannot be controlled by one organisation through its actions alone, and so collaborative or multi-organisational action is required to ensure the risk is controlled; or
- Risks that require multiple organisations/system wide actions they are efficiently and/or effectively managed due to the scale of the impact or the requirement for a consistent approach across the system.

1.6. NHS STW recognises risk management as an essential business activity that underpins the achievement of the system's objectives and those specific to NHS STW as a statutory organisation. A proactive and robust approach to risk management can:

- Reduce risk exposure through the development of a 'lessons learnt' environment and more effective targeting of resources.
- Support informed decision-making to allow for innovation and opportunity.
- Enhance compliance with applicable laws, regulations and national guidance.
- Increase stakeholder confidence in corporate governance and ability to deliver.

1.7. Risk is accepted as an inherent part of health care. Likewise, uncertainty and change in the evolving healthcare landscape may require innovative approaches that bring with them more risk. Therefore, it is not practical to aim for a risk-free or risk-averse environment; rather one where risks are considered as a matter of course and identified and managed appropriately.

1.8. This policy has been developed to ensure that risk management is fundamental to all of the NHS STW's activities and understood as the business of everyone. The policy has adopted the following principles of risk management as set out in the ISO 31000: 2018 standard<sup>1</sup>.

<b>Principle</b>	<b>Description</b>
<b>Integrated</b>	Risk management is an integral part of all organisational activities.
<b>Inclusive</b>	Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
<b>Structured and comprehensive</b>	A structured and comprehensive approach to risk management contributes to consistent and comparable results.
<b>Customised</b>	The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
<b>Dynamic</b>	Risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
<b>Best available information</b>	The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders
<b>Human and cultural factors</b>	Human behaviour and culture significantly influence all aspects of risk management.

<b>Continual improvement</b>	Risk management is continually improved through learning and experience
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1.9. This policy demonstrates NHS STW's commitment to its total risk management function. It sets out NHS STW's risk architecture (roles, responsibilities, communication and reporting arrangements) and describes how risk management is integrated into governance arrangements, key business activities and culture.

## 2. Purpose

2.1. This policy describes NHS STW's approach to the management of strategic and operational risks across the statutory organisation and ICS led commissioning functions. It also references how risk arrangements within NHS STW's will interface with other key parts of the system and with system partners.

2.2. The purpose of this guidance is to encourage a culture where risk management is viewed as an essential process of NHS STW's activities. It provides assurance to the public, patients and partner organisations that NHS STW's is committed to managing risk appropriately.

## 3. Scope

3.1 This policy applies to all employees and appointees of NHS STW, any individuals working within NHS STW in a temporary capacity and any staff of ICS partner organisations taking a lead role in ICS strategic commissioning functions directly or via delegation by NHS STW (hereafter referred to as 'individuals').

## 4. Definition of Risk Management Terms

4.1 The following terms are used throughout this document:

<b>Term</b>	<b>Definition</b>
Assurance	Evidence that controls are working effectively. Assurance can be internal (e.g. committee oversight) or external (e.g. internal audit reports).
Assurance Framework	A (Board) Assurance Framework is a structured means of identifying and mapping the main sources of assurance in an organisation, and co-ordinating them to best effect.  The Assurance Framework document is the key source of evidence that links the organisation's strategic objectives to risk, controls and assurances and the main tool a

	Board should use in discharging its responsibility for internal control
Controls	The measures in place to control risks and reduce the impact or likelihood of them occurring.
Integrated Care Board (ICB)	NHS STW is the statutory NHS organisation within the ICS which holds responsibility for NHS functions and budgets.
Integrated Care Partnership (ICP)	The ICP is a statutory committee which brings together all ICS system partners to produce a health and care strategy.
Integrated Care System (ICS)	The ICS is a partnership that brings together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of the population.
Initial risk score	The numerical assessment of the risk (impact vs. likelihood) prior to considering any additional mitigating controls and/or actions.
Current (or Residual) risk score	The numerical assessment of the risk (impact vs. likelihood) after taking into consideration any mitigating controls and/or actions.
Operational Risk Register	A tool for recording identified 'live' operational risks and monitoring actions against them.
Operational risk management	<p>Risk management processes which focus on 'live' operational risks which the organisation is potentially facing. It relies upon the identification of risks, which are 'dynamic' in nature and are managed via additional mitigations.</p> <p>Operational risk management processes are centred around the Operational Risk Register.</p>
Operational risks	<p>These risks are by-products of day-to-day business delivery. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives.</p> <p>ICB operational risks include corporate risks (those which directly relate to NHS STW's objectives/duties) and system risks (those</p>



	ICB risks which relate to the delivery of system priorities).
Place-based Partnerships (PBPs)	Place-based partnerships are collaborative arrangements formed by the organisations responsible for arranging and delivering health and care services in a locality or community.
Risk	There are many definitions of risk, but this policy has adopted the definition set out in ISO 31000 in that a risk is the 'effect of uncertainty on objectives'. The effects can be negative, positive or both. It is measured in terms of impact and likelihood.
Risk appetite	The amount and type of risk that an organisation is prepared to pursue, retain or take' in pursuit of its strategic objectives.
Risk assessment	An examination of the possible risks that could occur during an activity.
Risk culture	The values, beliefs, knowledge and understanding of risk, shared by a group of people with a common intended purpose.
Risk logs	Risk logs are a tool for capturing operational level risks at team/directorate/place/project-level which may impact on the delivery of local objectives. Examples of risk logs may include: <ul style="list-style-type: none"> <li>• Place-based Partnership Risk Logs;</li> <li>• Directorate/Team specific Risk Logs;</li> <li>• Project Risk Logs;</li> <li>• Transformation Programme Risk Logs.</li> </ul>
Risk management	The arrangements and activities in place that direct and control the organisation with regard to risk.
Risk mitigation	How risks are going to be controlled in order to reduce the impact on the organisation and/or likelihood of their occurrence.
Risk profile	The nature and level of the threats faced by an organisation.
Risk treatment	The process of selecting and implementing suitable measures to modify the risk.

Strategic objectives	Strategic objectives describe a set of clear organisational goals that help establish priority areas of focus. Whilst broad and directional in nature, they need to be specific enough that their achievement can be assured and progress measured. They should have direct alignment with the (Board) Assurance Framework and NHS STW's performance management processes
Strategic risk management	Risk management processes which support the achievement of the organisation's strategic objectives. It focuses on the proactive identification of 'high level' risks which are managed by an established control framework and planned assurances.  Strategic risk management processes are centred around the (Board) Assurance Framework.
Strategic risks	Potential, significant risks that are pro-actively identified and threaten the achievement of strategic objectives.

The summary below summarises the differences between strategic and operational risks. Further detail is provided at Appendix A.

### Strategic Risks

**Identified:** Top-down

**Impact:** Achievement of aims/objectives

**Managed by:** Established control framework and planned assurances

**Monitored via:** Board Assurance Framework

Operational Risks

### Operational Risks

**Identified:** Bottom-up

**Impact:** Execution of strategy/plans

**Managed by:** Additional mitigating actions

**Monitored via:** Operational Risk Register

## 5. Roles and Responsibilities

Roles	Responsibilities
<b>Integrated Care Board</b>	The Board has overall accountability for risk management and, as such, needs to be satisfied that appropriate arrangements are in place and that internal control systems are functioning effectively. The Board determines NHS STW's risk appetite and risk tolerance levels and is also responsible for establishing the risk culture
<b>NHS STW Audit Committee</b>	The Audit Committee provides the Board with assurance on the effectiveness of the Board Assurance Framework and the robustness of NHS STW's operational risk management processes. The Committee's role is not to 'manage risks' but to ensure that the approach to risks is effective and meaningful. In particular, the Committee supports the Board by obtaining assurances that controls are working as they should, seeking assurance about the underlying data upon which assurances are based and challenging relevant managers when controls are not working or data is unreliable.
<b>All committees (including Place Based Partnership Committees)</b>	All committees are responsible for monitoring operational risks related to their delegated duties*. This will include monitoring the progress of actions, robustness of controls and timeliness of mitigations. They are also responsible for identifying risks that arise during meeting discussions and ensuring that these are captured on the Operational Risk Register.
<b>Operational/Delivery Groups/ICS Delivery Boards (including the Executive Group)</b>	All operational groups are responsible for working with System Partners and monitoring risks associated to the delivery of their duties and/or objectives. This will include ensuring risk logs are in place and risks are escalated to NHS STW's Operational Risk Register as and when it is appropriate to do so.
<b>NHS STW Chief Executive</b>	The Chief Executive has responsibility for maintaining a sound system of internal control that supports the achievement of NHS STW's policies, aims and objectives, whilst safeguarding public funds and assets. This includes promoting the NHS STW's risk culture within the Executive Team, wider directorates and across system partners
<b>NHS STW Non Executive and Partner Members</b>	As members of the Board and committees, Non-Executive Members will ensure an impartial approach to NHS STW's risk management activities and should satisfy themselves that systems of risk management are robust and defensible

<b>NHS STW Director of Corporate Affairs</b>	The Director of Corporate Affairs leads on the implementation of corporate governance and risk and assurance systems across NHS STW's. This includes the development, implementation and co-ordination of NHS STW's risk management activities and provision of training and advice in relation to all aspects of this policy.
<b>NHS Executive Directors</b>	Executive Directors are responsible for ensuring effective systems of risk management are in place, and commensurate with this policy, within their respective Directorates. This includes promoting NHS STW's risk culture and ensuring all senior leaders, within their respective Directorates, have a robust understanding of the organisation's risk management arrangements.
<b>Senior Leadership Team (including Directors and Deputy Directors)</b>	Members of the Senior Leadership Team are responsible for leading risk management arrangements within their Teams, which includes, but is not limited to, ensuring that: <ul style="list-style-type: none"> <li>• Risk Logs are in place to support delivery of team, place and project/programme objectives;</li> <li>• Operational risks are appropriately escalated from Risk Logs to NHS STW's Operational Risk Register;</li> <li>• Mitigating actions are in place to manage risks in line with NHS STW's risk appetite statement; and that</li> <li>• Staff are suitably trained in relation to risk management</li> </ul>
<b>Senior Information Risk Officer (SIRO)</b>	The SIRO takes ownership of NHS STW's information risks and acts as advocate for information risk on the Integrated Care Board.
<b>Risk Owners</b>	Risk owners are responsible for ensuring robust mitigating actions are identified and implemented for their assigned risks.
<b>Individuals</b>	All individuals are responsible for complying with the arrangements set out within this policy and are expected to: <ul style="list-style-type: none"> <li>• Routinely consider risks when developing business cases, commencing procurements or any other activity which could be impacted by unexpected events (undertaking specific risk assessments as necessary).</li> <li>• Ensure that any operational risks they are aware of are captured on the Operational Risk Register or Directorate/Team Risk Logs as appropriate.</li> </ul>

\* Risks cannot always be addressed in isolation from each other. Risks may have different facets (e.g. finance and quality) and management actions may impact on different areas of NHS STW's. Where this is the case, a pragmatic approach will be taken and risks may be scrutinised by more than one committee.

## 6. Risk Appetite

6.1. Good risk management is not about being risk averse, it is about recognising the potential for events and outcomes that may result in opportunities for improvement, as well as threats to success.

6.2. A 'risk aware' organisation encourages innovation, to achieve its objectives and exploit opportunities and can do so in confidence that risks are being identified and controlled by senior managers.

6.3. The Board has agreed to the following risk appetite statement:

Risk Appetite Statement	
	Context
Status Quo	<p>We are currently operating in a challenging environment. What we once regarded as exceptional circumstances have become the new normal and carry very <b>HIGH</b> risks across the board: to the health and wellbeing of our population; to the quality of services; to our ability to reduce inequalities and improve health and care outcomes; to our financial sustainability; to our ability to meet regulatory obligations; to our reputation and to our workforce resilience and sustainability. Maintaining the status quo and continuing to operate in the same way as we currently are a high-risk option. To achieve our objectives, we need to change our approach and to be braver. This means increasing our appetite for risk in some areas to achieve the benefits we want for our population.</p>
Innovation	<p>The board wishes to consider innovative ideas, even if they carry <b>HIGH</b> risks because we believe:</p> <ul style="list-style-type: none"> <li>• If we stick to all the current approaches, the situation is highly likely to get worse.</li> <li>• The risk of doing nothing is greater than the risk of implementing innovative approaches which fail, because we can learn from the failures and do better in the future.</li> <li>• Only innovative thinking will help us improve population health and wellbeing and the quality of services in a sustainable way</li> </ul> <p>We are particularly interested in innovation which moves resources away from treatment and towards early intervention and prevention and that enables us to target inequalities. We will seek innovative approaches to addressing our strategic risks.</p> <p>When considering whether or not to adopt an approach we will always seek to understand the benefits that it can deliver against our priorities.</p> <p>In general, we will prefer approaches that enable us to:</p> <ul style="list-style-type: none"> <li>• accelerate the time scale in which benefits can be delivered</li> <li>• deliver benefits at greater scale and with a wider scope of impact, for example benefiting more of our population or several areas of inequality</li> <li>• deliver sustained benefit</li> <li>• deliver commensurate benefits for our partners</li> </ul> <p>Our aim is to balance risk and benefits and to balance risk across all risk domains to ensure we can innovate whilst operating within regulatory and statutory frameworks.</p>
Evidence-base	<p>We have a <b>MEDIUM</b> attitude to the evidence we require to support the adoption of innovative ideas. We prefer there to be some evidence of the risks and benefits associated with an innovative approach before we adopt it. In some instances, we are willing to be amongst the first to adopt innovative ideas where there is scant/emergent evidence of impact and risk if these are our best options for addressing our most challenging priorities and can be adapted to our local circumstances.</p> <p>We are willing to help build the evidence-base and identify early indicators that demonstrate the delivery of benefits or the emergence of risk.</p>
Controls and	<p>To enable us to deliver potentially high-risk approaches, we require a <b>HIGH</b> level of control when we innovate. We expect very tight controls and detailed mitigation, with regular updates</p>

<b>mitigation</b>	<p>to the board for potential course-correction. We would like to see:</p> <ul style="list-style-type: none"> <li>• Risk mitigation and controls being delivered across the system, with input from both the NHS and local authorities, as well as other partners</li> <li>• Devolution of responsibility around mitigation and controls, so those closest to the area of risk can respond to immediate information and are empowered to take decisions.</li> <li>• Controls that are proportionate and effectively manage risk without stifling innovation</li> <li>• Controls based on measures of impact and outcomes and early indicators of risk</li> </ul>
<b>Planning and Delivery</b>	<p>We have a <b>HIGH</b> appetite for developing and delivering ambitious plans against accelerated timelines to achieve our aims and objectives. We will operate a control environment and programme management approach that enables innovation whilst ensuring we can act quickly to identify and address risks and issues and take corrective action where delivery varies from agreed trajectories.</p> <p>Our planning approach will identify the outcome and output measures which we will use to assess our progress and demonstrate our success. We will ensure these can be monitored during implementation.</p>
<b>Capacity</b>	<p>Our capacity to bear risks is <b>LOW</b> to <b>MEDIUM</b>. The risks inherent in the status quo are significantly beyond our current capacity to bear risk, across several risks categories. This, coupled with our ambition to adopt innovations, even where they may involve high risks, means that we are actively pursuing measures to increase our capacity, e.g., through:</p> <ul style="list-style-type: none"> <li>• Pooling or transferring risks, e.g., use of Better Care Fund and s75 arrangements, outcomes-based contracts, s113 arrangements</li> <li>• Closely working with regulators</li> <li>• Working closely with stakeholders and partners to share rationale and build support for difficult decisions</li> <li>• Proactively communicating and engaging with stakeholders and the population to identify the issues we need to solve and enable co-design</li> <li>• Proactively communicating and working with staff at all levels to build support for new ways of working</li> <li>• Proactively working with NHSE on paths to financial stability, which may involve some short to medium term increases in financial risks</li> </ul> <p>While we are willing to consider innovations which carry high risks across all and any risk category, our constrained capacity means that we will have to be very selective in which ideas we pursue in each time horizon.</p>

6.4 A proposed set of Risk Domains have been agreed which are categories (or areas) of risks that is an effective way to group individual risks to highlight a potential source of threats so these can be captured at a BAF, operational or Project/Programme/Team/Place level. These are set out in **appendix C** and have been mapped to the committees within the ICB governance structure where assurance would be received on the management of each category of risk.

6.5 To translate the ICS risk appetite as described above in terms of risk areas as outlined in appendix C, the table in **appendix D** of this policy expresses the risk appetite statement against each of the risk domains for information.

## 7. Risk Tolerance

7.1. Whilst risk appetite is about the pursuit of risk, risk tolerance is concerned with the level of risk that can be accepted (e.g., it is the minimum and maximum level of risk NHS STW's is willing to accept reflective of the risk appetite statement above).

7.2. For operational risks rated lower than 12 (High), the responsible committee may agree that they can be tolerated. However, this is subject to the committee being satisfied that no other actions can be undertaken, and that robust management and monitoring controls are in place.

7.3. Some risks are unavoidable and will be out of NHS STW's ability to mitigate to a tolerable level. Where this is the case, the focus will move to the controls in place to manage the risks and the contingencies planned should the risks materialise.

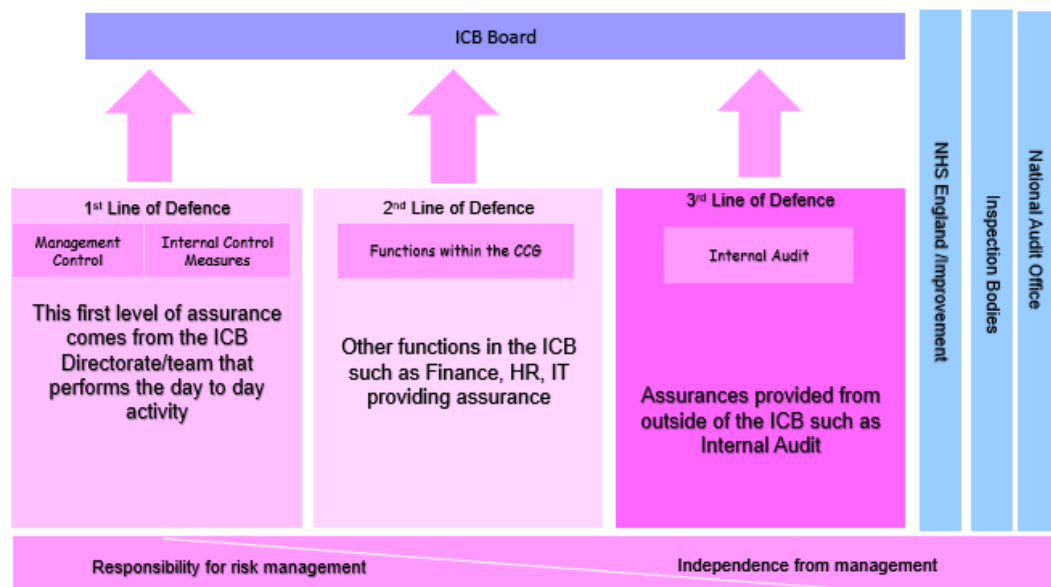
## 8. Levels of Assurance

8.1 Assurance is the sufficient and appropriate evidence that a risk is well managed and being mitigated. Assurance may be either positive or negative and may be generated either internally or externally. Assurance provided by external bodies is considered to be a stronger source of assurance.

8.2 The "three lines of defence" model (HM Government 'The Orange Book') describes how risk management responsibilities and assurances combine. The 'three lines of defence' model is a concept for helping to identify and understand the different contributions the various sources can provide. By defining the sources of assurance in three broad categories, the model helps users to understand how each contributes to the overall level of assurance provided and how best they can be integrated and mutually supportive.

- First line: the way risks are managed and controlled day-to-day. Assurance comes directly from those responsible for delivering specific objectives or processes. It may lack independence, but its value is that it comes from those who know the business, culture and day-to-day challenges.
- Second line: the way the organisation oversees the control framework so that it operates effectively. The assurance provided is separate from those responsible for delivery, but not independent of the management chain, such as risk and compliance functions.
- Third line: objective and independent assurance, e.g., internal audit, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls. The level and depth of assurance provided will depend on the size and focus of the internal audit function and management's appetite for internal audit assurance.

8.3 The Board is not a line of defence as it has responsibility and accountability for setting the ICB's objectives, strategies to achieve these objectives and establishing roles, structures and process to manage risks in achieving objectives. The following diagram explains the relationship between the challenge and scrutiny function of the Board and the three sources of assurance it receives.



## 9. Strategic Risk Management

9.1. Strategic risks are high-level risks that are pro-actively identified and threaten the achievement of NHS STW's strategic objectives and key statutory duties. Strategic risks are owned by members of the Executive Management Team and are outlined within NHS STW's System Board Assurance Framework (BAF).

9.2. The Assurance Framework provides the Board with confidence that NHS STW's has identified its strategic risks and has robust systems, policies and processes in place (controls) that are effective and driving the delivery of their objectives (assurances). It provides confidence and evidence to management that 'what needs to be happening is actually happening in practice'.

9.3. The Assurance Framework plays an important role in informing the production of the Annual Governance Statement and is the main tool that the Board should use in discharging overall responsibility for ensuring that an effective system of internal control is in place.

9.4. The Board approves the strategic risks (opening position) during the first quarter of the financial year, following agreement of the strategic objectives. The Board reviews the fully populated Assurance Framework bi-annually (mid-year and year-end) to affirm that sufficient levels of controls and assurances are in place in relation to the organisation's strategic risks.

9.5. The Assurance Framework is reviewed and updated by Executive Directors and the Director of Corporate Affairs throughout the year. This involves a review of the effectiveness of controls and what evidence (internal or external) is available to demonstrate that they are working as they should (assurances). Any gaps in controls or assurances will be highlighted at this point and actions identified.

9.6. The Audit Committee will receive a rolling programme of targeted assurance reports which, over a 12 month period, covers all of NHS STW's strategic objectives (the full Assurance Framework). This enables a focussed review on specific sections of the



Assurance Framework and allows for robust discussions on the actions in place to remedy any identified gaps in controls and assurances.

## 10. Operational Risk Management

10.1. Operational risks are 'live' risks the organisation and/or system is currently facing which are by-products of day-to-day business delivery. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives.

10.2. Operational risk management relies upon reactive identification of risks, which are 'dynamic' in nature. Operational risks are managed via additional mitigations and are captured on NHS STW's Operational Risk Register; a template is included as **appendix G**.

10.3. The Operational Risk Register is the central repository for all of NHS STW's operational risks. Whilst risks will feature across a number of NHS STW's processes, it is important that these are captured centrally to provide a comprehensive log of prioritised risks that accurately reflects NHS STW's risk profile.

10.4. The Operational Risk Register reflects both operational risks relevant to NHS STW's as a corporate body (operational risks associated with delivery of NHS STW's statutory duties) and operational risks associated with the delivery of system objectives/priorities (operational risks associated with the delivery of transformation programmes, for example).

10.5. NHS STW's Operational Risk Register will not capture operational risks which are owned by ICS System Partners that they are accountable for via their individual statutory organisations.

10.6. The Operational Risk Register contains details of the risk, the current controls in place and an overview of the actions required to mitigate the risk to the desired level. A named individual (risk owner) is given responsibility for ensuring the action is carried out by the chosen due date. Members of the Senior Leadership Team are assigned 'risk owners' for risks within the Operational Risk Register.

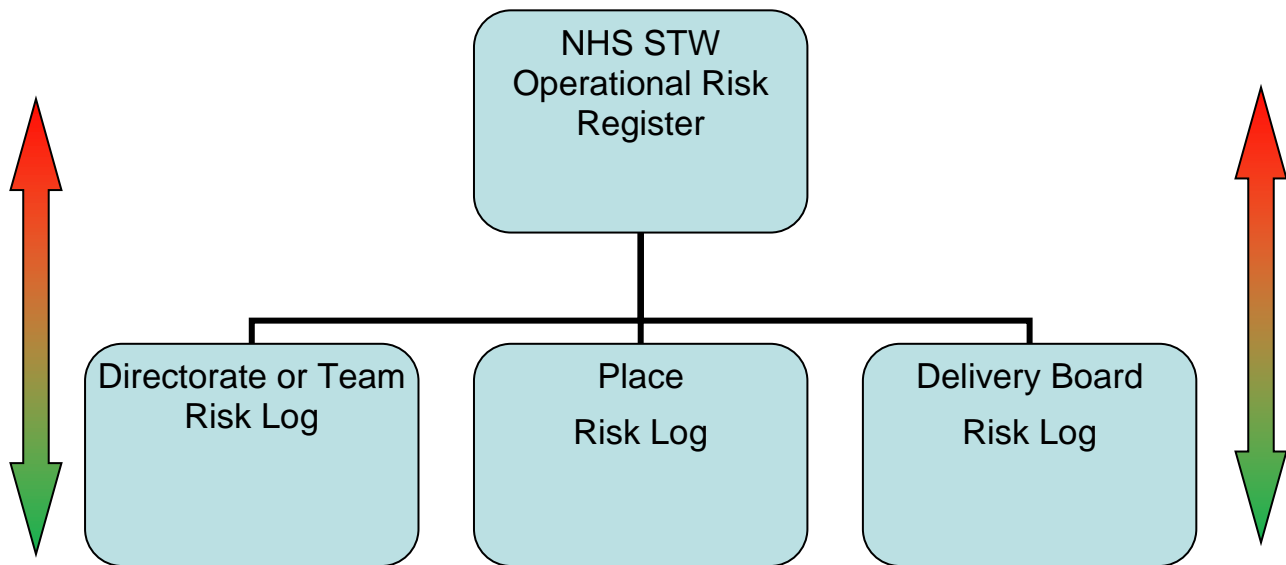
## 11. Risk Logs

11.1. Risk logs are used to record operational risks at individual team, Place and programme/project-level.

11.2. Risk logs should be used to record operational risks at team, Place and programme/project-level which are considered significant enough to be captured on NHS STW's Operational Risk Register and those that are not to ensure that a complete picture is recorded of all risks. Such risks are identified in line with the Place/programme/team/Directorate-level objectives which have been set. A Risk Log template is in place and included as **appendix G**.

11.3. Whilst a fundamental part of NHS STW's risk management arrangements (ensuring and demonstrating that project-level and/or team-level risks are being actively identified and managed), risk logs do not require the same level of management as the Operational Risk Register or Assurance Framework and, therefore, the oversight and scrutiny for team level risk logs is the responsibility of the relevant senior manager(s) (e.g. member of the Senior Leadership Team) to establish this. It may, for example include routine consideration of Risk Logs at project and/or team meetings.

11.4. When identified risks are considered as needing to be escalated (e.g., may directly impact the achievement of ICB objectives), these must be escalated to the Operational Risk Register. The Director of Corporate Affairs can offer support and guidance regarding risk escalation.



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## 12. Risk Management Processes

### Risk Assessments

12.1. Risk assessments can be undertaken at the start of any activity and provide a helpful means of anticipating 'what could go wrong' and deciding on preventative actions. For specific risk assessments relating to workplace safety (e.g. use of display screen equipment, lone working, maternity, etc.), please refer to NHS STW's health and safety policies. Please refer to the Risk Assessment Code of Practice for further information.

### Risk Identification

12.2. Operational risks (those which require adding to the Operational Risk Register) may be identified through an assortment of means, for example by risk assessments, external assessments, audits, complaints, during meetings and through horizon-scanning. For example, any medium (or higher) risks identified within internal or external audit reports are captured within the Operational Risk Register.

12.3. NHS STW's Board, and its Committees, have a key role in the identification of risks in response to information presented to, and discussions held, at each meeting. A standing agenda item is included for every meeting to determine if there are any new risks that need to be considered for the Operational Risk Register.

12.4. Regular meetings are held with Executive Directors and members of the Senior Leadership Team to discuss new or evolving risks within their respective portfolios/teams. This may include corporate or system risks.

### Interface with System Partner Risks

12.5. ICB risk management arrangements should consider risks identified by system partners, however, it is important to note that system partner risks should not be 'escalated' to NHS STW's Board for management. It is also recognised that the scoring of risks by system partners may not necessarily reflect the risk score for NHS STW's Operational Risk Register or the System BAF; as individual sovereign organisations will be assessing risks against their own objectives.

12.6. System risk management is about the collective accountability and mitigation of risks; it is not the formal escalation of risks from ICS System Partners to NHS STW.

### Risk Evaluation

12.7. Risks are evaluated by defining qualitative measures of impact and likelihood, as shown in the risk scoring matrix, shown in **Appendix E**, to determine the risk's RAG rating. Risk scores can be subjective, therefore, the scores will be subject to review and agreement by senior managers and/or the responsible committee. The Director of Corporate Affairs can also offer support and guidance regarding risk evaluation.

### Risk Control

12.8 Risk Control is the process of selecting and implementing measures to mitigate the risk to an acceptable level. Once risks have been evaluated, a decision should be made as to whether they need to be mitigated or managed through the application of controls (as described using the 'four T' risk treatment model below).

Control	Description
<b>Terminate</b>	Opt not to take the risk by terminating the activities that will cause it (more applicable to project risks).
<b>Treat</b>	Take mitigating actions that will minimise the impact of the risk prior to its occurrence and/or reduce the likelihood of the risk occurring.
<b>Transfer</b>	Transfer the risk, or part of the risk, to a third party
<b>Tolerate</b>	Accept the risk and take no further actions. This may be due to the cost of risk mitigation activity not being cost effective or the impact is so low it is deemed acceptable to the organisation. Risks which are tolerated should continue to be monitored as future changes may make the risk no longer tolerable.

12.9. The majority of operational risks should have the ability to reduce in impact and/or likelihood and the relevant risk treatment must be performed to mitigate risks to an acceptable level. High and extreme operational risks (those scoring 8 or above) which are not deemed to be treatable will be highlighted to the Board as part of routine risk reporting.

12.10. For operational risks rated lower than 8, the responsible committee may agree that they can be tolerated. However, this is subject to the committee being satisfied that no other actions can be undertaken and that robust management and monitoring controls are in place.

12.11. Such risks will show as 'inactive' on the Operational Risk Register (therefore remaining within the risk profile) but will not be subject to ongoing committee scrutiny. The relevant risk lead will be responsible for highlighting any relevant changes to 'tolerated' risks (e.g. whether they can be archived or need to be reactivated). Any 'inactive' risks will be reviewed on an annual basis.

## Management and Reporting of Risks

12.12. The following categories of risk grading provide a high-level view of management and reporting requirements. Expected management of risks at each grading has been designed in consideration of NHS STW's risk appetite.

- **NHS STW Board** will oversee all risks with an overall score of 15+ (e.g., any high and/or extreme operational risks from the Operational Risk Register) at regular meetings.
- **Committees** will oversee all risks relevant to their remit with an overall score of 8+ (e.g., medium rating and upwards) from the Operational Risk Register and System BAF at each of their meetings.
- **The Audit Committee** will receive bi-annual risk management updates, including the full Operational Risk Register, which will enable any risk themes and trends to be reviewed; ensuring any multiple, similar risks of a low impact and likelihood are not ignored. This will support their duty to provide the Board with assurance on the robustness and effectiveness of NHS STW's risk management processes.

	Low (1 – 3)	Moderate (4 – 6)	High (8-10)	Extreme (15 – 25)
<b>Level of risk</b>	An acceptable level of risk that can be managed at directorate/team/project level (recorded in risk logs)	A generally acceptable level of risk but corrective action needs to be taken (e.g. new risk at score 6 or escalated from Risk Log(s) to ICB Operational Risk Register).	An unacceptable level of risk which requires senior management attention and corrective action	An unacceptable level of risk which requires urgent Executive and senior management attention and immediate corrective action
<b>Add to ICB Operational Risk Register?</b>	No	No unless there are exceptional reasons for escalation with quarterly progress updates (as a minimum)	Yes with bi monthly progress updates (as a minimum)	Yes with monthly progress updates (as a minimum)
<b>Oversight and scrutiny</b>	Risk logs to be reviewed in relevant Team/Directorates meetings or place based or Delivery Boards	Risk Logs and possibly Operational Risk Register for risk score 6, (full or relevant extracts) to be reviewed by the relevant committees at each meeting	ICB Operational Risk Register (full or relevant extracts) to be reviewed by the relevant committees at each meeting	All red/high/Extreme risks on NHS STW's Operational Risk Register to be highlighted to the Board

### 13. Performance Risks

13.1. NHS STW's Board monitors the system performance against key delivery priorities via a separate, but parallel, process to NHS STW's risk management arrangements.

13.2. In order to minimise duplication, failures to achieve performance standards are not routinely identified as specific risks on NHS STW's Operational Risk Register. This should not indicate its absence from the organisation's overall risk profile and poor performance from a risk perspective will be referenced as necessary when reporting externally on risks (e.g. in the Annual Governance Statement).

13.3. The consistent non-delivery of performance standards will be assessed to ensure that any specific risks this poses to NHS STW's functions (e.g. a detrimental impact on health outcomes, patient safety or patient experience) are identified and captured on the Operational Risk Register.

### 14. Management of Issues

14.1 Issues are not routinely recorded on NHS STW's Operational Risk Register as they are managed via the organisation's performance management framework. However, discretion may be used by senior leads/managers as to whether local issues are captured on individual risk logs.

14.2 Known issues are an important mechanism to determine if there are any new risks needed to be identified, and captured, within NHS STW's risk management arrangements. The Director of Corporate Affairs can provide further support and guidance on the management of issues.

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## **15. Fraud Risk Assessment**

15.1. The Government Functional Standard 013: Counter Fraud Management of counter fraud, bribery and corruption activity has applied to NHS organisations since April 2021. The standard is part of a suite of standards that promotes consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement.

15.2. The NHS Counter Fraud Authority (NHSCFA) is a health authority charged with identifying, investigating and preventing fraud and other economic crime within the NHS. The NHSCFA requires the organisation to undertake a local risk assessment to identify fraud, bribery and corruption risks and to ensure these are recorded and managed in line with its risk management policy.

15.3. A separate fraud risk register will be maintained by NHS STW and reported to the Audit Committee once a year (as a minimum), to coincide with the Counter Fraud annual planning process.

## **16. Emergency Planning, Resilience and Response (EPRR) Risk Management**

The NHSE EPRR Strategic Framework is a strategic national framework containing principles for health emergency preparedness, resilience and response for NHS-funded organisations in England including but not limited to NHS Trusts, Foundation Trusts, Care Trusts, providers of NHS-funded primary care, NHS commissioning organisations including NHS England and Integrated Care Boards.

As part of the NHS England EPRR framework, providers and commissioners of NHS funded services must show they can effectively respond to major, critical and business continuity incidents whilst maintaining services to patients.

The key objective is to provide confidence through effective oversight, direction and co-ordination of the NHS to enable it to provide a resilient response to incidents and emergencies that could have a national impact upon the NHS.

All NHS-funded organisations must meet the requirements of the Civil Contingencies Act 2004, the NHS Act 2006, the Health and Care Act 2022, the NHS standard contract, the NHS Core Standards for EPRR and NHS England Business Continuity Management Framework.

Risk management sits at the heart of EPRR and as such the NHS STW approach aligns to the principles set out in this policy. NHS STW's approach to EPRR focuses on the assessment of risks that might arise from major, critical and business continuity incidents. This includes the assessment of the potential for certain incidents to arise (such as power outages, adverse weather and cyber attacks) as well as the ability to respond to the risks that unforeseen incidents may cause.

EPRR risk management will principally be overseen by the Local Health Resilience Partnership (LHRP) supported by the Health Emergency Planning Operational Group (HEPOG) The LHRP, which reports to the Audit Committee, will be responsible for maintaining an EPRR Risk Register that adheres to the Risk Management principles set out in this policy. In line with this policy, where specific risks meet the relevant thresholds they will be escalated for inclusion on the Corporate Risk Register

The LHRP has a responsibility to review its Risk Register at each meeting but also to consider other Risk Registers (Local Authority, West Midlands Local Resilience Forum, for instance) to ensure there is a broad view of risks, their potential impact and mitigation. The LHRP will link with Internal

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Audit periodically to ensure that there is independent review of its approach to risk management, that the approach remains consistent with the principles set out in the document and that there is a continuous cycle of improvement built into its approach.

## **17. Confidentiality**

16.1. Where risks are not deemed to be in the public interest, they will be clearly marked as confidential on the Operational Risk Register and reported to NHS STW's Board during its closed session. This should be for a time-limited period only and risk owners and committees are responsible for agreeing when confidentiality no longer applies

## **18. Communication, Monitoring and Review**

18.1. The policy will be published and maintained in line with NHS STW's Policy Management Framework.

18.2. The policy will be highlighted to new staff as part of the local induction process and made available to all staff through NHS STW's internal communication procedures (and internet/intranet sites).

18.3. NHS STW's Audit Committee will review the effectiveness of this policy, and its implementation, via quarterly targeted assurance update reporting.

18.4. NHS STW Board will review the risk appetite on an annual basis.

18.5. Internal Audit will report on the implementation of this policy as part of the annual Head of Internal Audit Opinion work programme.

## **19. Staff Training**

19.1. The Corporate Affairs Team will proactively raise awareness of the policy across NHS STW and provide ongoing support to committees and individuals to enable them to discharge their responsibilities. Members of the Corporate Affairs Team can be contacted for formal training at team meetings (or other forums) by email: [alison.smith112@nhs.net](mailto:alison.smith112@nhs.net) or [tracy.eggby-jones@nhs.net](mailto:tracy.eggby-jones@nhs.net)

19.2. Any individual who has queries regarding the content of the policy, or has difficulty understanding how this relates to their role, should contact NHS STW's Corporate Affairs Team on: [alison.smith112@nhs.net](mailto:alison.smith112@nhs.net) or [tracy.eggby-jones@nhs.net](mailto:tracy.eggby-jones@nhs.net)

## **20. Equality and Diversity Statement**

20.1 NHS Shropshire, Telford and Wrekin ICB pays due regard to the requirements of the Public Sector Equality Duty (PSED) of the Equality Act 2010 in policy development and implementation, as a commissioner and provider of services, as well as an employer.

20.2 NHS STW is committed to ensuring that, the way we provide services to the public and the experiences of our staff does not discriminate against any individuals or groups on the basis of their age, disability, gender identity (trans, non-binary) marriage or civil partnership status, pregnancy or maternity, race, religion or belief, gender or sexual orientation.

20.3 We are committed to ensuring that our activities also consider the disadvantages that some people in our diverse population experience when accessing health services. Such disadvantaged groups include people experiencing economic and social deprivation, carers, refugees and asylum seekers, people who are homeless, workers in stigmatised occupations, people who are geographically isolated, gypsies, roma and travellers.

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20.4 As an employer, we are committed to promoting equality of opportunity in recruitment, training and career progression and to valuing and increasing diversity within our workforce.

20.5 To help ensure that these commitments are embedded in our day-to-day working practices, an Equality Impact Assessment has been completed for, and is attached to, this policy.

## **21. References**

- Assurance Frameworks, (2012). HM Treasury.
- A Risk Practitioners Guide to ISO 31000:2018, (2018). The Institute of Risk Management. • Board Assurance: A toolkit for health sector organisations, (2015). NHS Providers.
- The Orange Book: Management of Risk – Principles and Concepts, (2020).
- Risk Appetite & Tolerance, (2011). The Institute of Risk Management.
- NHS Audit Committee Handbook, (2018). Healthcare Financial Management Association
- NHS Governance Handbook, (2017). Healthcare Financial Management Association
- Risk Appetite for NHS Organisations: A matrix to support better risk sensitivity in decision taking. (2012). The Good Governance Institute



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## APPENDIX A

### Characteristics of Strategic and Operational Risks

<b>Strategic Risks</b>	<b>Operational Risks</b>
<p data-bbox="172 506 703 589">Captured on NHS STW's Board Assurance Framework</p> <p data-bbox="124 667 751 750">Potential "high level" risks that may impact delivery of strategic objectives</p> <p data-bbox="248 947 628 983">Proactive identification</p> <p data-bbox="140 1064 738 1146">Managed by established control framework and planned assurances</p> <p data-bbox="105 1227 772 1310">Long term e.g. little movement expected in risk scores</p> <p data-bbox="132 1386 746 1469">Will be high/major (red) risks by their nature</p>	<p data-bbox="842 506 1469 589">Captured on NHS STW's Operational Risk Register</p> <p data-bbox="810 667 1501 837">"Live" operational risks which are potentially being faced which may impact delivery of strategic objectives and/or organisational priorities</p> <p data-bbox="970 972 1339 1008">Reactive identification</p> <p data-bbox="815 1088 1497 1124">Managed by additional mitigating actions</p> <p data-bbox="868 1205 1444 1288">Dynamic, short term e.g. expected movement in risk scores</p> <p data-bbox="858 1368 1453 1451">Can range from medium (amber) to high/major (red)</p>

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## APPENDIX B

### Risk Identification Guidance

The purpose of this guidance is to support staff in identifying operational risks that may require entry on to their local risk logs and/or for escalation to NHS STW's Operational Risk Register.

Further guidance on identifying risks can be provided by contacting NHS Shropshire, Telford and Wrekin's Corporate Affairs Team on: [alison.smith112@nhs.net](mailto:alison.smith112@nhs.net) or [tracy.eggby-jones@nhs.net](mailto:tracy.eggby-jones@nhs.net)

The general definition of a risk is "the effect of uncertainty on objectives" and it is the responsibility of all staff to:

- Identify risks at the conceptual stage of projects, as well as throughout the life of the project.
- Routinely consider risk within any planning, procurement or other ICB business and system activities.
- Ensure that any **operational** risks they become aware of are captured on local risk logs and/or NHS STW's Operational Risk Register (dependent on score).

**Operational** risks are defined as by-products of the day-to-day running of an organisation. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives. The objective which may not be achieved needs to be considered in the risk wording.

Good practice for articulating risks is as follows:

a) If [Event that has an effect on objectives] then [due to] caused by [cause/s] resulting in [consequence/s]; or

b) If [Event that has an effect on objectives] then [due to] caused by [cause/s]. This may result in [consequence/s].

Training on writing risk statements can be requested from the Director of Corporate Affairs. Operational Risk and Risk Log templates are also available in **appendix G** to this policy.

Categorise the risk using the categories in Appendix C and use the risk scoring matrix in Appendix E to calculate what the risk is at the moment (before any actions have been implemented). You then need to consider the controls you have in place to manage this (e.g. contract monitoring arrangements) and any additional actions that may be needed to mitigate the risk to an acceptable level.

## APPENDIX C

### Categories of Risk

A proposed set of Risk Domains have been agreed which are categories (or areas) of risks that is an effective way to group individual risks to highlight a potential source of threats so these can be captured at a BAF, operational or Project/Programme/Team/Place level. These are set out below and have been mapped to the committees within the ICB governance structure where assurance would be received on the management of each category of risk.

<b>Domain</b>	<b>Descriptor</b>	<b>Assurance Committee</b>
<b>Population Health</b>	Risks to developing robust plans and/or delivering agreed system plans/priorities, including the required transformation programmes that ensure the delivery of equitable and improved outcomes for our citizens. Including risks to the commissioning of appropriate services that meet the populations needs and tackle health in equalities.	Board
<b>Engagement and Partnership Working</b>	Risks to effective engagement and communication with patients, carers, the public, clinicians and all other stakeholders. Risks to partnership working with wider ICS partners.	Strategy Committee Integrated Delivery Committee
<b>Quality</b>	Risks to maintaining and improving quality; including the safety and effectiveness of treatment and care and patient experience and to compliance with quality standards including regulatory and performance standards.	Quality and Performance Committee
<b>Finance and resources</b>	Risks to all areas pertaining to finance and financial control including financial sustainability. This also includes risks related to contractual enforcement issues.	Finance Committee
<b>Workforce</b>	Risks to sustaining a skilled and effective workforce, incorporating issues related to staff recruitment and retention, training and development (including succession planning) and organisational morale and culture.	System People Committee
<b>Regulation, Governance and Probity</b>	Risks to compliance and the ability to demonstrate compliance with: <ul style="list-style-type: none"> <li>• regulatory standards,</li> <li>• legal standards,</li> <li>• standards of business conduct and governance (including Information Governance)</li> <li>• statutory duties including those related to delegated functions</li> </ul> This includes transparency in decision-making, the robust management of conflicts of interest.	Audit Committee

## APPENDIX D

### Risk Appetite and Categories of Risk

Risk appetite by risk category	
Population health and wellbeing and inequalities	We have a <b>MEDIUM</b> appetite for risks that impact the health and wellbeing of our population. To address inequalities and improve outcomes for specific priority populations we are prepared to take decisions that risk an adverse or differential impact on other population segments. We will target our resources to ensure equity of outcome even when this means investing differentially or disinvesting in existing services. We believe that sustainably addressing a wide range of inequalities requires us to concentrate on addressing the broader determinants of health and investing in primary prevention. This requires a long-term approach that may result in adverse impacts in the short to medium term as we target resources accordingly. We will look for opportunities to pool resources to address the broader determinants of health. We prefer options where we know we can establish robust methods for monitoring and measuring impact on outcomes.
Engagement and Partnership working	We have a <b>HIGH</b> appetite for risks that impact our relationships and engagement with partners and stakeholders. We will promote potentially controversial ideas and innovations and make difficult decisions if we believe these could result in benefits, even if this risks considerable scrutiny and media attention. We will seek to manage any risks through proactive communication and engagement and involving all our stakeholders in our decisions.
Quality of services	We have a <b>MEDIUM</b> appetite for risks that impact the quality of our services and will accept some well controlled quality risks if there is the potential for delivering increased benefit for example by targeting inequalities in quality outcomes, accelerating quality improvement or exceeding quality standards. We believe that quality can be improved by addressing inequities in access to care and early interventions and will prioritise those approaches that ensure we are able to address people's needs early. We will seek to minimise quality risk by putting in place robust quality monitoring and building an evidence base for quality improvement. For example, we may make a decision that could have some impact on some service users' experience if we believe it will result in significant improvements in safety health or outcomes. In these circumstances we will actively manage risk and prioritise meeting patient safety and regulatory standards.
Workforce	We have a <b>MEDIUM</b> appetite for risks that impact the sustainability of our workforce. In some circumstances we are prepared to adopt innovative ways of working particularly where this may increase efficiency, productivity and value for money. For example, we may change existing employment practices to support multi-disciplinary and cross organisation working. We will seek to minimise risks by creating sustainable ways of recruiting, training and retaining staff across organisations and sectors and aligning our workforce to services that better meet population needs and address inequalities.
Finance	We have a <b>MEDIUM</b> appetite for financial risk. We would seek to minimise these risks by operating robust financial controls, harnessing the benefits of joint working and looking at improving utilisation of assets and resources across the system. We are prepared to accept some financial risk when this is associated with actions that could improve productivity and value for money and/or capitalise on opportunities to accelerate or increase benefits. We are willing to invest differentially to target initiatives and reduce inequalities and we understand that implementation of innovations needs to be adequately resourced. We also understand that adequate time needs to be allowed before assessing the implementation as there may be a lag between the implementation and the desired results. We are willing to address difficult conversations about finances openly and directly, engaging with implications and risks connected to finances in an integrated way. We are looking for joined up system financial management, which takes account of the differing financial requirements and constraints of system partners.
Regulation, Governance and Probity	We have a <b>MEDIUM</b> appetite for risks that impact on regulation, governance and probity. We will always seek to reduce the risk by acting in an open and transparent way and with integrity. We recognise that delivering our objectives may occasionally require us to challenge orthodoxies around regulatory requirements in the interests of "doing the right thing." We expect to have very clear and proactive communication with regulators to secure their support. <ul style="list-style-type: none"> <li>• We will ensure we put in place the culture, systems and processes that enable us to take an innovative approach whilst meeting regulatory and governance standards and delivering our statutory duties.</li> </ul>

## Appendix E Risk Scoring Matrix

### Impact Scoring (I)

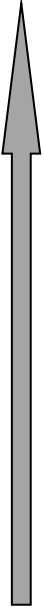

Category	Impact Scoring				
Impact Score	1	2	3	4	5
Descriptor	Negible	Minor	Moderate	Major	Severe
<b>Population Health</b>	Minimal or no negative impact on the health inequalities of the population	Minor impact on environment	Moderate negative impact on the health inequalities of the population	Major negative impact on the health inequalities of the population	Severe negative impact on the health inequalities of the population
<b>Engagement and Partnership Working</b>	Transformation timescale small slippage	Transformation timescale small slippage	Transformation timescale small slippage or incomplete	Transformation timescale slippage or incomplete  Difficult working relationship  Contractual leavers	Unable to make transformation happen  Difficult working relationship with potential reputational damage  Contractual leavers
<b>Quality</b>	Minor reduction in quality of treatment or service  No or minimal effect for patients	Single failure to meet national standards of quality of treatment or service  Low effect for a small number of patients if unresolved	Repeated failure to meet national standards of quality of treatment or service  Moderate effect for multiple patients if unresolved	Ongoing non-compliance with national standards of quality of treatment or service  Significant effect for numerous patients if unresolved	Gross failure to meet national standards with totally unacceptable levels of quality of treatment or service  Very significant effect for a large number of patients if unresolved
<b>Finance and resources</b>	Insignificant cost increase	1-2% over plan/target	2-5% over plan/target	5-10% over plan/target	>10% over plan/target
<b>Workforce</b>	Short term low staffing level that temporarily reduces service quality (<1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>1 day)  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Unsafe staffing level or competence (>5 days)  Loss of key staff  Very low staff morale  No staff attending mandatory/key training	Non-delivery of key objective/ services due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff  No staff attending mandatory training / key training on an ongoing basis
<b>Regulation,</b>	No or minimal	Breach of statutory	Single breach in	Enforcement action	Multiple breaches

<b>Governance and Probity</b>	impact or breach of guidance/ statutory duty	legislation Reduced performance rating if unresolved	statutory duty Challenging external recommendation/ improvement notice	Multiple breaches in statutory duty Improvement notices Low performance rating Critical report	in statutory duty Prosecution Complete systems change required Zero performance rating Severity critical report
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### Likelihood Score (L)

Category	Likelihood Scoring				
<b>Likelihood Score</b>	1	2	3	4	5
<b>Descriptor</b>	Rare	Unlikely	Possible	Likely	Almost Certain
<b>Frequency/How likely is it to happen?</b>	This probably will never happen/recur	Do not expect it to happen/recur, but it is possible it may do so	Might happen or recur occasionally	Will likely happen/recur, but is not a persisting issue or circumstance	Very likely to happen/recur; possibly frequently

### Impact (I) x Likelihood (L) Risk Matrix

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

When the Likelihood and Impact are multiplied together, the resulting score gives a risk rating of between 1 and 25 on the matrix.

The rating of each risk will determine the required responsibility:

<b>Risk Level</b>	<b>Rating</b>	<b>Actions required</b>	<b>Responsibility</b>
Very Low (green)	1 - 3	Normal local measures	Line manager/team leader/Project lead/Programme lead to prepare plan Head of Service to approve plan
Low (yellow)	4 - 6	Formal risk assessment	Head of Service to prepare plan Directorate meeting and Director to approve plan
Moderate (amber)	8 - 12	Action plans required Reporting to designated Committee	Director to prepare plan. Committee to approve plan
High (red)	15 – 25	Immediate action required to reduce risk Reporting to CEO and Committee	Executive Director to prepare plan. Committee to approve plan Board to receive assurance on plan
Extreme (purple)	20 - 25	Immediate action required to reduce risk Reporting to CEO and Board	Executive Director to prepare plan. Board to approve and monitor plan

## APPENDIX F SYSTEM BAF TEMPLATE

Strategic Aim:		Risk score And RAG rating
Strategic Risk No.1:		
Risk Appetite:		
<i>If we are</i>	<i>Then we will not be able to</i>	<i>Resulting in</i>

	Impact	Likelihood	Score	Risk Trend
Current				
Target				

Risk Lead		Assurance committee	
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System Controls	Assurances reported to ICB Board and committees
Strategies and Plans	First Line of Assurance
Partnerships and Services	Second Line of Assurance
Governance & Engagement Structures	Third Line of Assurance
Gaps in Controls and Assurances	Actions and mitigations to address control / assurance gaps

Current Performance – Highlights

Associated Risks on the ICB Corporate Risk Register		
Risk no.	Description	Current score

Relevant risks on system partners risk registers
Description



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APPENDIX G

OPERATIONAL RISK AND RISK LOG TEMPLATE

**Operational Risk and Risk Log template showing content structure:**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Risk ID	Strategic Pledge or Purpose	Opened/ added by/ ref to ICB and/or provider BAF	Risk title and description	Opportunity	Existing key controls	Existing sources of assurance	Gaps in controls/ assurances	Risk Score (consequence x likelihood)	Risk Score Trend	Action plan/cost/action lead/review date/sufficient mitigation	Target risk score for end of financial year	Director or risk owner	Risk Owner	Committee/ Board oversight	Amendments: name and date

Column 1 – unique number reference given sequentially

Column 2 – Cross reference risk to the Pledge or purpose it would prevent the ICS or ICB achieving

Column 3 – Who/What added the risk and when, and what external risk registers it maps to

Column 4 – Summary title of risk and then fuller description of risk – using IF, THEN and RESULTING IN methodology

Column 5 – Summary of the opportunity the risk may present

Column 6 – Summary of the controls already in place when the risk was identified and then subsequently updated on review.

Column 7 – Summary of the assurances already in place when the risk was identified and then subsequently updated on review. Use the 1<sup>st</sup>/2<sup>nd</sup>/3<sup>rd</sup> lines of assurance to quantify assurances consistently (see section 8).

Column 8 – Summary of the gaps in appropriate controls/assurances at the time the risk is identified and then subsequently updated on review.

Column 9 – Using the risk matrix an evaluation of the consequence and likelihood of the current risk taking into account the existing controls and assurances.

Column 10 – Add in a trend arrow to show if risk rating has stayed the same, increased or reduced from last reporting review.

Column 11 – Using the gaps in controls and assurances in column 7 identify actions required to fill those gaps and also to achieve the target rag rating in column 10 which reflects the point that the risk will be accepted. This should also document the review date.

Column 12 – Evaluate the target risk score at which point the risk will become acceptable.

Column 13 - Director identified – this is the person who will be accountable for coordinating strategic delivery of the mitigating actions

Column 14 - Risk Owner identified – this is the person who will be accountable for coordinating operational delivery of the mitigating actions (applicable to ERR only)

Column 15 – Identify here which Committee or if the Board will maintain regular oversight and receive regular reporting on risk.

- B - Board

- 
- QP – Quality and Performance Committee
  - F – Finance Committee
  - PC – Primary Care Commissioning Committee
  - AC – Audit Committee
  - SC – Strategy Committee
  - ID – Integrated Delivery Committee
  - R – Remuneration Committee
  - SP – System People Committer
  - ShIP – Shropshire Integrated Partnership
  - TWIP – Telford and Wrekin integrated Partnership

Column 16 - Audit trail of amendments to the risk record – name of person amending content and date.

# APPENDIX H

## Equality Impact Assessment

### Stage 1 Initial screening

<b>Name of the proposed policy/service/function:</b> Risk Management Policy			
<b>Author(s) of the policy/service/function:</b> Alison Smith, Director of Corporate Affairs			
<b>Directorate:</b> Corporate Affairs <b>Date created:</b> August 2023 <b>Date for review:</b> 1 <sup>st</sup> August 2026			
<b>The main aims of the policy or proposed policy/service/function:</b>			
The policy documents NHS STW's approach to risk management			
<b>The intended objectives and outcomes of the policy/service/function:</b>			
The policy's purpose is to encourage a culture where risk management is viewed as an essential process of NHS activities and demonstrates the organisation is committed to managing risk appropriately.			
<b>Does the policy/service/function affect any of the following groups of people? (Y or N)</b>			
Group	Positive impact	Negative impact	Why? (Please explain your reasons. This section must be completed)
Race	X		Risk management is a mechanism that provides the opportunity for identification of areas in the organisation commissioning processes or internal business processes where equality issues may be hidden to be exposed and actions to mitigate them undertaken.
Gender	X		See above.
Disability	X		See above.
Sexual orientation	X		See above.
Age	X		See above.
Religion or belief	X		See above.
Gender reassignment	X		See above.
Marriage and Civil Partnership	X		See above.
Pregnancy and Maternity	X		See above.

**NOTE:**

Positive impact – there may be a positive impact on any of the groups above in relation to promoting equal opportunities and equality. For example, a targeted programme for black and minority ethnic women would have a positive effect on that group compared to white women and all men. It is not, however, necessarily an adverse impact on white women and men.

Negative impact – there may be a negative impact on any of the groups (i.e. disadvantage them in any way). An example of this would be that if an event were to be held in a building with no loop facilities a negative and adverse impact would affect attendees with a hearing impairment

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**What evidence has been used to screen the policy? (e.g. monitoring data, consultation, focus groups, local population data):**

Risk assurance activity is all inclusive; all matters will be treated equally using the approach outlined in the policy regardless of where the risk arises.

**What monitoring arrangements are in place for the future?**

Monitoring of the policy is outlined in its content.

If no negative or adverse impact has been identified please sign off and the process ends here.

**Signature:** Alison Smith

**Date:** 1<sup>st</sup> August 2023

If a negative or adverse impact has been identified please proceed to Stage 2