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7.0	28 Mar 2012	Approved by Trust Board following collective EMT review, and Q&HG Committee scrutiny	LDH	Approved

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Risk Strategy

8.0	26 Sept 2012	Approved by Trust Board	LDH	Approved
9.0	13 February 2014	Revised to reflect new risk management framework and recommended to the Board by Audit and Risk Committee.	Corporate Governance and Risk Manager	Recommended to Board for approval

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1. Introduction

Risk is defined as uncertainty of outcome, whether positive opportunity or negative threat, of actions and events. Risks must be assessed in respect of the combination of the probability of an event happening and the severity of the impact which occurs.

The Trust acknowledges that there are inherent risks involved in the provision of mental health care, but also benefits to be realised. The Trust recognises that effective risk management needs to give full consideration to the environment/context in which it functions and to the risk priorities of partner organisations.

2. Purpose

The Trust's defined purpose is to provide the highest quality mental healthcare to promote recovery and hope. In order to achieve its purpose the Trust must manage the risks it faces.

The purpose of this strategy is set out the Trust's vision statement in respect of risk management. This strategy defines the Trust's appetite for risk as it recognises that risk is unavoidable and that action needs to be taken to manage risk in a way which can be justified to a level which it is comfortable to operate within, and support clinical risk taking in a collaborative manner.

3. Strategic Vision

Our risk strategy is based on the five strategic priorities that provide the Trust with a clear direction of travel to support its Strategic Objectives.

- We will deliver the best care
- We will support and develop our staff
- We will continually improve what we do
- We will use our resources wisely
- We will be future focused

We use a structured and robust methodology to identify, score, prioritise and manage risks. Risk is inherent in the Trust's business, so we must have a systematic approach to managing risk to ensure we can deliver the best care to our Service Users. The Trust manages risk in a holistic way through risk recording and reporting structures, ensuring that risks are captured across every directorate and therefore area of business, and through horizon scanning we identify risks to the future of the Trust. We will be proactive in working with partners to understand the risks they face and their impact.

Risk management supports continuous improvement through the identification and implementation of controls to mitigate risks, as well as through the assessment of risks which present opportunities for expansion and future growth.

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4. Risk Appetite

The Trust Board has considered the organisation's appetite for risk and agreed the following statements:

The risk appetite statement will be added following agreement by the Audit and Risk Committee.

5. Roles and Responsibilities

The **Trust Board** has ultimate responsibility for the management of the risks facing the organisation. It considers the corporate risks facing the Trust as part of its routine business to satisfy itself collectively that risks are being managed appropriately. The Trust Board continuously strives to strengthen the culture of risk management throughout the organisation.

The **Chief Executive** is accountable for having effective risk management systems and internal controls in place and for achieving statutory requirements.

Responsibility for the implementation of this strategy is delegated to the Director of Nursing.

The **Company Secretary and Director of Corporate Affairs** is the Executive Director for risk management. This director is responsible for ensuring the Trust's overall duty for risk management is discharged appropriately and has lead responsibility for the implementation of this strategy.

All **Executive Directors, Clinical Directors and Managers** are responsible for identifying, communicating and managing the risks associated with their portfolios in accordance with the framework set out in this strategy. They are responsible for understanding the approach towards risk management of all key clients, contractors, suppliers and partners and mitigate where necessary, where gaps are found. They are responsible for identifying risks that should be escalated to and from the Trust-wide Risk Register.

The **Corporate Governance and Risk Manager** is responsible for leading and co-ordinating the management of the Trust's risk processes, the development of risk management policies and for providing advice on risk management issues.

All employees and contractors are expected to be familiar with the Trust's approach to risk management, take a risk managed approach to their own work and take responsibility for the management of the risks they own.

6. Governance – Structural Arrangements

The Trust's risk management approach is aligned to its Quality Assurance Framework which illustrates the reporting lines and therefore lines of escalation from ward to Board. The Trust's Quality Assurance Framework is shown as Appendix 1.

The **Trust Board** considers the Trust-wide Risk Register and Board Assurance Framework at each meeting, and will annually additionally review all directorate risk

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registers. The purpose of this review is to test that the risk escalation processes are effective and that the Board is appropriately sighted on all risks.

Each **Board Committee** and its sub-groups has a collective responsibility to ensure effective risk management to ensure good governance as they discharge their duties, and this is reflected in their respective Terms of Reference. Through their work plans they will contribute towards reducing the organisation's exposure to risk. Risks identified by Committees and reporting groups will be communicated and recorded on the appropriate directorate risk register and subject to overview, monitoring and intervention, when required, by the Senior Management Team.

The **Audit and Risk Committee** is the Board Committee with overall responsibility for the overseeing of risk management within the Trust. It seeks regular assurance on the Trust's risk management arrangements to enable it to review the organisation's approach to risk management as well as reviewing the Trust-wide and / or selected directorate risk register at each of its meetings by rotation. Responsibility for assuring the monthly submission of the Trust-wide risk register to the Trust Board is devolved to the Trust-wide Management Group.

The Audit and Risk Committee evaluates the organisation's effectiveness in managing risks. It scrutinises the Trust's risk register arrangements alongside an intensive review of the Trust's Board Assurance Framework on an annual basis and reports its findings to the Trust Board. On occasion it will commission internal or external auditors to review and report on aspects of risk management or on the management of significant risks.

The **Senior Management Team** meeting collectively reviews the directorate risk registers at its monthly meeting. It agrees the Business, Clinical and Executive risk registers alongside the Trust-wide risk register and risk management plans and communicates this to the Trust Board for agreement and approval. The meeting recommends risks to the Board for escalation to the Trust-wide risk register.

The **Governance Management Group** reviews the Business, Clinical and Delivery Executive risk registers to ensure that appropriate risk registers are in place across the Trust, risks are being effectively captured and appropriate mitigating actions are being taken, The Group is then responsible for highlighting risks for escalation, based on the current risk score and perceived business impact for the Trust, to the Trust-wide risk register to the Senior Management Team. The work of the Governance Management Group will inform the regular assurance reports to the Audit and Risk Committee, and additionally any immediate issues or concerns will be flagged to the Committee.

Locality Governance meetings are held across the localities within the Operations directorate and responsibility for risk management at a local level lies with these groups. The content and format of these meetings must be consistent across localities.

7. Training

Guidance on populating risk registers and managing risks are available to managers and staff via Ourspace.

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A half-day training session covering the Trust's approach to risk management and the application of this is available for senior managers.

Additionally advice and support can be received from the Head of Risk and Compliance.

Board members will receive update risk management training on an annual basis. This may be about the mechanisms of risk management or focussed on a particular risk activity.

8. Monitoring or Audit

An annual assurance report on risk management will be provided to the Audit and Risk Committee.

A detailed review of the Trust's arrangements for risk management, in particular risk registers, will be considered by the Audit and Risk Committee on an annual basis.

The Audit and Risk Committee will report to the Board on its findings of its annual risk review.

The Trust's arrangements for risk management will be evaluated against various external standards, to include outcome measures for the Care Quality Commission and the Clinical Negligence Scheme for Trusts, etc.

The Trust Board will make an annual declaration in respect of risk management compliance in its Annual Governance Statement and this statement will be informed by the additional internal assurance arrangements put in place by the Trust's Audit and Risk Committee.

The Learning and Development department will maintain records of risk management training and follow up non attendees.

9. Definitions

Hazard is something that has the potential to cause harm, loss or damage.

Risk Management Strategy - the overall organisational approach to risk management as defined by the Trust Board, which is documented and easily available throughout the organisation.

Risk is defined as uncertainty of outcome, whether positive opportunity or negative threat, of actions and events.

Risk Assessment - the evaluation of risk with regard to the impact if the risk is realised and the likelihood of the risk being realised.

Risk Appetite - the statement of intent from the organisation about the risk it is prepared to accept, tolerate, or be exposed to at any point in time.

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Risk Management - all the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress.

Risk Register is a management tool that lists all the identified hazards and the results of their analysis and evaluation. Information on the status of the risk is also included. These details can then be used to manage down the risk to acceptable levels. The Risk Register is an important component of the organisation's risk management framework.

Risk Mitigation – this is the action that can be taken to reduce either the probability or impact of a threat. The following risk mitigation actions may be applied to risks: transfer, tolerate, treat and terminate.

10. Associated and Related Policies and Procedures

The Trust's approach to risk management is embedded within its business and governance processes. This is the overarching strategy for risk management and it links directly to:

- [Incident Management Policy \(including serious untoward incidents\)](#)
- [Risk Assessment Policy](#)
- [Complaints Policy](#)
- [Claims Policy](#)
- [Policy for Policy](#)
- [Being Open Policy](#)
- [Whistleblowing Policy](#)
- [Risk Management Policy](#)

The Trust has a duty to consider potential disasters that may occur. Although these events are rare, the Trust has developed a range of contingency plans to deal with them and ensure business continuity. Key documents representing this work include:

- [Major Incident Plan](#)
- [Business Continuity Plan\(s\)](#)

11. References

This strategy has been informed by:

HM Treasury's Orange Book

NHSLA Risk Management Standards 2013-14

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12. Appendices

APPENDIX 1 – Map of Risk Registers

APPENDIX 2 - Quality Assurance Framework

APPENDIX 3 – Terms of Reference of Audit and Risk Committee

These can be found [HERE](#)

APPENDIX 4 – Terms of Reference of the Senior Management Team

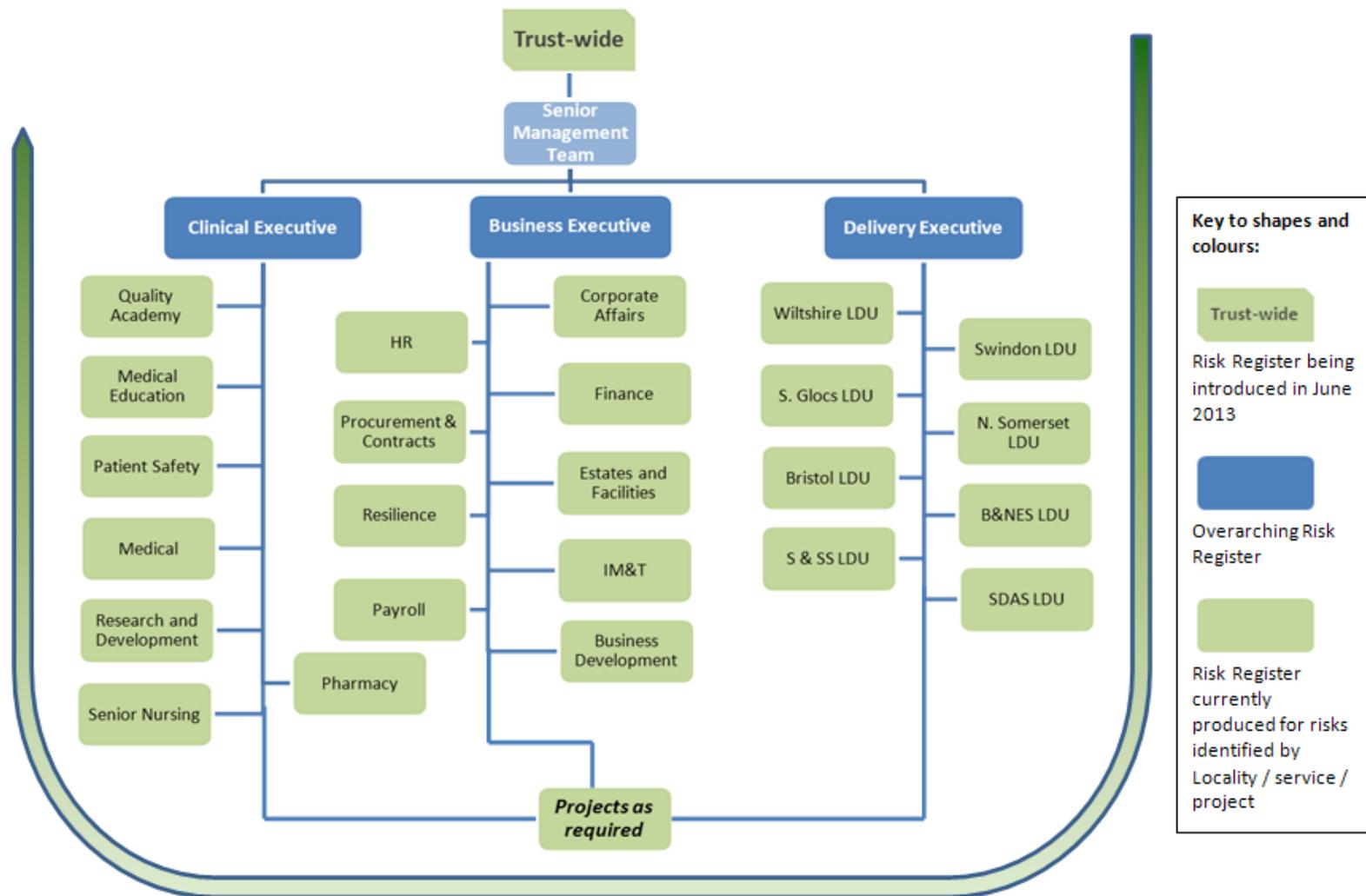
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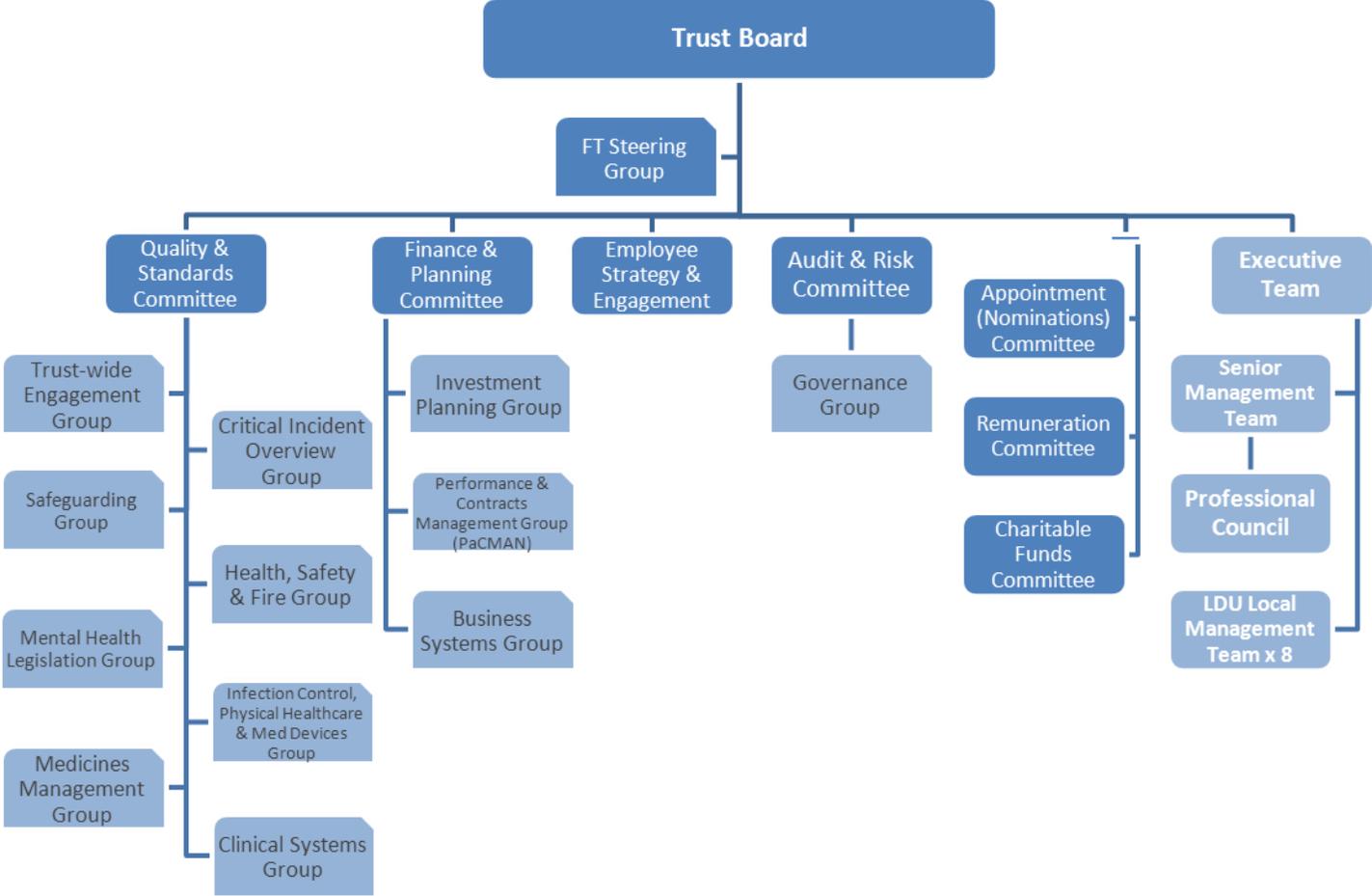
Appendix 1: Map of Risk Registers

“Trust-wide” risks have the potential to impact significantly on the achievement of one or more of the Trust’s strategic objectives and/or local delivery plans



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Appendix 2: Quality Assurance Framework



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