

‘You matter, we care’

Summary Report – Trust Board Meeting (Part 1)	Date: 26th June 2013
Report Title: Risk Registers – the way forward	
Agenda Item: BD/13/77	Enclosures:
Sponsor: Company Secretary	Presenter: Emma Roberts, Company Secretary
Report Author: Company Secretary	
Report discussed previously at:	ET; SMT; Chair of Audit Committee has contributed comments on the proposals.

Purpose of the Report and Action required		
To advise the Board on actions by ET to improve the effectiveness and usability of the Trust’s Risk Registers, and gather Board views on the next steps as planned by ET and led by the Company Secretary.	Approval	
	Discussion	X
	Information	

Executive Summary of Key Issues
<p>The Trust has a comprehensive risk register process set out in its risk management strategy. ET has approved a number of actions to remove some user-dissatisfactions about the current system and strengthen the effectiveness of the system – these include:</p> <ul style="list-style-type: none"> • Flattening and re-focussing the risk register hierarchy to better reflect where the Trust can best manage risks. • Separately identifying risks the Trust can control and those it can in the main only react to. • Introducing a new “Trust-wide Risk Register” to monitor and manage the high-level risks as identified in the Integrated Business Plan. • Issuing detailed guidance to risk-register users, to include definitions of what should be shown in a risk register, how and when to escalate risks, and so on.

Risk Registers – the way forward

Which Strategic Objective does this paper address	
Consolidate	Y
Integrate	Y
Expand	Y

Corporate Impact Assessment	
Quality and Safety implications	The Risk Register process is an integral part of Quality and Safety delivery and assurance.

Recommendations to other committees
<p>The Audit and Risk Committee is required to provide the Board with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across the whole of the Trust's activities. The Chair of the Audit and Risk Committee has contributed comments on the proposals and that Committee may therefore choose to explore the issue in greater depth.</p>

Recommendation/Decision
<p>The Board is recommended to note the report.</p>

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Risk Registers – the way forward

1. Overview

- 1.1. This report summarises a number of areas where ET is taking action to improve the Trust's existing risk register processes by strengthening both the information available for decision-making and the evidence provided for assurance. The suggested improvements are based on a number of best-practice publications.ⁱ
- 1.2. The areas for improvement were identified and confirmed after discussion with a number of AWP's senior managers and with the Chair of the Audit and Risk Committee. The proposals have been warmly welcomed by the Trust's Senior Management Team after discussion at their meeting on 19 June 2013.
- 1.3. The Trust Board is asked to consider the actions described below, and comment on their likely effectiveness as an element of the frameworks and systems providing the Board with assurance that risks are being competently and effectively identified, analysed, and managed.

2. Analysis and Discussion

- 2.1. After discussion about the Trust's risk management strategy and procedures with a small range of senior staff at AWP, there is general agreement that the current system has many benefits in promoting and enabling a transparent and effective risk management process, but also has some significant areas for development. The key dissatisfactions with the system have been expressed as:
 - 2.1.1. There is a wide variation across the Trust in peoples' understanding and experience of completing and using risk registers, which limits consistency and the usefulness of entries.
 - 2.1.2. The Excel spreadsheets currently used to produce Risk Registers and their associated reports have inherent limitations around validated data-integrity, around relatively inflexible reporting (especially with regard to dynamic and volatile risks), and can encourage a 'form-filling' approach while still not providing a comprehensive audit/assurance trail.
 - 2.1.3. It appears difficult to prioritise risks or see how they fit alongside and cross-reference with other reporting systems and publications such as IQ reports, the Integrated Business Plan. etc.
 - 2.1.4. Different audiences have different needs and perspectives but the current process provides a 'one size fits all' report.
 - 2.1.5. Detailed guidance does not seem available in a 'dialect' a general user can understand and work with.
 - 2.1.6. From a Board perspective, it is not easy to see which risks are manageable by AWP and which are out of AWP's control.

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- 2.2. At their meeting of 18 June 2013 ET agreed to implement a number of immediate actions:
- 2.2.1. Flattening and refocusing the risk register hierarchy not on a pyramid of escalation/de-escalation from 'local' up to 'Corporate', but on who is best-placed to manage the initial risk.
 - 2.2.2. Separately identifying risks as either:
 - 2.2.2.1. Strategic risks - outside the Trust's control and all that can be done is to mitigate their probability or impact;
 - 2.2.2.2. Operational risks - within the Trust's control and so can be removed, reduced or mitigated.
 - 2.2.3. Setting up a separate "Trust-wide Risk Register" with risks "owned" by the Trust Board and Executive Team - for Board discussion, a draft has been prepared using the risks identified in the June 2013 draft IBP and defined in paragraph 7.4 of the IBP: "Each risk is considered to have the potential to impact significantly on the achievement of one or more of the Trust's strategic objectives and/or local delivery plans". As presented within the IBP these are quite broad risk-themes, and are to be further developed in Directorate, Locality and specialist Risk Registers.
 - 2.2.4. Updating the current spreadsheet format to show three risk ratings:
 - 2.2.4.1. Inherent rating – as at the time the risk is identified
 - 2.2.4.2. Current rating – as at the time of reporting
 - 2.2.4.3. Target/Residual rating – as at some designated time in the future when further identified control action has been completed.
 - 2.2.5. Providing a one-page 'task guide' and a more detailed 'protocol' giving clear guidance on how to complete the current spreadsheet - this can be issued to individual risk register users and provide the basis of training.
 - 2.2.6. Redefining the escalation/de-escalation protocols – "Escalate risks only if they cannot be adequately managed at the level they were first identified".
 - 2.2.7. Planning regular refresher training for managers and contributors to risk registers, to include an explanation of how information flows through the reporting system and what actions are taken - perhaps finding an opportunity to re-launch 'risk management' and brief people on how to use risk registers.

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- 2.3. Further developments agreed by ET for the next phase are to:
- 2.3.1. Strengthen the links between the Trust's Risk Registers and the Board Assurance Framework, for example by providing a clear cross-reference for all entries and ensuring that common issues and themes clearly flow through all the elements of the assurance frameworks.
 - 2.3.2. Strengthen the overall "risk literacy" of the Trust by ensuring that managers see and use risk management and risk registers not simply as a routine reporting exercise, but as an easy-to-use tool that helps them to deliver high-quality care for patients and service-users by identifying, removing, minimising and controlling all the things that can go wrong.
 - 2.3.3. Align the appropriate level of Risk Registers with the Trust's 2013/14 service structure and the Committee and group structure of the Quality Assurance Framework adopted by the Trust Board on 2nd May 2013.
 - 2.3.4. Replace the current spreadsheet-based system with a dedicated risk-management and reporting software module, encouraging managers to make full use of risk management as a control technique, improving differentiated reporting, and strengthening data-validation.
- 2.4. The Chair of the Audit and Assurance Committee has advised the requirement for the Trust Board to be sighted not only on those risks which cannot be effectively mitigated at a more local level but also those where the "gross" risk is so high that the efficacy of the control is key to a proper assessment of the level of residual risk. This requirement will be included in improvements to reporting of risks at all levels.

3. Conclusion

- 3.1. The actions described above are intended to strengthen the Trust's overall risk management processes and complement the development of the 2013/14 Board Assurance Framework. They are part of continuing developments intended to help AWP people make the Trust "brilliant at the basics" and deliver the motto, values and strategy as set out in the Integrated Business Plan 2013/14 to 2017/18.

4. Recommendation

- 4.1. The Trust Board is invited to discuss the proposed actions, to offer contributions and thoughts as to the future direction and development of the Trust's risk management processes, and to note the actions agreed by ET.

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ⁱ NHS National Patient Safety Agency Risk Assessment Programme Overview (November 2006);
NHS National Patient Safety Agency Healthcare risk assessment made easy (March 2007);
NHSLA 'Improving Safety' publication "Acute, Community, MHandLD and Non-NHS Providers Evidence
Template - 2013 – 2014" sheet 1.1;
Board Assurance Frameworks; A Simple Rules Guide for the NHS (March 2009)

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