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RISK MANAGEMENT STRATEGY

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Strategic Intent, Definitions and Responsibilities

1. Introduction

The Primary Care Trust (PCT) Board recognises that risk management is an integral part of good management practice and it is essential that it becomes part of the PCT's culture. The PCT Board is committed to ensuring that risk management forms an integral part of its business rather than a separate programme and that responsibility for risk management implementation is accepted at all levels of the organisation. The Community Health Oxfordshire Board (CHOB), the provider arm of the PCT, is expected by the PCT to manage risk within provided services including development and management of a separate Board Assurance Framework (BAF) and Risk register.

Healthcare by its nature is a high risk activity and failure to implement a strategy for managing risk could severely impact on the PCT's ability to commission and provide a full range of services and could have significant financial consequences. Risks will need to be taken but this should be in a controlled manner making sound judgement from a range of identified options and should include an assessment of the likelihood and consequences of each identified risk

This strategy applies to all employees of the PCT whether directly or indirectly employed. It demands an active lead from managers at all levels, to ensure that risk management is a fundamental part of the total approach to quality, Corporate and Clinical Governance and the PCT's Statement on Internal Control.

This document reflects the separation of Community Health Oxfordshire (CHO) from the Commissioning element of the organisation. The overall aims and objectives of the Strategy apply to the entire Trust; however risk reporting routes and risk management groups differ between arms of the PCT.

Risk Registers for both CHO and the Commissioning side of the PCT are held on the PCT's Risk Management software, Datix, which is available to senior managers via a web connection. Risks are added at three levels: project, operational and principle and each has a named accountable officer responsible for its management.

2. Purpose

The purpose of this document is to provide an overarching strategy for the management of risks within the PCT for 2010/11 and beyond. It provides the framework for the continued development of the risk management processes throughout the PCT and consists of descriptions of accountabilities, processes and supporting appendices.

The strategy takes into consideration the requirements as set out in national requirements. It also ensures procedures and processes are in place to implement any new guidance or advice received from the National Patient Safety Agency (NPSA), medicines and healthcare products Regulatory Agency (MHRA) and any other relevant external bodies through the Central Alerting System (CAS).

Strategic aims for risk management

This strategy will assist the PCT to commission and deliver safe services. Through this strategy for risk management the PCT aims to:

- Create awareness through out the organisation about the fundamental importance of recognising and managing risk
- Provide staff with clear systems and a framework within which risk can be identified, quantified and managed within a fair blame culture
- Endeavour to ensure that all staff have access to the knowledge, skills and support to implement the policies and procedures associated with the strategy
- Comply with external standards: Care Quality Commission, NHS litigation Authority and World Class Commissioning Standards
- Work with partner organisations on a common risk matrix
- Facilitate the achievement of corporate objectives

Integrated Governance and Risk Managements Systems are embedded throughout the PCT aimed at minimising all risks in a proactive way. Recommendations from internal and external audit are implemented along side other learning generated from our Risk Management processes, then fed into service development, delivery of safe quality care and improvement strategies.

It is recognised that the reporting of untoward events and of risks may be challenging especially where there are implications for individual staff, or healthcare teams. To encourage all staff to have the confidence to report untoward events, near misses and risks, the Chairman, Chief Executive, and all of the Executive Directors commit to developing a culture in the PCT that welcomes knowledge of such issues as an opportunity to improve patient care, the services offered within the PCT and the working environment and safety of staff.

3. Definitions

Risk Management:

- ▶ is a fundamental part of the total approach to quality and integrated governance.
- ▶ is both proactive and reactive.
- ▶ is a corporate and systematic process for identifying risks of any severity or scale, evaluating their potential consequences, determining the most cost-effective means of risk control and acting on this information.
- ▶ assesses the chance that something will happen that will have an impact on achievement of the organisation's aims and objectives.
- ▶ is measured in terms of likelihood (probability of the risk occurring) and consequence (severity of impact)

Internal Control

- ▶ is the process of ensuring accountability at all levels of an organisation.

Principle Risk

A Principle threatens the Core Aims of the PCT across the entire organisation

Operational Risk

An Operational risk threatens the Core Aims of the PCT at service level

Project Risk

A Project risk is limited to, and managed within, a team and does not appear on any report to Board or its sub-committees.

4. Strategic Objectives

Our Aims

Oxfordshire PCT is ambitious about improving the health and wellbeing of local people. It intends to work with its partners over the next five years to deliver a transformation in local health services, so that by 2012 the people of Oxfordshire will:

- Be healthier – particularly if they live in our most deprived communities.
- Be working with the PCT to promote physical and mental well being and prevent ill health.
- Be actively supported to manage their own health and care needs at home, when this is appropriate.¹
- Have access to a choice of high quality, safe and appropriate health services.
- Get excellent value for money from their local health services
- Have a PCT which is a high performing organisation

The aim of the PCT is to approach risk management across the organisation by linking financial, organisational, reputation , and project risks, both clinical and non clinical and for all parts of the organisation to be involved.

This will be achieved through:

- Identification analysis and active management of risk across the PCT
- Improved compliance with relevant standards and targets
- Ensuring risks to achieving the PCT's strategic aims are managed via the Assurance Framework and risk register.
- The convergence of organisational, corporate and clinical governance systems.
- Integration of operational activity with the risk management processes.

¹ PCT Strategic Plan, Page 10

The PCT aims to take all reasonable steps in the management of significant and potential risk with the overall objective of protecting patients, staff, visitors and assets.

5. Roles, Responsibility and Reporting Structures

See appendix 4 for PCT Organisational Committee structure.

5.1. The PCT Board

The PCT Board is responsible for reviewing the effectiveness of internal controls – financial, organisational reputational, clinical and non clinical. The Board is required to produce statements of assurance that it is doing its “reasonable best” to manage the PCT’s affairs efficiently and effectively through the implementation of internal controls to manage significant and potential risk.

The Board will review the Assurance Framework at each Board meeting.

5.2. The Chairman

The PCT Chairman is responsible for leading the Board and ensuring its effectiveness on all aspects of its role and setting the board agenda; providing accurate and clear information to Board members and. arranging regular evaluations of the performance of the Board, its sub-committees and individual directors.

5.3. The Chief Executive

The Chief Executive has overall accountability and responsibility for Risk Management within the PCT and is responsible for ensuring that all Board members and PCT staff are adequately trained in risk management.

5.4. The Director of Strategy and Quality

The Director of Strategy and Quality is the responsible Executive Member for Risk Management for the commissioning function of the PCT.

5.5. The Interim Managing Director of Community Health Oxfordshire

The Interim Managing Director of Community Health Oxfordshire is primarily responsible for all risks relating to the delivery of all clinical services provided by the PCT. The Interim Managing Director of CHO will link with the Director of Strategy and Quality where significant risks are identified.

5.6. Executive Directors

Each Executive Director in the PCT is responsible for using risk management as a tool to identify, analyse risks in relation to their area of responsibility and to ensure that suitable and sufficient action is taken thereon. The resultant risks are included in the Risk Register and if appropriate the Assurance Framework. The process of reviewing the identified risk is undertaken on a monthly basis and the risk register updated.

5.7. The Audit Committee

The Audit Committee oversees and monitors the Assurance Framework and Risk register for both CHO and Commissioners at each meeting. The Audit Committee has a number of key tasks relating to Risk Management which are detailed in the Terms of Reference.

5.8. The Executive Board Risk Management Group

The Executive Board Risk Management Group coordinates the risk management processes for the PCT, and is responsible for ensuring that both the Risk Register and Assurance Framework remain current with sufficient controls effectively to manage the identified risks. It approves escalation of Risks from the Corporate Risk Register (operational risks) to the Board Assurance Framework (principle risks). It meets formally on a monthly basis.

5.9. Community Health Oxfordshire Board (CHOB)

CHOB leads the management of risks and assurances via review of the CHO Board Assurance Framework. It is responsible for ensuring that the CHO Assurance Framework remains current with sufficient controls effectively to manage the identified risks. It meets formally on a monthly basis.

5.10. Community Health Oxfordshire Senior Management Team (SMT)

CHO SMT reviews the CHO Corporate Risk Register each month prior to its submission to audit committee and recommends addition to the CHO Assurance Framework where appropriate.

5.11. Community Health Oxfordshire Heads of Service

CHO Heads of Service are responsible for ensuring that a risk register is in place in their service and for the main risks contained therein to be reflected in the CHO risk register. The Head of service will sign off recommendations that operational risks be added to the corporate risk register.

5.12. Health & Safety Committee

The Director responsible for Health and Safety in the PCT is the Interim Director of CHO. The committee is accountable to the Executive Board. The committee is responsible for making recommendations on any matter relating to occupational health & safety.

5.13. Managers (including responsible leads within self-managed teams)

Directors/managers are responsible for:

- Ensuring that operational activities are integrated with risk management processes.
- Ensuring that the risk register is updated and acted upon.

- Ensuring that appropriate and effective risk management processes are in place within their designated area(s) and scope of responsibility; and that all staff are made aware of the significant and potential risks within their work environment and of their personal responsibilities.
- Ensuring that the PCT has sufficient mechanisms to comply with World Class Commissioning Standards.
- Ensuring that all policies, protocols and guidelines pertaining to risk assessments and management are carried out within their directorate/department, in liaison with appropriate identified relevant advisors where necessary e.g. Health & Safety, Infection Control, Security, Environmental.
- Ensuring Health and Safety legislative requirements are complied with by ensuring that adequate resources are made available to provide safe systems of work. This will include making provision for risk assessments, appropriate control measures, raising outstanding concerns, staff training, ensuring safe working procedures/ practices and continued monitoring and revision of same. These responsibilities extend to anyone affected by the PCT's operations including sub-contractors, members of the public and visitors.
- Ensuring that there is a core of appropriate mandatory training for all employees to attend e.g. Health & Safety, Fire, Moving and Handling, Conflict Resolution Training, Food Hygiene, Resuscitation Training etc. and that appropriate mandatory updates are maintained.
- Identifying and releasing suitable staff to be trained as risk assessors, first-aiders, moving and handling/health & safety co-ordinators.
- Monitoring clinical performance using robust clinical governance mechanisms to ensure safe, high quality care.
- Ensuring the identification of all employees who require Health Surveillance according to risk assessments; ensuring that where Health surveillance is required no individual carries out those specific duties until they have attended the Occupational Health Department and are passed fit.
- Making adequate provision to ensure that fire and other emergencies are appropriately dealt with and business continuity arrangements are in place.
- Ensuring that the PCT complies with all Information Governance requirements through compliance with the Connecting for Health IG Toolkit and subsequent plans.

6. Managing Levels of Risk

All staff are responsible for:

- Management of risk is a fundamental duty of all staff whatever their grade or role. All staff must follow the PCT policies and procedures applicable to their role.
- All staff must ensure that identified risks and incidents are dealt with swiftly and effectively, and reported to their line manager to ensure further action may be taken where necessary
- Ensuring that they have adequate knowledge and/or access to all legislation relevant to their area and as advised by appropriate experts ensure that compliance to such legislation is maintained.
- All incidents/accidents and near misses must be reported using the recognised channels.

All employees have a duty to adhere to their professional codes and provide safe clinical practice in diagnosis and treatment by:

- Being aware that they have a duty under legislation to take reasonable care for their own safety and the safety of all others who may be affected by the PCT's business.
- Complying with all PCT rules, regulations and instructions to protect the health, safety and welfare of anyone affected by the PCT's business.
- Being familiar with the PCT Risk Management Strategy, Health & Safety policies and procedures and complying with these and all other PCT policies, procedures and guidelines.
- Neither intentionally, nor recklessly interfere with nor misuse any equipment provided for the protection of safety and health.
- Being aware of emergency procedures e.g. resuscitation, evacuation and fire precaution procedures appertaining to their particular Directorate/Department locations.

The PCT supports a culture of corporate responsibility. However, exceptionally, cases will arise where there is clear evidence of wilful or gross neglect contravening the PCT's Policies and Procedures and/or professional codes of conduct, or where there is repeated evidence of poor performance despite intervention/support. In these cases disciplinary or capability action will be considered and taken as appropriate.

Processes

See also summary flow chart at Appendix 2.

7. Risk Identification

Risks will be identified through the following:

- 7.1. Analysis of corporate level reports or project plans where indication of risks to achieving the PCT's strategic objectives are highlighted.
- 7.2. Analysis of Patient Experience monitoring, including PALS enquiries, complaints and patient surveys.
- 7.3. Monitoring of incident/adverse events trends and through the analysis of Serious Untoward Incidents.
- 7.4. Individual risk assessments carried out, e.g. health and safety, workplace assessments, lone worker assessments, where these highlight risks that need to be included on the PCT risk register.
- 7.5. Recommendations from external agency visits, inspections and reviews
- 7.6. Audits and Key Performance Indicator (KPI) monitoring.

8. Risk Assessment/Measurement

The PCT Assurance Framework is managed via the PCT Risk Management Software. This database enables the PCT strategic objectives to be linked directly to principal risks and risk treatments (action plans).

The remaining risks are managed via the PCT Risk Management Software as the non-principal risk register.

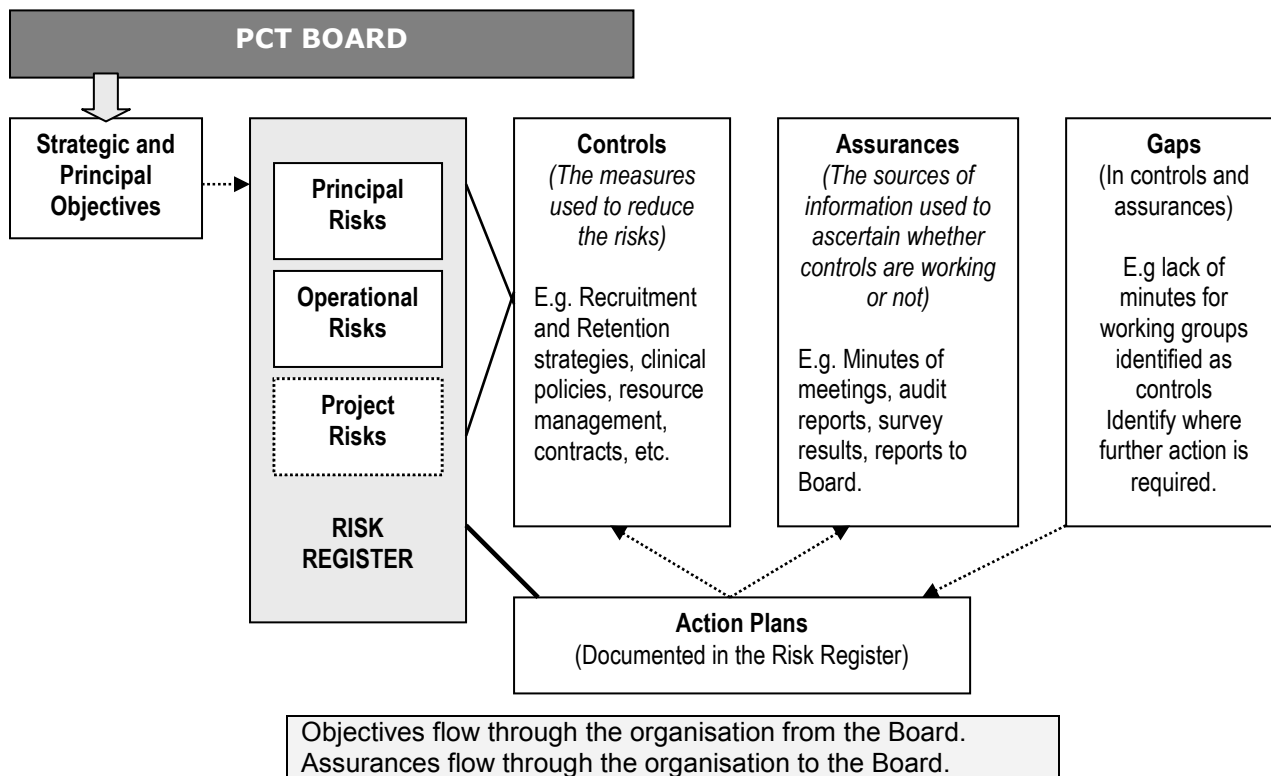
Treatments include reference to the person responsible for the treatment along with a target or review date.

The risk register (and as part of this the assurance framework) is broken down into directorate risks, i.e. Public Health, Commissioning, Community Health Oxfordshire, Finance and Performance and Strategy and Quality.

8.1. Key components of the Assurance Framework

Identify/agree the strategic objectives	
↓	
Identify the principal risks to achieving the objectives	What is hindering or threatening the achievement of the objectives?
↓	
Assessment	Grading the risk
↓	
Identify/agree key controls	What systems does the PCT have in places that are helping to achieve the objectives and helping to prevent the risks from being realised?
↓	
Assurances	What evidence is there that the key controls are or will be effective?
↓	
Board, Audit Committee and Risk Management Committee reports	Regular update reports showing the position of the risks on the Assurance Framework.
↓	
Action Plans	To reduce gaps to controls and assurances and aid delivery of strategic objectives.
↓	
Re-assessment	Re-assessment of both the risks and their grading

Assurance in the PCT



8.2. Risk Matrix – Definitions for consequence of incident (actual and potential) – see Appendix 1

Description	Actual or potential unintended or unexpected impact on patient(s)	Numbers of persons affected / potentially affected at one time	Actual or potential impact on the organisation
Catastrophic	Death	Many (>50) e.g. vaccination error, cervical screening concerns	International adverse publicity/severe loss of confidence Extended service closure Litigation >£1million
Major	Major permanent harm	16 - 50	National adverse publicity/major loss of confidence in the organisation Temporary service closure Litigation >£500k - £1million Increased length of stay >15days Increased level of care >15days
Moderate	Semi-permanent harm including known or suspected health care associated infection which may result in semi-permanent harm	3-15	Local adverse publicity/moderate loss of confidence in the organisation Litigation >£50-£500k Increased length of stay >8-15days Increased level of care >8-15 days
Minor	Non-permanent harm including any known or suspected health care associated infection which may result in non-permanent harm	1-2	Litigation >£50k Increased length of stay >1-7 days Increase level of care 1-7 days
None	No obvious harm N/A Minimal impact	N/A	No service disruption

Taken from NPSA Risk Assessment tool designed by Maria Dineen.

Risks are given a rating based on the likelihood of the risk being realised and the potential realistic consequences if it is. The rating is obtained by multiplying the likelihood score (1-5) by the consequence score (1-5) to give an overall rating between 1 and 25.

		Likelihood				
		1	2	3	4	5
Consequence		Rare - This will probably never happen/recur	Unlikely - Do not expect it to happen/recur but it is possible	Possible - Might happen or recur occasionally	Likely - Will probably happen/recur, but is not a persisting issue/circumstance	Almost Certain - Will undoubtedly happen/recur, possibly frequently
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

It is expected that the consequence grading is robust and consistent, and will not change during the lifetime of the risk.

8.3. Responsibility for Management of risks according to rating

The following table indicates the level to which risk assessments must be communicated and action plans devised according to rating. All risks identified as a threat to the Core Aims must be added to the Trust Risk Register.

<u>Rating</u>	<u>Level of Action/Reporting</u>
Green	Can be dealt with by person identifying risk and Line Manager must be made aware.
Yellow	Line Manager must review the risk assessment and action plan(s).
Orange	Must be reported via a Line Manager within 48 hours of assessment.
Red	Must be reported immediately to Director level.

It is the responsibility of the Director to ensure that a risk has been added to the Risk Register and updated as appropriate by the relevant person.

8.4. Target Risk

The target risk is the risk grading that will be (or is) left after all planned mitigating actions have been completed (sometimes referred to as resultant risk).

The target risk must be considered when deciding on treatment plans to ascertain if it comes into the category of 'acceptable risk' (see below). If it does not, then further treatments must be considered.

8.5. Risk Acceptability

Risk Acceptability means that it would either be considered reasonable not to treat the risk because it has a low risk score or that the risk is accepted by the PCT Board as one which can only be mitigated to the level it is at.

As a general rule, risks rated green maybe acceptable – but note the following:

Individual risk assessments need to be judged on their own merits but it should be noted that although individual incidents may have a low potential risk, if they are repeated often (i.e. if there is a trend showing) this may indicate a need to re-assess the risk in light of an increased likelihood of it being realised.

Risks that can be reduced or eliminated with minor changes to practices/policies and cost little or nothing in resources should be tackled regardless of score. Other risks may require a certain amount of cost-benefit analysis prior to treatment plans being formulated, to ensure that resources are not moved from a higher risk area.

Staff in any doubt about the acceptability of a risk should refer it to the relevant Director.

8.6. Controls and Assurances

When a risk has been identified, the following should be also be considered and documented:

Controls

Measures already in place to reduce the risk

Examples: Policies, training, IT access, communication routes and processes, security measures, moving & handling equipment, training and development programmes, working groups.

Assurances

The sources of information used to ascertain whether controls are working or not

Examples:

Internal assurances: Audit reports, performance reports, number of complaints and incidents, budget statements, internal auditor reports, minutes of meetings.

External assurances: Care Quality Commission ratings, NHS Litigation Authority Risk Management Assessments, Audit Commission reports.

Gaps in controls

Lack of sufficient measure to reduce risks

Gaps in Assurance

Lack of evidence either that the controls are or are not working.

These gaps indicate what action plans are required.

8.7. Action Plans

Action plans must be put into place where gaps have been identified and the risk has been assessed as being unacceptable. Action plans must include the following as a minimum:

- Date
- Action
- Lead person(s)
- Deadline to complete actions

Once an action has been completed the result may become a control or an assurance.

8.8. Reassessment

All risk assessments must be repeated at least yearly and/or more frequently in the event of a change of circumstances or if a related adverse event occurs.

9. Risk Management Training and Support

To ensure the successful implementation and maintenance of the Risk Management Strategy, Board Members and staff will be appropriately trained and skilled in carrying out risk assessment. The ongoing training programme will be developed further, including staff briefings, induction programmes and workshops. Oxfordshire PCT continues to review its education training and staff development needs. This is detailed in the Oxfordshire PCT Training Needs Assessment.

10. Key Performance Indicators

It is proposed to measure improvements in risk management performance through the following:

- 10.1. Monitoring compliance with national standards.
- 10.2. Monitoring compliance with the NHS Litigation Authority (NHSLA) Risk Management Standards for PCTs.
- 10.3. Monthly review of the Risk Register and Assurance Framework by the Executive Board Risk Management Group, Audit Committee and the PCT Board.
- 10.4. Monitoring quality of service through targets detailed in the NHS Operational framework.
- 10.5. Monitoring compliance with World Class Commissioning Standards.

11. Monitoring, evaluation and review

The contents of the strategy will be reviewed at least annually and before if procedural, legislative or best practice changes occur.

Independent Assurance

Independent sources on the effectiveness of the PCTs risk management and internal control systems include:

Audit Commission (eg via the Auditors local Evaluation (ALE))

External inspection agencies eg Care Quality Commission

The NHS Litigation Authority (via the Risk Management standards assessment process)

Internal Audit annual review of risk management and the Board Assurance Framework

NHS South Central performance monitoring and annual governance and assurance arrangements

The Risk Management Strategy is monitored for its effectiveness by the Audit Committee who meet bi-monthly. The Audit Committee approves the Annual Internal Audit Plan to ensure key organisational mechanisms are effective. A range of Key Performance Indicators (KPIs) are audited to ensure minimum requirements are being met. The efficacy of the clinical risk component of the risk management strategy is monitored via Sub-committee through monitoring of clinical audit, incident reports, patient experience information and KPIs.

12. Stakeholder Involvement

The PCT sees it as good practice to involve stakeholders, as appropriate, in all areas of the PCT's activities. This includes informing and consulting on the management of any significant risks.

Stakeholders include (but are not limited to): staff, the general public, NHS service users and Local Involvement Networks (LINKs).

General public awareness of the PCT's Risk Management Strategy will be achieved through its presentation at public Board meetings, references in the annual reports, on the PCT internet site and via any public involvement meetings as applicable.

13. Approval and Review Mechanisms

Approval and Review Mechanism

- 13.1. The strategy has been developed in the light of currently available information, guidance and legislation that may be subject to review.
- 13.2. The Strategy will be reviewed annually or sooner if required and any recommendations for change submitted to the PCT Board.

14. References

Whistleblowing Policy **(we still don't have a current version!)**
Concerns leaflet
NHS Oxfordshire Strategic Plan 2009-2013
219 Non Clinical Risk Management Policy- May 2009

Appendix 1
Consequence Grading Matrix (from A Risk Matrix for Risk Managers Jan 2008 – NPSA)

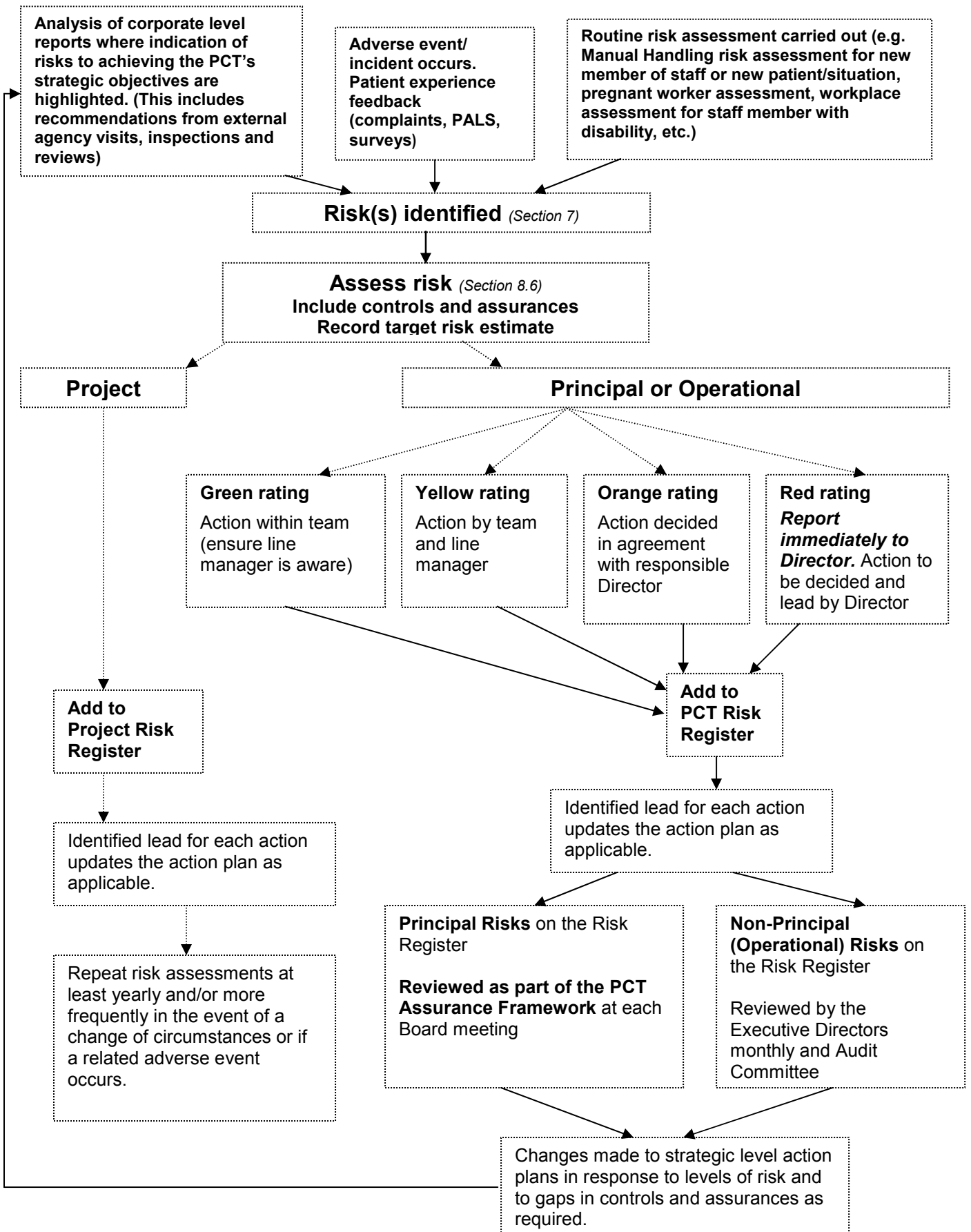
	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment No time off required	Minor 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 An event which impacts on a small number of patients	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
Quality/complaints/audit	Peripheral element of treatment or service sub-optimal Informal complaint/enquiry	Overall treatment or service sub-optimal 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) 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

Human resources/ organisational development/ staffing/competence	Short term low staffing level that temporarily reduces service quality (<1 day)	Low staffing level that reduces 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 at mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing levels or competence (>5 days) Loss of key staff Very low staff morale No staff attendance for 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/key training on an ongoing basis
Statutory duty/ inspections	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 Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity/ reputation	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

Business objectives/ projects	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
Finance including claims	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 contracts/payment by results Claim(s) > £1 million
Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal 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

Appendix 2

Summary Flow Chart of Risk Management Processes



Appendix 3

Annual Cycle of Requirements

No	Annual NHS Timeline	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
1	Purpose and Values								Revisit annually in the context of Local Operational Plan				
2	Strategic and operational objectives and priorities								Revisit annually in the context of Local Operational Plan				
3	Local Operational Plans							Stakeholder engagement			Sign off by board		Signed off by DH
4	Assurance Framework and Risk Register	Directors' RM Group	Audit Committee Board	Directors' RM Group	Audit Committee Board	Directors' RM Group	Audit Committee Board	Directors' RM Group	Audit Committee Board	Directors' RM Group	Audit Committee Board	Directors' RM Group	Audit Committee Board
5	Internal Control		SIC signed										
6	Annual Healthcheck Returns		SHA best guess	Published									
7	Standards for Better Health		Declaration	Surveillance checking				Annual scoring and outcomes					
No	Annual NHS Timeline	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
8	C7d (finance) & C7f (targets)					Feed into scoring				ALE review	ALE review		
9	NHS Litigation Authority									Assessment			
10	KPIs		Board		Board		Board		Board		Board		Board

For other PCT audits, including clinical, see the PCT audit schedule.

Appendix 4

