

# **NHS Derby and Derbyshire Clinical Commissioning Group**

## **Risk Management Framework Standard Operating Procedure**

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<b>Author:</b>	Corporate Delivery Team
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## **1. PURPOSE OF THE RISK MANAGEMENT STANDARD OPERATING PROCEDURE**

- 1.1 The purpose of the NHS Derby and Derbyshire Clinical Commissioning Group (“CCG”) Risk Management Standard Operating Procedure is to set out the process for all CCG staff proposing to add a new risk to the Corporate Risk Register for final approval at Governing Body. The Corporate Risk Register aims to effectively record and manage the CCGs Corporate Risks, the owners of which are the relevant Functional Directors of the CCG. The Governing Body will scrutinise the measures and mitigating actions that are demonstrated through the Risk report presented monthly. This provides assurance that risks are being managed so that the current score may reduce, or provides a rationale where the score is unchanged.
- 1.2 This procedure aims to ensure that the CCG has a consistent process in place and standard for all staff to follow, and ensures that the correct authorisation mechanisms have been undertaken prior and during the approval process.
- 1.3 This Standard Operating Procedure should be read in conjunction with Appendix 1.

## **2. SCOPE**

- 2.1 The Standard Operating Procedure applies to all CCG staff members who propose to add a new risk to the CCGs Corporate Risk Register for final approval at Governing Body.

## **3. PROCESS PRIOR TO APPROVAL OF CORPORATE RISK**

- 3.1 A new risk should initially be discussed at the relevant Directorate Team Meeting and added to their Directorate Concerns Log if a risk/issue is confirmed. The New risk form detailed in Appendix 1 should be completed, authorised by the relevant Executive Director and returned to the Risk Management & Legal Assurance Manager. The potential corporate risk will be discussed at the next Risk Group to ascertain whether this risk should be added to the Corporate Risk Register. For urgent risks, a virtual Risk Group can be facilitated to scrutinise the potential risk and decision made whether this needs adding to the Corporate Risk Register.
- 3.2 If the risk is approved, The Risk Management & Legal Assurance Manager will confirm and prepare a supporting cover sheet to be submitted to the next Committee meeting relevant to the proposed risk.
- 3.3 Following the Committee meeting, the Risk Management & Legal Assurance Manager will seek confirmation that the risk has been approved by the Committee.
- 3.4 Once Committee approval has been confirmed, the Risk Management & Legal Assurance Manager will provide an update to the Governing Body as part of the monthly Governing Body paper outlining the risk and will add to the Corporate Risk Register.

#### 4. PROCESS FOLLOWING APPROVAL OF THE CORPORATE RISK

- 4.1 On a monthly basis, the responsible Action Owner as detailed on the Risk Register, will be emailed for an update position to be identified. The risk should be carefully reviewed and an update provided including:
- Progress description of actions taken during month
  - Current Risk Score
  - Target Risk Score
  - Target Risk Date
  - Explanation if risk score lower than target score
- 4.2 If there are any changes to the current or target risk scores, please provide an explanation/rationale for the change to support this. If the risk score is unchanged, please ensure you update clearly the actions you are taking to reduce the risk – these develop month on month to demonstrate progress towards reducing the risk.

The updated Corporate Risk Register is submitted to both the relevant Committee and very high risks reported to Governing Body, highlighting the specific updates and changes. Governing Body also receive a report detailing the Very High risks (scored at 15 or over). The Executive Team also receive a monthly report detailing the Very High risks.

## **5. MONITORING**

- 5.1 A Risk Group is established and meets on a monthly basis to review the risks on the NHS Derby and Derbyshire CCG risk register and provide assurance to the CCG Governing Body and Committees that the risks on the risk register are being monitored and managed, and that the risk management process is firmly embedded within the organisation.
- 5.2 The Risk Group identifies, discusses and agrees scoring of risks. It is a supportive forum that provides a cross cutting view of the risk register and the work across the whole organisation, and provides an opportunity to unpick and map themes / intelligence arising across a number of internal and external sources.

## **6. CLOSURE OF RISKS**

- 6.1 Risks can be recommended to be closed at the relevant Committee. Once the relevant Committee has approved closure, the Risk Management & Legal Assurance Manager will update Governing Body as part of the monthly paper presented, asking for approval for the risk to be closed. Once approved for closure at Governing Body, the risk will be removed from the Corporate Risk Register.

7. APPENDIX 1

**New Risk Form**

Date Risk Identified	Responsible Executive Lead	Risk Action Owner	Links to which Corporate Objective				
<b>Risk Description</b> <i>Because of 'A' (the cause) we are concerned that 'B' (the risk event) might happen and it matters because of its impact on 'C' (its effect) *See page 16 to 17 and Appendix 4 for further information</i>							
Risk Description:							
Event:							
Effect:							
Risk Rating Matrix:	Risk scoring = Probability x Impact (P x I)						
	Impact		Probability				
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost certain
	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	

Potential Score (without controls in place) Likelihood x Impact = Score			Current Score (with controls in place) Likelihood x Impact = Score			Target Score (what is the target score) Likelihood x Impact = Score		
Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score
<u>Target Date:</u>								
Control Measures								
Mitigations (what is in place to prevent the risk occurring)					Actions (what is being done)			
Assurances								
Progress								
Actions taken this month (what action has been taken to mitigate the risk)								

Form completed by: \_\_\_\_\_ Role: \_\_\_\_\_

Name of Committee proposed new risk will be presented at for discussion and approval:

Approved by (Authorising Executive) Signature:

Date of Risk Group Approval:

Governing Body Date of submission for noting:

Completed forms to be returned to: Rosalie Whitehead, Risk Management & Legal Assurance Manager,  
 Governance Department, NHS Derby and Derbyshire CCG, Scarsdale, Nightingale Close, Newbold Road,  
 Chesterfield, Derbyshire S41 7PF Tel: 01246 514028  
[rosaliewhitehead@nhs.net](mailto:rosaliewhitehead@nhs.net)

8. APPENDIX 2

## Risk Rating Matrix

The information in this Appendix is based on guidance issued by the National Patient Safety Agency ([www.npsa.nhs.uk](http://www.npsa.nhs.uk)).

**Table 1: Probability score (P)**

What is the likelihood of the consequence occurring?

The frequency-based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify a frequency.

Probability score	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
<b>Frequency</b> How often might it/ does it happen	This will probably never happen/ recur	Do not expect it to happen/recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently

**Table 2: Impact score (I)**

Choose the most appropriate domain for the identified risk from the left hand side of the table, then work along the columns in same row to assess the severity of the risk on the scale of 1 to 5 to determine the consequence score, which is the number given at the top of the column.

Impact score	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
<b>Domains</b>					
<b>Impact on the safety of patients, staff or public (physical/psychological harm)</b>	Minimal injury requiring no/minimal intervention or treatment.  No time off work	Minor injury or illness, requiring minor intervention  Requiring time off work for >3 days  Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention  Requiring time off work for 4-14 days  Increase in length of hospital stay by 4-15 days  RIDDOR/agency reportable incident	Major injury leading to long-term incapacity/disability  Requiring time off work for >14 days  Increase in length of hospital stay by >15 days  Mismanagement of patient care with long-term effects	Incident leading to death  Multiple permanent injuries or irreversible health effects  An event which impacts on a large number of patients

Impact score	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Domains					
<b>Service/business interruption</b> <b>Environmental impact</b>	Loss/interruption of >1 hour  Minimal or no impact on the environment	Loss/interruption of >8 hours  Minor impact on environment	Loss/interruption of >1 day  Moderate impact on environment	Loss/interruption of >1 week  Major impact on environment	Permanent loss of service or facility  Catastrophic impact on environment
<b>Quality/complaints/audit</b>	Peripheral element of treatment or service suboptimal  Informal complaint/inquiry	Overall treatment or service suboptimal  Formal complaint (stage 1) Local resolution Single failure to meet internal standards  Minor implications for patient safety if unresolved  Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness  Formal complaint (stage 2) complaint  Local resolution (with potential to go to independent review)  Repeated failure to meet internal standards  Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved  Multiple complaints/independent review  Low performance rating  Critical report	Totally unacceptable level or quality of treatment/service  Gross failure of patient safety if findings not acted on  Inquest/ombudsman inquiry  Gross failure to meet national standards
<b>Human resources/organisational development/staffing/competence</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/service due to lack of staff  Ongoing unsafe staffing levels or competence  Loss of several key staff  No staff attending mandatory training /key training on an ongoing basis

Impact score	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Domains					
<b>Statutory duty/ inspections</b>	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation  Reduced performance rating if unresolved	Single breach in statutory duty  Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty  Improvement notices  Low performance rating	Multiple breaches in statutory duty  Prosecution Complete systems change required  Zero performance rating
<b>Adverse publicity/ reputation</b>	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence  Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House)  Total loss of public confidence
<b>Business objectives/ projects</b>	Insignificant cost increase/ schedule slippage	<5 per cent over project budget  Schedule slippage	5–10 per cent over project budget  Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
<b>Financial, including claims</b>	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget  Claim less than £10,000	Loss of 0.25–0.5 per cent of budget  Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget  Claim(s) between £100,000 and £1 million  Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget  Failure to meet specification/ slippage  Loss of contract / payment by results Claim(s) >£1 million

**Table 3: Risk scoring = Probability x Impact (P x I)**

Impact		Probability				
		1	2	3	4	5
		Rare	Unlikely	Possible	Likely	Almost certain
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

For rating risks, the scores obtained from the risk matrix are assigned grades as follows:

	1 – 3	Low risk
	4 – 6	Moderate risk
	8 – 12	High risk
	15 – 25	Very high risk