



**Risk Management Strategy  
and Policy**

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<b>Date approved:</b>	10 <sup>th</sup> June 2021									
<b>Date activated (live):</b>	1 <sup>st</sup> August 2021									
<b>Documents to be read alongside this document:</b>	Board Assurance Framework Health and Safety Policy (HS01) Risk Assessment Guidance (HS03) Concerns Policy and Procedure (PTR01 and PTR01A) Datix Risk Register – Procedure and User Guide (RM02)									
<b>Date of next review:</b>	July 2022									
<b>Date EqIA completed:</b>	Refreshed May 2021 (Original 2016)									
<b>First operational:</b>	1 <sup>st</sup> October 2020									
<b>Previously reviewed:</b>	Dec 2015	Mar 2016	July 2016	July 2017	July 2018	Dec 2018	July 2018	Dec 2019	Apr 2021	
<b>Changes made yes/no:</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**PROPRIETARY INFORMATION**

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<b>Contents:</b>	<b>Page</b>
<b>Risk Management Vision Statement</b>	<b>3</b>
<b>1. Introduction</b>	<b>4</b>
<b>2. Statement of Intent</b>	<b>4</b>
<b>3. Definition of key concepts</b>	<b>5</b>
<b>4. Objectives</b>	<b>6</b>
<b>5. Scope</b>	<b>6</b>
<b>6. The Board's Appetite for Risk</b>	<b>6</b>
<b>7. BCU's Risk Management Process</b>	<b>7</b>
<b>8. Three Tier Risk Management Model</b>	<b>9</b>
<b>9. Source of Risks</b>	<b>12</b>
<b>10. BCU's Enterprise Risk Management Framework</b>	<b>12</b>
<b>11. Optimising BCU's Risk Management Escalation and De-escalation Process</b>	<b>13</b>
<b>12. Board Assurance Framework</b>	<b>16</b>
<b>13. Individual Roles and Responsibilities</b>	<b>18</b>
<b>14. Committee and Group Role &amp; Responsibilities</b>	<b>20</b>
<b>15. Risk Management Training</b>	<b>22</b>
<b>16. Equality Impact Assessment</b>	<b>22</b>
<b>17. Performance Measurement and Monitoring of Risk Management Culture</b>	<b>23</b>
<b>18. Conclusion</b>	<b>23</b>
<b>19. References</b>	<b>24</b>
<b>20. Acronyms</b>	<b>24</b>
<b>Appendix A – Risk Appetite Framework</b>	<b>25</b>
<b>Appendix B – Guidance for completing the BAF Template</b>	<b>33</b>

<p><b>PURPOSE</b></p> <p>To provide a framework and structure for the consistent management of both operational and strategic risks as drivers for better decision-making and the provision of high quality personalised patient-centred care and enhanced experience.</p>	<p style="text-align: center;"><b>Vision Statement</b></p> <p>BCU’s vision for risk management is underpinned by a dynamic, agile, proactive, integrated, Enterprise-wide strategic approach that is wrapped around the Principles of Good Governance. This emphasises the appropriate and timely management of risks in fostering the achievement of BCU’s objectives as defined in its Annual Operational Plan 2021-22. This Vision Statement sets out the Health Board’s strategic vision and ambition for risk management for 2021-22 and 2022-23 and underscores appropriate risk governance including the timely and dynamic escalation/de-escalation of risks. BCU will explore value-based, bottom-up, top-down and outcome-focused approaches in integrating risk management in better decision-making, priority/objective setting and in driving continuous improvements in patient care and safety.</p> <p><u>First Year – 2021/22:</u> Training and capacity building in risk management (Operation 1000 staff); transition onto the new Datix platform i.e. Enterprise Risk Manager (dependent on WG) and system optimisation (i.e. migrate all actions from the Risk Management onto the Action Module by 31/03/2022). To pilot cross-site risk meetings in order to foster peer learning, joined/collaborative risk management and escalation and to continue to strengthen learning from risks.</p> <p><u>Second Year – 2022/23:</u> The focus in 2022/23 will be on encouraging Services, Areas, Sites etc. to improve their governance footprint, learning from risks, rollout results of pilot and continue to refine cross-site risk meetings for similar services and delivery of further risk management training. The above objectives will be measured through the implementation of the Health Board’s Annual Health check and/or snapshot Audits.</p>
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## Our Strategic approach to Risk Management

<b>1. Principles</b>	<b>2. Benefits</b>	<b>3. Realisation</b>
<p style="text-align: center;"><b>Our approach to risk management is built on the following principles:</b></p> <ul style="list-style-type: none"> <li>• It is dynamic, open, iterative; transparent, reacts to changes &amp; consistently applied.</li> <li>• It triangulates information and intelligence in informing better decision making.</li> <li>• It is integrated into our processes and aligns with our objectives.</li> <li>• It engineers continuous improvements in patient care and organisational learning.</li> <li>• It is wrapped around the values of the Health Board.</li> <li>• It is underpinned by staff engagement and informed by innovation and best practice.</li> <li>• It will focus on continuous staff training and capacity building in risk management.</li> </ul>	<p style="text-align: center;"><b>Through our risk management approach, the following benefits will be realised:</b></p> <ul style="list-style-type: none"> <li>• Enhance organisational and system resilience via facilitating continuous improvement and innovation.</li> <li>• Strengthen governance to enable informed decision-making.</li> <li>• Promote a culture of proactive management of risks and opportunities</li> <li>• Improvements in patient care, safety, enhanced experience and flexibility to respond to pressure and challenges.</li> <li>• Help in embedding the values of the HB.</li> <li>• Stakeholder confidence, empowerment and trust.</li> </ul>	<p style="text-align: center;"><b>Realisation of the principles and benefits will be achieved through:</b></p> <ul style="list-style-type: none"> <li>• Strong risk-focused leadership that ensures the effective operationalisation of BCU’s Risk Management Strategy.</li> <li>• Strong and transparent risk governance arrangements, including reporting and risk escalation.</li> <li>• Consistent application of the risk strategy and framework.</li> <li>• Clarity in communication of HB’s risk management approach and better staff engagement.</li> <li>• Staff development and continuous support in embedding ERM.</li> </ul>

## 1. Introduction

BCU's Risk Management Strategy and Policy provides a structured, comprehensive and coherent framework to support staff in identifying, assessing and managing risks arising from its business activities as the effective management of risks is an inherent part of its approach to continuous learning, improvement and Good Governance. The Health Board is committed to implementing and embedding a robust risk management framework that supports the timely and dynamic identification, assessment, mitigation and management of both clinical and non-clinical risks to the achievements of its operational and strategic objectives. Staff are encouraged to integrate risk management into key business/service planning, objective/priority setting, and better decision-making as well as in effectively managing risks in real time and in a dynamic way. BCU's approach to risk management seeks to enhance strategic planning and prioritisation and strengthens its agility, capacity and capability to respond to emerging challenges and threats.

BCU's Risk Management Strategy and Policy will draw inspiration from best practice, the AS/NZS ISO 31000:2018, policy and legislative instruments such as the National Health Service (Wales) Act 2006, the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999. This Strategy underscores the fact that risk management is everyone's responsibility, a tool for improving productivity, ensuring business continuity and sustainability and achieving robust organisational planning and performance reporting. It identifies staff training and senior leadership engagement, clarity of roles and responsibilities, consistency, regular monitoring and review of risks including Good Governance, scrutiny, oversight and assurance as key drivers for embedding a positive risk-aware culture across the Health Board.

## 2. Statement of Intent

The Health Board is committed to implementing effective risk management across all its services through a comprehensive system of internal controls and compliance with this strategy and policy in order to minimise risks to its patients, staff, visitors, contractors and other stakeholders. The Health Board's approach to risk management is proactive, integrated, enterprise-wide and is informed by an open and transparent culture in which staff feel empowered and confident to raise and discuss risks without fear. It thus seeks to engage staff across the entire organisation in exploring risk management as a tool for better decision-making and in achieving its objectives as articulated in its Annual Operational Plan 2021-22.

BCU's approach to risk management will focus on developing local capacity and capability in risk management by delivering staff-focused risk management training within the context of 'Operation 1000 staff' which will see at least 1000 staff trained in risk management in 2021/22. The Health Board will adopt an enterprise-wide approach to risk management by discouraging silo thinking and seeking to encourage a more joined-up, collaborative, system thinking and shared approach to risk management as a risk in one part of the organisation, if realised, could affect another part of the business. Training in risk management will enable staff to better integrate risk management into how they lead, organise, plan and deliver the Health Board's core business activities while ensuring financial viability and sustainability. This revised Strategy and Policy will support the new "Duty of Quality" outlined within the Health and Social Care (Quality and Engagement) (Wales) Bill by requiring the Health Board to exercise its functions with a view to securing improvement in the quality of health services.

### 3. Definition of key concepts

This Risk Management Strategy and Policy is underpinned and informed by the following definitions: -

**Enterprise risk management (ERM)** is a process whereby an organisation plans, organises, leads and controls its activities in order to minimise the negative effects of any potential danger (risks) on its operations, business continuity and the achievement of its objectives. It is also an integrated and co-ordinated approach to mitigating and managing all risks faced by BCU.

**Risk Management:** The Chartered Institute of Internal Auditors (CIIA) defines risk management as “the discipline that identifies, assesses, evaluates and takes actions to influence the likelihood of a risk event occurring or its impact if it does”. The principles of risk management are; - proportionate, aligned, comprehensive, embedded and dynamic.

**Risk:** A risk is the uncertainty that something could or may happen that will have an impact on the achievement of the Health Board’s objectives and priority areas. It is measured in terms of likelihood (probability of the risk occurring) and consequence (impact or magnitude of the effect of the risk occurring).

**Risk Assessment:** This is the overall process of risk analysis and risk evaluation. This is achieved by comparing the individual risk against the Health Board’s risk appetite. Risk assessment techniques include questionnaires and checklists, Workshops and brain storming sessions, and inspections and audits.

**Assurance:** This is a process to provide evidence that the controls in place are effective and working and that the Health Board is doing its best to appropriately reduce and manage risks to the achievement of its operational and strategic objectives. Levels of Assurance:

1. The first level of assurance comes from the department that performs the day to day activity, for example the data is available
2. The second level of assurance comes from other functions in the Health Board who have internally verified the data, for example quality, finance and H/R assurance
3. The third level of assurance comes from assurance provided from outside the Health Board, for example WG, HIW, and HSE etc.

**Controls:** These are measures/interventions implemented by the Health Board to reduce either the likelihood of a risk and/or the magnitude/severity of its potential impact were it to be realised. Impact could range from negative to positive. Some types of controls used in **reducing** risks include preventive, corrective, detective and directive controls.

**Risk Mitigation:** This refers to the process of reducing risk exposure and minimising its likelihood and/or lessening or making less severe its impact were it to materialise. Types of risk mitigations include the 5Ts (treat, tolerate, terminate, transfer or take opportunity).

**Actions:** Actions are steps which the Health Board is required to implement to reduce the likelihood and/or consequence of a risk were it to be realised. Actions are also the things the

Health Board is doing or planning to do that will help us achieve the target risk score and thus reduce the risk to a tolerable and/or minimal level or even eliminate it altogether.

### **Distinguishing between a risk and an issue**

A **risk** is an event that might occur and that could have an effect (usually negative) upon the organisation and/or its stakeholders. A risk is characterised by uncertainty.

An **issue** is something that has already happened or will definitely happen. An issue is a certainty.

**e.g.** If we are short staffed now or lack money to deliver a service, the shortage of staff or lack of money are issues (as these are already happening) and the risk will be the implications of staff shortage or the lack of money to the successful delivery of our operational and strategic objectives. The uncertainties these may cause is what will constitute the risks in both cases.

## **4. Objectives**

The main objectives of this strategy and policy are:

- To provide an overarching framework including a clearly defined structure, consistency and standardisation and governance arrangements, roles and responsibilities for the effective risk management of both operational and strategic risks.
- To enable staff to understand our risk environment and to use the Health Board's risk appetite framework to identify and assess risks which cannot be tolerated.
- To facilitate the use of risk management as a tool for better decision-making, driving continuous improvements and linking these to organisational planning and performance reporting including learning and fostering a blame-free and open culture.
- To enable the Health Board to identify and manage risks emanating from the well-being goals and ways of working included in the Well Being of Future Generations Act 2015. Overtime, to seek alignment with the risk management approaches used in our key partnership mechanisms e.g. Public Service Boards and the Regional Partnership Board (Social Services and Well Being Act).

## **5. Scope**

Risk management is an intrinsic strand of good management at all levels across the Health Board and sits at the heart of its business continuity, patient safety and values. Staff are encouraged to continuously scan the horizon for emerging risks and to ensure such risks are appropriately identified, assessed, captured, reduced and managed in accordance with this strategy and policy as well as best practice.

This strategy and policy thus clearly defines the Health Board's vision, approach, objectives, systems, processes and governance arrangements for risk management. It underscores the principles, best practice and emerging thinking which underpin and shape its overarching risk management culture. It is applicable to everyone involved in providing services for and on behalf of the Health Board including contractors and staff etc.

## **6. The Board's Appetite for Risk**

Risk appetite is defined as the amount and level of risk an organisation is willing to tolerate or accept in order to achieve its objectives and priority areas while risk capacity refers to the

maximum amount of risk that an organisation is able to take on. These are underpinned by the Health Board's risk capability and the maturity of its risk management culture. The Health Board's risk appetite for individual risks will thus be different depending on its current performance, strategic objectives and its level of risk maturity.

The Risk Appetite Statement sets out the amount and type of risks that the Health Board is able to take on in order to achieve its objectives and priority areas. The Board accepts that there is an element of risk in every activity it undertakes from the provision and commissioning of healthcare services and recognises that its risk appetite for any risk will change depending upon the individual risk and current performance. It also recognises that the transformation journey it has embarked on will involve taking on some transformation and project improvement risks which may sit outside its risk appetite. The Board is directly accountable for setting its risk appetite and risk culture. The Health Board has articulated its risk appetite statement to demonstrate the various range of often complex and complicated risks it may take on or accept in order to achieve its objectives and priority areas.

The Health Board's Risk Appetite Framework aligns with its proactive, inclusive and enterprise-wide approach to risk management as well as its commitment to actively reduce, control and manage risks which could compromise the achievement of its objectives and priority areas. It is a live document, which will be regularly reviewed and monitored to ensure that any changes to the Health Board's strategy, objectives or capacity to manage risk is properly reflected. However, the Health Board realises that in some instances it may have to take on risks which sit outside its risk appetite in order to achieve its objectives and priority areas. It thus recognises that the decision to hold a risk outside the Health Board's Risk Appetite Framework will need to be ratified by the Board. The Health Board's Risk Appetite Framework stresses the importance for staff to embrace appropriate and informed risk exposure that is aligned with the Health Board's risk tolerance, risk capacity and capability.

As outlined in appendix `A`, the Health Board's updated Risk Appetite Framework for 2021/22 is split into three sections i.e. the one currently in use; the one being proposed for 2021/22 and then one for use in exceptional circumstances. The proposed section in the Risk Appetite Framework for 2021/22 takes into consideration the current circumstances and the Health Board's requirement to recover from the Covid-19 pandemic, thus recognising the harm that could be caused to patients by long waiting lists for treatment. It recognises that the use of risk-based approaches such as risk stratification in prioritising and allocating resources could be key determinants in enabling the Health Board to better tackle post-Covid-19 challenges and threats more efficiently and effectively. The section in the updated Risk Appetite Framework for use in exceptional circumstances also supports quick implementation with Gold Command approval should the Health Board find itself in exceptional circumstances in the future. This will also support improved governance during emergency situations. The Health Board's Risk Appetite Framework will be widely communicated through mechanisms like trainings, drop-in sessions, Q&S/Governance meetings, newsletters, global emails and the weekly bulletins.

## **7. BCU's Risk Management Process**

The Health Board's risk management process as shown in the following diagram is informed by the AS/NZS ISO 31000:2018 and the ERM model. BCU'S risk management process also

aligns with the process outlined in The Orange Book: Risk Management – Principles and Concepts (2020) which includes risk identification and assessment, risk treatment, risk monitoring and reporting. These emphasise the need to identify, assess, review, monitor and effectively reduce and manage risks to enable the achievement of organisational objectives. This strategy and policy is supported by a suite of procedural documents and guidance as full details on how to articulate controls and assurance can be found in the supporting [RM02 Risk Register Procedure and Guide](#). BCU`s risk management process comprises five interrelated and complementary steps as outlined in the diagram below.

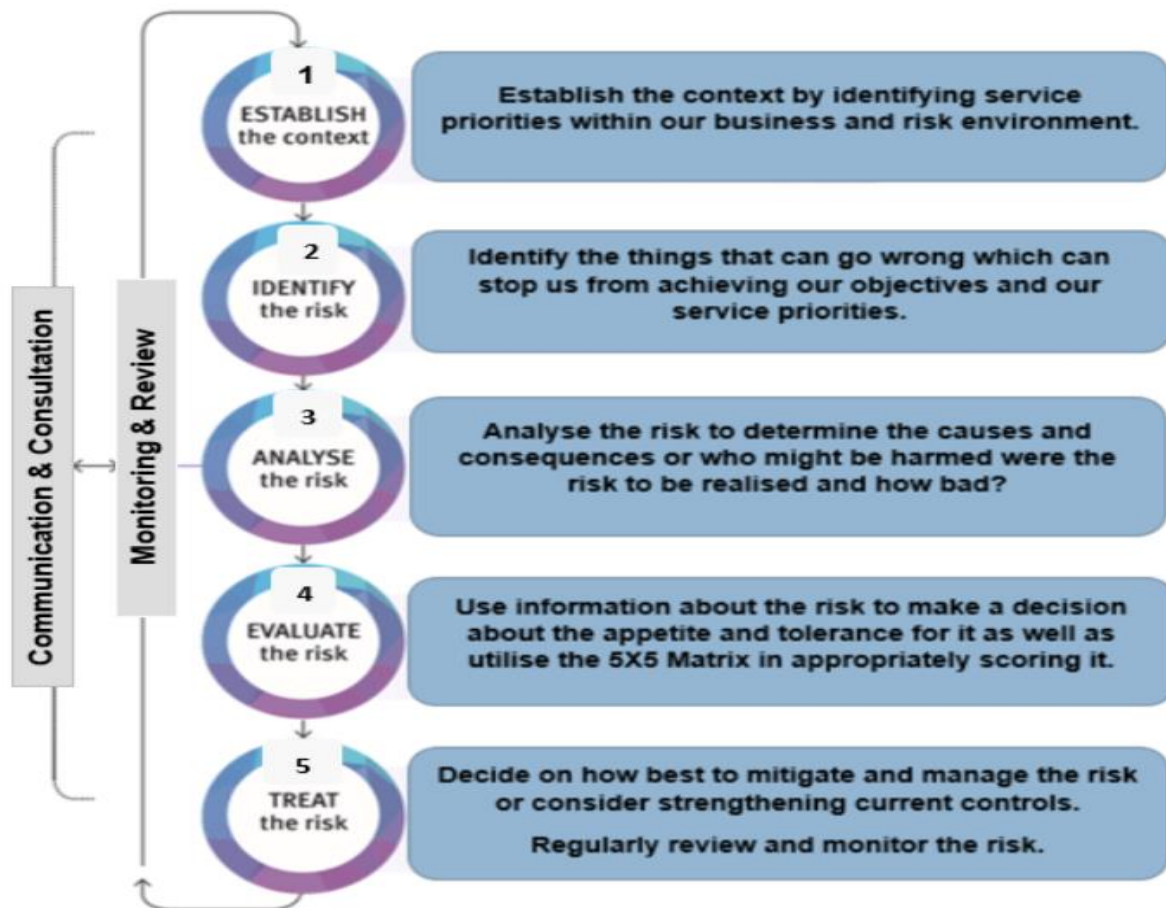


Figure 1 - BCU`s Risk Management Process.

### Step 1: Establish the context

As the starting point for a robust risk assessment, it is important to establish the context by clearly setting out the service objectives and priority areas in order to clearly identify risks which may negatively impact on their achievement.

### Step 2: Risk Identification

The focus here is to identify the risk or what could go wrong. A risk can be proactively identified from incidents, complaints, claims, `near misses`, external and internal reports, clinical audits, external visits and Peer Reviews, new service development including service transformation etc. Staff should adhere to the Health Board`s structured approach for describing risks also



referred to `Cause and Effect Analysis` or the `Bow-Tie` model. This model clearly identifies the cause, the event and the effect.

It is helpful to frame the description of a risk in three parts by starting with these phrases:

- There is a risk of...if... (this relates to not achieving an objective as intended)
- This may be caused by...
- Could lead to an impact/effect on ...

Risk description must be clear and concise with appropriate use of language e.g.

“There is a risk that patients may not be discharged promptly from the Community Hospital.

This may be caused by medications not being dispensed in a timely manner due to delays from pharmacy. This could lead to stress and anxiety, poor patient experience, delayed flow and reduced bed capacity.”

### **Step 3: Risk Analysis**

Determine the cause and effect and analyse what could happen, where, when, why and decide who might be harmed and how. Consider how the risk could negatively impact on say patient safety, the quality of clinical care, Workforce, Finance, patient experience for example and then decide what needs to be done.

### **Step 4: Risk Assessment/Evaluation**

Evaluate, assess and quantify the risk by deciding on how bad (consequence) and if the risk were to be realised (likelihood). The NPSA consequence and likelihood descriptors are a useful guide and the 5 x 5 grading matrix in assessing and scoring the risk. You can access the 5 X 5 Matrix by clicking on the link to the Guidance for Adding a new risk below and checking on pages 14 – 16. <http://howis.wales.nhs.uk/sitesplus/861/page/71616>

### **Step 5: Risk Treatment & Prioritisation**

Once you have identified and assessed a risk, you will then need to record your findings, identify appropriate controls to reduce the risk and then identify further actions, which can be implemented to reduce the risk and decide who will lead on each of them. Design and implement an action plan and decide on how best to manage it.

### **Risk Review and Monitoring**

Risk management is a dynamic and iterative process; hence, risk owners/leads will need to periodically review, re-assess and monitor their risks in line with the following timescales:-

- Risks scored 15 and above should be reviewed at least monthly
- Risks scored 9-12 should be reviewed at least bi-monthly
- Risks scored 1-8 should be reviewed at least quarterly.

**NB: Please note that the above is just a guide and does not replace the timely, agile, dynamic and effective review and management of risks in real time.**

## **8. Three Tier Risk Management Model**

The Health Board utilises a three Tier risk management model, which specifies that risks on risk registers across the Health Board as held on Datix will be categorised and managed in line with the 3 tier model as depicted in **Figure 2** below.

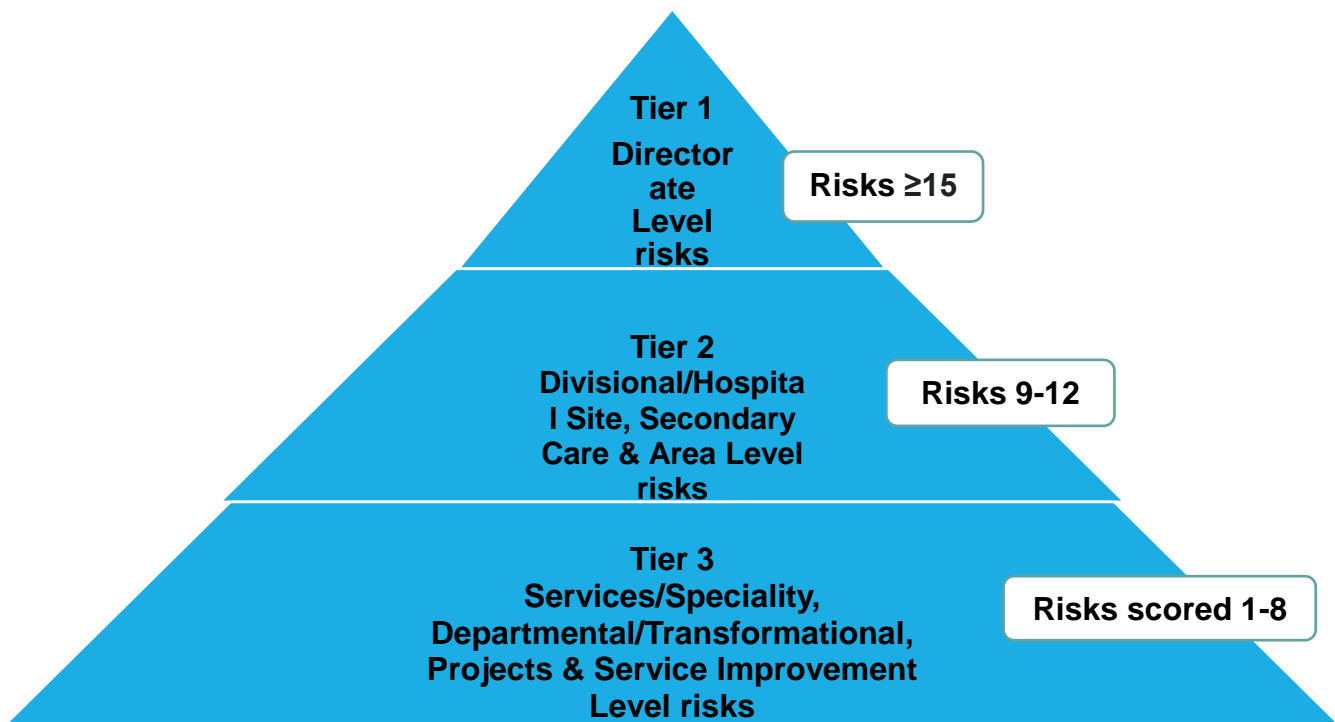


Figure 2 – Risk Management Tiers and oversight.

**\*All risks must be managed in line with the three-tier risk management model. Hence,**

- Risks scored 1-8 must be managed at tier 3, will have the lowest potential to disrupt business operations or commissioning arrangements.
- Those scored at 9-12 after escalation and approval will be managed at tier 2, Divisional, Hospital Site, Secondary and Area Levels.
- Those scored 15 and above will need to be managed at tier 1 after the escalation process has been completed and the risk has been approved by a relevant committee. Tier 1 risks will have the greatest potential to negatively impact on or disrupt business operations/activities;

It is important to note that placing risks into tiers is for the purpose of governance and oversight. The responsibility for mitigating and managing risks on a daily basis resides with services or departments that escalated the risk. Effective risk management is built on empowering staff to own, manage and lead on their risks while translating any benefits into tangible patient-centred outcomes and positive patient experience.

All new risks added onto Datix must be held on Tier 3 under the status `Being Developed`. The status will only be changed to `Under Review` which alongside the status `Awaiting decision to close` denote our `live` risk register once the risk has been:-

- Appropriately completed and reviewed by the relevant manager and deemed satisfactory.
- Presented at the relevant Quality and Safety meeting and scrutinised in terms of its title, description, controls, further action and scores. However, in the case where there is an intention to escalate the risk, then it must be held under the status `Being Developed` until the outcome of the escalation is known and its status then changed accordingly.

- It is best practice to hold a governance footprint of a risk as it goes through its escalation process, ensuring that key decisions made in the process are adequately captured within the Datix system.

## **8.1 Corporate Risk Register (CRR)**

The score of a risk is the main determinant for its escalation, hence,

- Risks scored  $\geq 15$  when approved as outlined above, recommended by the Executive Director, RMG, Executive Team (ET), and approved by the relevant Board Committee will be placed on Tier 1 and the CRR.

However, in exceptional circumstances, a risk which is linked to the development and delivery of the Health Board's Annual Operational Plans and/or the achievement of one of its key deliverables/operational objectives may be escalated for consideration, approval and inclusion onto the CRR irrespective of its score. In some instances, risks may be de-escalated from the BAF for continuous management through the CRR. The CRR are Directorate level risks that encompass all significant/high level operational risks and in rare cases, those linked to the Annual Operational Plan or de-escalated from the BAF.

**It is the responsibility of every risk owner; senior manager and Executive Director who owns risks on the CRR to ensure that updates/feedback from committees and the Board are captured on their related CRR risk on Datix.**

## **8.2 Divisional, Secondary Care, Hospital Site Risk and Area Level Risks (Tier 2)**

Divisional, Secondary Care, Area Teams and Hospital Directors are expected to ensure that there are appropriate processes, systems and governance arrangements in place to regularly review, scrutinise and effectively manage all tier 2 risks within their Areas, Divisions, Hospital Sites and Secondary Care. They will be required to periodically present their Divisional risk register reports and any assurance thereof at the Risk Management Group (RMG). The Cycle of Business for the Division, Hospital Site, Area and Secondary Care Q&S and Governance meetings should reflect how the Services and Departments under their remit periodically report their risks to them.

## **8.3 Service/Departmental, Transformational and Service Improvement Risk Management (Tier 3)**

These are risks, which score 1-8 and should be regularly reviewed, scrutinised, approved, reduced and managed at the Service or Departmental levels while those which score above 8 should be escalated in accordance with guidance and the approval of either the relevant Q&S meeting and/or the triumvirate. No risks which score above 8 should be held on the 'live' risk register at Tier 3. However, risks which score more than 8 which are being escalated will need to be held at Tier 3 under the status of 'Being Developed' and can only be moved onto the 'live' risk register after they have successfully gone through the entire escalation process. Tier 3 is therefore the entry point of all risks onto risk registers and Datix.

## 9. Source of Risks

Risks can be identified from the following sources as shown in figure 4 below. This list is not exhaustive, but can include:

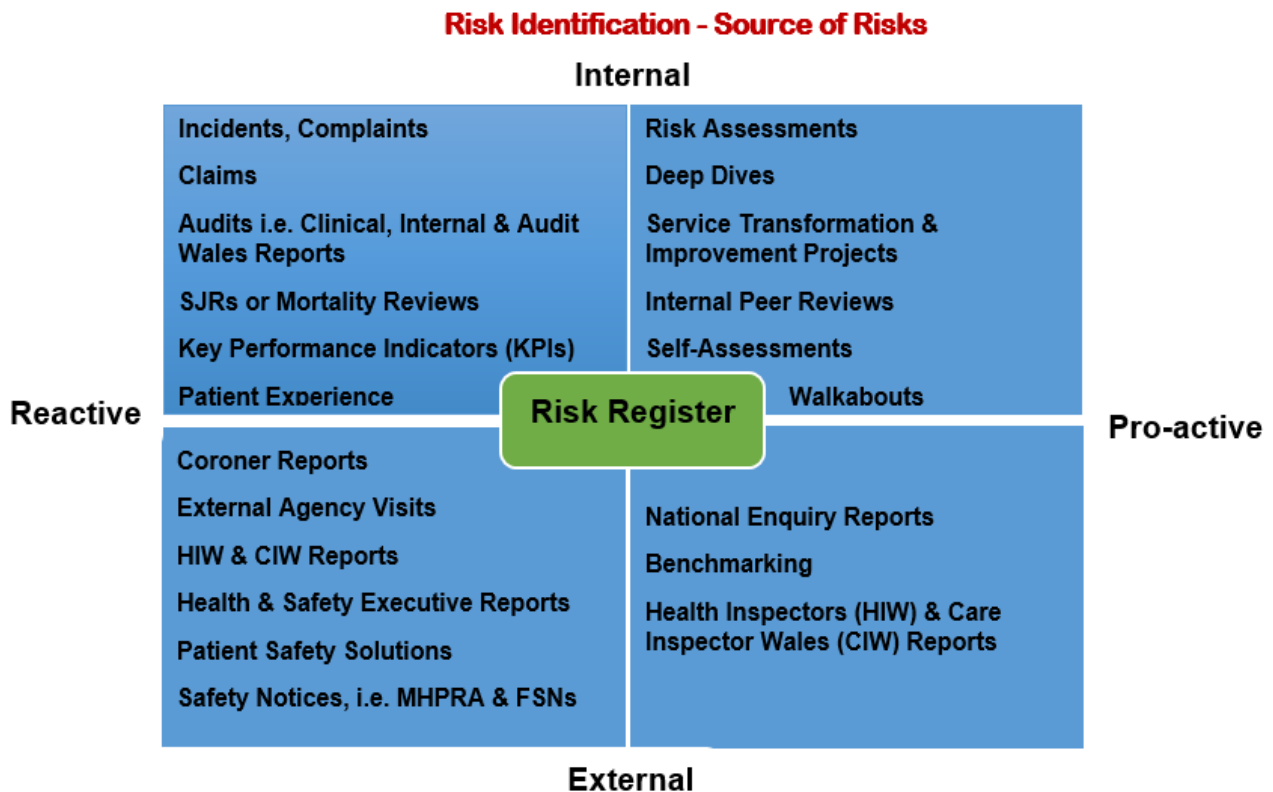


Figure 3 - Shows some examples of different source of risks.

## 10. BCU`s Enterprise Risk Management (ERM) Framework

BCU`s approach to risk management will be shaped, informed and underpinned by the ERM Model. This is important, as it will provide a framework through which BCU will seek to integrate effective and efficient risk management and governance into performance reporting, business continuity, organisational planning, priority setting and continuous improvements in patient care and journey. It will emphasise the need for open and transparent communication and consultation with all staff or key stakeholders at each stage of the risk management process to ensure engagement, shared understanding and awareness of the intelligence on controls in place.

ERM will provide a comprehensive approach to identifying, assessing, mitigating and managing risks to the delivery of high quality patient-centred outcomes or the achievements of the Health Board`s objectives in line with its Risk Appetite Framework. ERM enables more joined-up, system thinking, enterprise-wide, collaborative and organisational-wide approach to effective risk reduction and management as opposed to silo risk management. It will provide a platform for the Health Board to establish a clear view and understanding of its overall risk capacity while nurturing and embedding a positive risk-aware culture.

The following figure depicts BCU's Enterprise risk management framework.



Figure 4 - BCU's Enterprise Risk Management Framework

## 11. Optimising BCU's Risk Management Escalation and De-escalation Process

Underpinning BCU's risk management framework is the governance arrangement for escalating and de-escalating risks which staff are expected to adhere to. There are two ways through which risks can be identified, assessed and escalated i.e. -

- i. A standard approach via regular governance and Q&S meetings and/or Triumvirate.
- ii. An organisational discovery approach from the Board, Committees, Executive Team delivery and operational groups as they may identify risks from performance, quality and safety-related reports and request they be timely assessed and referred to the Risk Management Group to incorporate within the standard risk management process.

Risks can crystallise quickly hence, there is need to ensure risk escalation/de-escalation including risk aggregation take place in a dynamic, agile and timely way through either route.

### 11.1 The standard approach to risk escalation

Each Service, Department, Area, Site, Division or Directorate etc. within the Health Board is

expected to maintain a risk register on Datix and a local risk management procedural document which defines how risks are identified, assessed and managed within their unit. Services, frontline staff, their local governance meetings and triumvirate constitute the bedrock of BCU's risk management arrangements. Datix is the sole repository for capturing risks which have been identified, assessed and added onto local risk registers that are being managed by the local Service, Department, Division, Area Team etc. Staff should not hold risks on paper-based systems or spreadsheets.

High level operational risks identified, assessed and added onto Datix by services and directorates should be escalated speedily via appropriate governance routes for consideration and approval so that such risks could be held at the right Tier and assigned the right profile, handler, manager and resources. There are two pathways for escalating or de-escalating risks:

- **Governance route:** through appropriate governance or Quality and Safety meetings.
- **Expedited escalation route:** Through the Service, Area and Directorate Triumvirate to the Divisional and/or Secondary Care SMT, the relevant Executive Director, RMG or its Chair's action to the ET and then, to the appropriate Committee for approval.

However, there may be instances when escalation of risks can't be implemented via the normal governance route because there is no meeting imminent. In such a situation, and in order to ensure that risk escalation is timely, agile and dynamic, escalation should be pursued via the expedited escalation route as described above. Escalation provides an opportunity for appropriate risk oversight and scrutiny and for raising the profile and visibility of the risk as well as requesting for support and resources. There must be sufficient clarity around the expectation from and rationale for escalating a risk. The next table shows BCU's escalation and risk governance arrangements.

Tier	Risk Score	Category of risk	Level at which risk is managed	Approval Group or Committee	Escalation and De-escalation
<b>Tier 1</b>  Corporate Risk Register (CRR)  <b>Directorate Level risks</b>	15-25	High to Very High	Executive Directors will lead on risks scored 15 and above, escalated and approved for inclusion onto the CRR although responsibility for managing and mitigating such risks on a daily basis will reside with original risk owners.  <b>Reviewed monthly</b>	Board/ Committee	Appropriate Committee with the assigned risks on the CRR.  Once reviewed, the Risk Management Group will have oversight of the entire CRR prior to authorisation by the Executive Team for Board or Committee approval

Figure 5a -The Health Board's escalation and governance arrangements for risk management.  
RM01 Version 7.1 Page 14

Tier	Risk Score	Category of risk	Level at which risk is managed	Approval Group or Committee	Escalation and De-escalation
Tier 2  Divisional, Hospital Site, Secondary Care & Area Level risks	9-12	Moderate	Managed at Divisional/Hospital Site, Secondary Care & Area level and led on by Directors with local ownership and input.  <b>Reviewed bi-monthly</b>	Appropriate Divisional Governance meeting  or  Divisional Risk Meeting	Risks with a current score 9-12 will be managed under the leadership of a Director. Risks scoring above 12 are escalated to the Executive Team for consideration and approval as Tier 1 risks *CRR.
	4-8	Low to Very Low	Managed at local level Service, Speciality, Area/Directorate or Department including risks related to transformational, projects and Service Improvement.  <b>Reviewed quarterly</b>	Service, Speciality, Area / Directorate or Department or relevant Group meeting or local governance meeting.	Risks with current score 1-8 are managed at local level with oversight from relevant local governance meetings. Those which score >8 will be escalated to the Divisional or Site governance meeting for consideration and escalation.
	1-3	Very Low			Risks escalated are still locally owned and managed.

Please note: This is a Continuation of Figure 5a above.

\*The above timescales for reviewing risks are a minimum requirement and do not replace the dynamic, agile and timely review, mitigation, management and escalation of risks in real time.

## 11.2. From Silo to shared risk management and governance

The Health Board recognises that there will be instances where the effective management of a risk will require input from other colleagues and stakeholders who may not necessarily be part of the service in which the risk has been identified. For example, a service may identify a risk, which requires inputs from Informatics, Estates and Facilities, Safeguarding, Health & Safety etc. to effectively manage it. In such a situation, Services etc. should ensure that all key stakeholders who can contribute to the effective management of risks are involved in the discussions on how best to reduce and manage the risks. In other instances, such stakeholders like the Local Authority may be external; hence, there is need for shared agreement and clarity on roles and responsibilities in appropriately reducing and managing such risks.

### **11.3 Management of Pan-BCU Risks:**

There are two types of Pan-BCU risks i.e. those that are owned by Pan-BCU Services like North Wales Managed Clinical Services (NWMCS) and those, which span-across more than one site i.e. East, Central and West. Whilst Pan-BCU risks like those owned by NWMCS will be reviewed and scrutinised by their governance arrangements, those, which span-across more than one Site should be managed collaboratively through joined risk meetings. It is thus important to establish cross-site meetings to bring together the same services that operate on the three regions around the table to discuss their risks, generate shared learning, agree on roles/responsibilities and how best to reduce and manage such risks or to consider risk aggregation and joined escalation. The aim here is to avoid the risk of silo management and escalation of risks and to create a platform for colleagues to start having meaningful risk-based conversations as the crystallisation of a risk in one service e.g. ED in the Central could impact on ED in the West or East and vice versa.

### **11.4. Appropriate Risk Reporting**

Services, Departments and Divisions etc. should ensure that they regularly receive, review and scrutinise their risk registers at their governance or Q&S meetings. Risk registers should comprise of clear, high quality information on the controls and further actions in place, sources of assurance and reference where possible etc. High quality risk register reports that are reviewed and discussed at governance meetings constitute a good source of assurance. The Cycles of Business for governance meetings at Divisional, Hospital Site, Secondary Care and Area Levels should include assurance and oversight of risk management arrangements for Services and Departments within their remit. This should include presentation of risk registers for review and scrutiny of risks. Agendas and minutes from governance meetings should demonstrate governance footprint of risks that were reviewed and discussed as well as decisions, which were made.

## **12. Board Assurance Framework (BAF)**

The BAF is a mechanism that should enable the Board to gain assurance that principal risks to the achievement of the Health Board's strategic objectives have been identified, assessed and are properly managed in line with best practice. It is thus a robust tool, which the Board uses to reinforce strategic focus and better management of risks and in gaining assurance. The BAF also provides a structured framework for identifying and mapping the main sources of assurance across the Health Board and co-ordinating them to best effect. It thus provides a structure and process through which the Health Board can focus on those principal risks which could compromise the achievement of its strategic objectives as defined in its Clinical Strategy and Annual Operational Plan.

The Health Board's BAF and CRR are symbiotically linked; inform, shape and feed-off each other as both toolkits are regularly updated, received and scrutinised by relevant committees and the Board as per their cycles of business. The BAF is thus the main tool that the Board uses in discharging its key responsibility of internal controls and gaining assurance that principal risks are managed in accordance with this Risk Management Strategy and Policy.

### **The next flowchart shows BCU's escalation and de-escalation process:**



## BCU's Risk Management Escalation Process

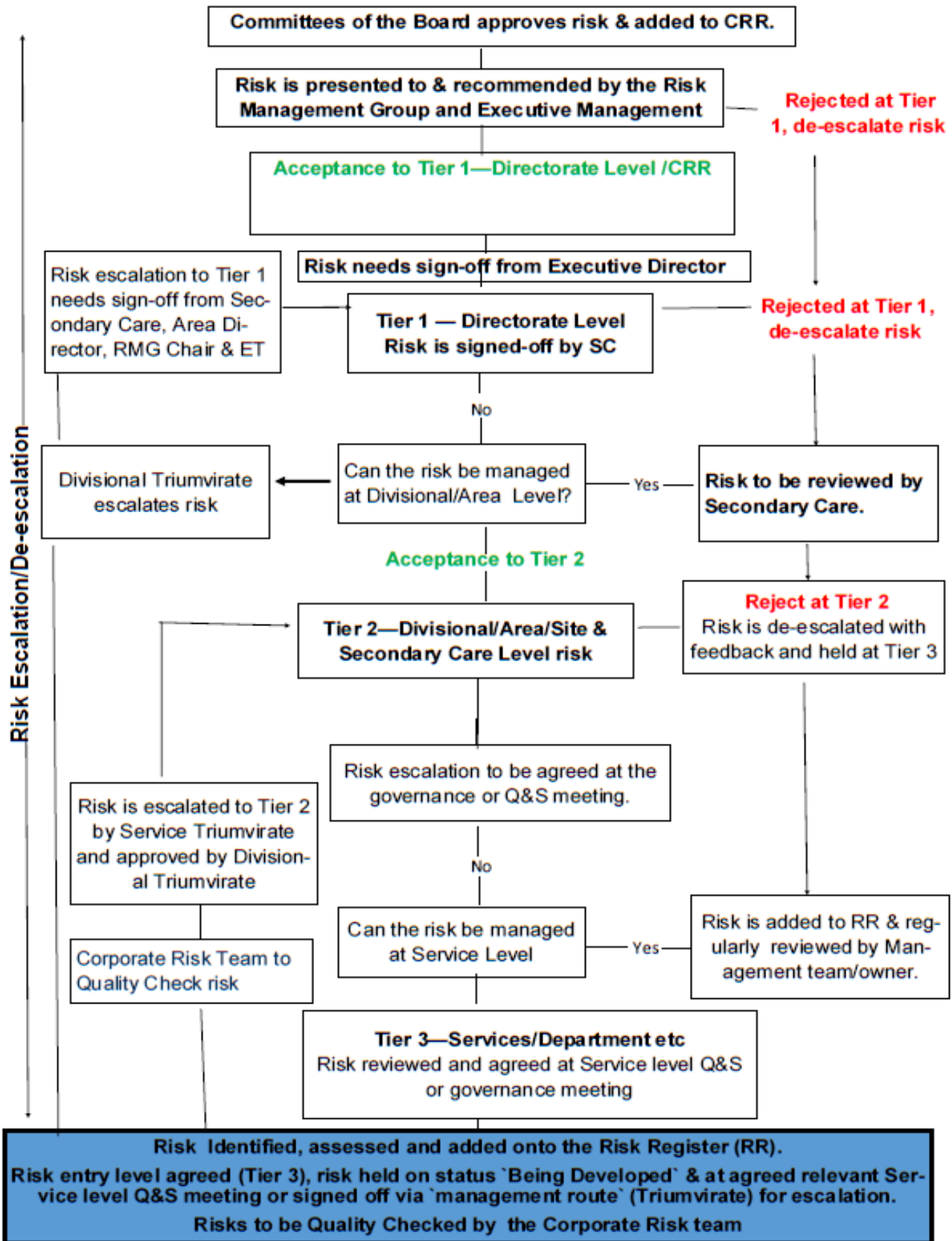


Figure 6 - Escalation/De-escalation route

### **13. Individual Roles and Responsibilities**

The following section provides a synopsis of the roles and responsibilities of individuals, groups and committees in ensuring the timely and effective identification, assessment and management as well as review and scrutiny of risks across the Health Board: -

#### **13.1 Chief Executive or Accountable officer**

The Chief Executive has delegated responsibility from the Board to ensure that the Health Board has a robust risk management architecture; systems and processes in place to foster the effective mitigation and management of risks. The Chief Executive is accountable for the Board's risk management and governance arrangements and has executive responsibility for ensuring organisational compliance with the Health Board's Risk Management Strategy and Policy. The Chief Executive has responsibility for communicating, implementing and monitoring the Health Board's risk appetite as delegated by the Board and for ensuring that the Annual Governance Statement aligns with this risk management strategy and policy.

#### **13.2 Deputy Chief Executive**

The Deputy Chief Executive has been delegated responsibility from the Chief Executive to operationally deliver the Risk Management Strategy, develop the governance arrangements and strengthen the Health Board's risk management systems and processes by:

- Embedding an effective risk management culture throughout the health board;
- Working closely with the Chair, Vice Chair, Chief Executive, Chair of the Audit Committee and Executive Directors to implement and maintain appropriate risk management and related processes;
- Developing and communicating the Board's risk awareness, appetite and tolerance;
- Leading and participating in risk management oversight at the highest level, covering all risks across the health board;
- Leading the development of, and Chair of the Risk Management Group;
- Working closely with the Chief Executive and Executive Directors to support the development and maintenance of the Corporate and Directorate level risk registers;
- Developing and implementing the health board's Risk Management Strategy and Policy.

The Deputy Chief Executive will discharge these responsibilities through the Interim Director Of Governance and/or Assistant Director of Information Governance and Risk and the Head of Risk Management.

#### **13.3 Board Secretary**

The Board Secretary provides advice and guidance to the Board on all aspects of governance and it is the Board's responsibility to approve the governance framework. The Board Secretary is responsible for designing, developing and maintaining the Health Board's Board Assurance Framework (BAF).

#### **13.4 Executive Directors**

Executive Directors have overall responsibility for the operational management of risks within their directorates and are the named senior responsible officer for individual risks on the Corporate Risk Register. They are also responsible for the effective allocation of resources to timely reduce risks within their remit, while ensuring prompt escalation and de-escalation of

risks where appropriate. They shall also be responsible for ensuring that Senior Managers under their portfolio have effective risk management systems and processes in place in their Directorates, Areas, Hospital Sites, and Divisions to demonstrate robust identification, assessment, mitigation and management of all risks. They are responsible for ensuring that best practice in risk management and a positive risk-aware culture are fully embedded in their portfolio.

### **13.5 Independent Members (IMs)**

Independent Members have an important role in risk management in seeking assurance on the robustness of processes and the effectiveness of controls through constructive, robust, positive and effective challenge to the Executive Directors and senior management. The role of Independent Members is not to manage individual risks but to understand and question risk on an informed and ongoing basis. IMs are expected to satisfy themselves that the Health Board's risk management arrangements are effective, efficient and fit-for-purpose.

In addition, IMs chair Board Committees and in line with the relevant committee's terms of reference, should gain and provide assurance to the Board that risks within its remit are being managed effectively by the risk owners and report any areas of concern to the Board.

### **13.6 Clinical Executive Directors**

The Executive Director of Nursing and Midwifery, Executive Medical Director, Executive Director of Therapies and Health Sciences and the Executive Director of Public Health have collective responsibility for clinical quality governance which includes patient safety, incident management and patient experience and will therefore have a responsibility to ensure that clinical risks are appropriately managed in line with this strategy. They are responsible in ensuring that significant clinical risks identified and assessed in their portfolios are brought to their attention in a timely manner and, if approved, escalated promptly and properly managed.

### **13.7 Senior Information Risk Officer**

The Board will nominate an Executive Director as the Senior Information Risk Officer (SIRO) with delegated responsibility by the Chief Executive for ensuring that information risks are treated as a priority for business outcomes.

### **13.8 Senior Managers (including Directors)**

Senior managers will take the lead on risk management within their divisions, sites and areas and set the example through visible and exemplary leadership. They are also responsible for the effective allocation of resources in managing, escalating and de-escalating operational and strategic risks within their remit.

### **13.9 All Staff**

All staff including Trade Union colleagues and contractors are required to comply with this Risk Management Strategy and Policy, bring any issues of concern to the attention of their line manager and to appropriately reduce and manage risks to the best of their knowledge and ability. Controls and actions implemented in mitigating risks must be timely disseminated to all staff involved with the management of the risk were it to be realised. All staff are expected to share intelligence around any potential risks with contractors providing services within and on behalf of the Health Board.

## 14. Committee and Group Roles & Responsibilities

### 14.1 The Board

The Board have collective responsibility for the setting and ensuring delivery of strategic objectives and priority areas. Key strategic risks are identified and monitored by the Board. The Board is also accountable for setting the risk appetite of the Health Board and in providing scrutiny, oversight and constructive challenge while gaining assurance that the Health Board has robust systems and processes in place to ensure the effective management of risks, associated controls and assurances across its length and breadth. The UK Corporate Governance Code recommends that:

‘the board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives’.

The Code recognises that as risks can emerge and crystallise rapidly, the risk management architecture in place should facilitate the timely, dynamic and agile escalation of principal risks to the attention of the Board in real time.

The Financial Reporting Council (2014) Guidance on Risk Management and Internal Controls states that, the board has ultimate responsibility for ensuring that appropriate risk management processes, systems, internal control, and risk-aware culture are embedded throughout the organisation. Hence, in the context of this Strategy and Policy, the Board will:

- Demonstrate its continuing commitment to risk management through the endorsement of this strategy;
- Ensure, through the Chief Executive that the responsibilities for risk management outlined in this strategy are communicated, understood and maintained;
- Take a lead role in “horizon scanning” for emerging threats/risks to the delivery of the health board’s strategic objectives and priority areas and ensuring that controls put in place in response, manage risks to an acceptable level;
- Oversee and participate in the risk assurance process and ensure that appropriate structures are in place to implement effective risk management;
- Commit those financial, managerial, technological and educational resources necessary to adequately control identified risks;
- Ensure that lessons are learned and disseminated into practice from complaints, claims and incidents and other patient experience data;

Receive reports from the Committees of the Board in line with terms of reference and work plans of those committees.

### 14.2. Committees

The key responsibility of committees here are to-

- Provide scrutiny, oversight, approve and recommend risks for inclusion on the CRR.
- Approve new risks for escalation and inclusion onto the CRR and/or approve existing ones for de-escalation from the CRR once they have been appropriately reduced and managed to lower scores.

- Provide assurance to the Board that there are robust and effective arrangements in place to appropriately identify, assess, review, monitor and manage Tier 1 risks and those on the Corporate Risk Register (CRR) within their portfolio.
- Committees may through `horizon scanning` and a `top down approach` recommend that potential risks/threats from related reports e.g. Quality or Performance Reports be identified, assessed and captured on the risk register by the relevant Services or Divisions and escalated if applicable.
- Committees to note completion of actions as evidence for proposed changes in scoring.
- Committees should not be involved in the operational management of risks but should satisfy themselves that the Services and Divisions under their remit have robust risk management arrangements in place. They should also provide scrutiny and oversight, constructive challenge, gain assurance and hold Executive Directors to account for the effective management of risks under their portfolios.

Risks on the CRR are aligned to Committees for regularly review and scrutiny prior to the Board receiving the CRR. Committees here include:

- Quality, Safety and Experience Committee (QSE)
- Finance and Performance Committee (F&P)
- Strategy, Partnerships and Population Health Committee (SPPH)
- Digital and Information Governance Committee (DIGC)

#### **14.3 Audit Committee**

The Audit Committee is responsible on behalf of the Board for providing oversight and scrutiny of the CRR in order to assure the Board that there are robust processes and systems in place for appropriately mitigating and managing risks across the Health Board and especially those on the CRR. This involves reviewing how risks which could impact on the achievement of the Health Board's objectives as defined in its Annual Operational Plan could be appropriately reduced and managed. The Audit Committee will also review and approve the Risk Management Strategy and Policy annually as required as part of the Health Board's Standing Orders in advance of ratification by the Board.

#### **14.4 The Executive Team (ET):**

The ET fulfil the following responsibilities:

- Receive, review and scrutinise the CRR and recommend any new risks that are being escalated to the attention of the relevant committee.
- Identify risks from other reports and instruct the relevant services to ensure such risks are appropriately assessed and captured on their risk registers and escalated if applicable.
- Gain assurance from the RMG that the CRR and BAF are robust, effective and fit for purpose.

#### **14.5 The Risk Management Group**

The Risk Management Group will maintain oversight of the risk management system and overall governance and reporting arrangements ensuring that they are fit for purpose and embedded across all areas of the Health Board in line with this Risk Management Strategy and Policy. It is also responsible for the oversight and monitoring of risks at Directorate level

(Tier 1) and providing scrutiny and oversight of the full Corporate Risk Register prior to review by the ET. As part of the Health Board governance arrangements, the Risk Management Group will report to the ET. The RMG will also perform the following functions:

- Review and scrutinise Divisional risk register reports including new risks for escalation and either recommend them to the ET or decline and provide feedback on changes that need to be made to strengthen the risk assessment prior to re-escalation if applicable.
- Challenge risks that are being presented for consideration and escalation.
- On behalf of the ET, the RMG will receive, review and scrutinise the CRR with focus on the risk entries, controls in place, new actions that have been added and old ones that have been completed, risk score etc. and make recommendations to the RMG.
- On behalf of the ET, the RMG will sign-off completed actions that were implemented to support in mitigating and managing risks to attain their target risk score (recognising that these will still need to be reported to Committees for evidence to support any proposed changes in score), before they can be archived from future reports.
- Identify risks from other reports and instruct the relevant services to ensure such risks are appropriately assessed and captured on their risk registers and escalated if applicable.
- Review and scrutinise risk management performance reports, audits, the updated Risk Management Strategy and its associated procedural documents as well as any other risk management related reports and advise accordingly.
- On behalf of the ET regularly review, challenge and scrutinise the Health Board's risk management architecture, monitor its Risk Management Annual Improvement Plan and provide assurance to the ET.

#### **14.6 Divisional/Hospital Site/Area/Secondary Care etc. Risk Management Arrangements or Q&S Meeting**

All Divisions/Hospital Sites/Area/Secondary Care etc. must have the necessary arrangements in place for good governance, quality, safety and effective risk management. Divisional Q&S or governance meetings are responsible for ensuring that there are effective systems and process in place across Services and Departments under their remit to ensure robust risk management and provide assurance that these are operating effectively. Q&S or governance must create the enabling environment for bottom-up risk reporting with Services and Departments under their remits routinely providing their risk register reports for review, scrutiny, assurance and oversight.

### **15. Risk Management Training**

The Corporate Risk Team is committed to developing organisational capacity and capability in risk management as a driver for improving risk awareness, developing risk management skills in the local workforce and embedding best practice in risk management. Bespoke risk management training resources have been developed and tailored to suit staff in various roles and responsibilities. The Corporate Risk Team has launched an initiative to train 1000 staff across the Health Board in risk management for 2021/22, with various training slots advertised on the intranet and staff informed and encouraged to book. The plan is for all staff (including Board Members) in the next few years to receive training and/or refresher in risk management that is appropriate to their roles and responsibilities.

## 16. Equality Impact Assessment

The Health Board has undertaken an Equality Impact Assessment on the implementation of this strategy and policy to ensure that it is inclusive and does not discriminate against any protected characteristics. The assessment has highlighted an equality impact concern regarding the availability of the documentation in a format to address any visual impairment disabilities. Positive action including support and the availability to transcribe the document will be provided to support individuals and the Health Board to positively meet its responsibilities under the equalities and human rights legislation.

## 17. Performance Measurement and Monitoring of Risk Management Culture

The Health Board will undertake regular Risk Management Self-assessments, annual internal audits, Snapshot Audits and/or an annual health check of its risk management culture using key performance indicators (KPIs) in measuring the effectiveness of risk management arrangements across its services. These will explore a sample of 20 risks randomly selected from each Directorate risk registers and 10 from the Corporate Risk Register in measuring the following KPIs.

**17.1 Compliance:** This will measure whether the Health Board is compliant with its own risk management strategy and policy by evaluating the following components: -

- % of risks which are in date and/or out of date;
- % of actions linked to Directorate risks which are out of date.

**17.2 Maturity:** This measure will focus on evaluating the completeness of risks on risk registers across the Health Board and will concentrate on the following aspects: - e.g.

- % of risks with all key dates completed;

**17.3 Data Quality:** This measure will focus on evaluating the accuracy of risk entries e.g. risk description, controls, actions and titles. It will consider: -

- % of risks with titles focusing on the risks and not issues.
- % of risks with appropriate descriptions

**17.4 Risk Management Training:** This metric will measure the number of staff who have attended the Health Board's ongoing risk management trainings i.e. 'Operation 1000 Staff'.

- % of staff who have attended the Health Board's risk management trainings.

**17.5 Appropriate risk escalation:** This measure will seek to randomly identify some risks, which were escalated onto tiers 2 and 1 to ascertain if they were escalated in line with this Risk Management Strategy and Policy.

- % of risks escalated to tiers 2 and 1 that have governance footprint captured on agendas and minutes as defined by this Strategy.

## 18. Conclusion:

The use of ERM will thus provide a framework through staff across the Health Board to timely and proactively identify, assess, manage and reduce potential events or risks that may compromise the achievement of the organisation's objectives and Priority Areas as outlined

in its 3 Year Plan/IMTP. In conclusion, this risk management strategy and policy will foster standardisation, engagement, consistency and help embed ERM across all services within BCU from `Ward to Board`.

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## 20. Acronyms:

No	Acronyms	Meaning
1	WG	Welsh Government
2	HIW	Health Inspectorate Wales
3	HSE	Health & Safety Executive
4	SC	Secondary Care
5	ET	Executive Team
6	ED	Emergency Department
7	RMG	Risk Management Group
8	Q&S	Quality & Safety
9	IMs	Independent Members
10	CRR	Corporate Risk Register
11	BAF	Board Assurance Framework



12	RR	Risk Register
13	KPIs	Key Performance Indicators

## Appendix A – BCU`s Risk Appetite Framework – May 2021

The Health Board recognises that risk is inherent in the provision and commissioning of healthcare services, and therefore a defined approach is necessary to articulate risk context, ensuring that it understands and is aware of the risks it is prepared to accept in pursuit of its aims, strategic objectives and priority areas.

The Health Board places fundamental importance on the delivery of its strategic objectives and priority areas and its relationships with its patients, the public and strategic partners in achieving delivery of its “*Living Healthier Staying Well*”, Annual Operational Plan 2021/22.

The Health Board is not open to risks that materially impact on the quality or safety of services that we provide or commission; or risks that could result in us being non-compliant with UK law, healthcare legislation, or any of the applicable regulatory frameworks in which we operate.

The Health Board has the greatest appetite to pursue innovation and challenge current working practices and financial risk in terms of our willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

## BCU's Risk Appetite Framework

Risk Domains	Current Risk Appetite Framework 2020/21  Description of risk categories	Proposed Risk Appetite Framework 2021/22  Description of risk categories	Risk Appetite Framework during exceptional Circumstances e.g. Pandemic or loss of Acute Hospital  Description of risk categories
Risk Appetite	Category: Cautious (Low Score 1 - 6)	Risk Appetite Category: Cautious (Low Score 1 - 8)	Risk Appetite Category: Cautious (Low Score 1 - 8)
Patient and Staff Safety	<p>The Health Board consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities. We have a low appetite to risks that result in, or are the cause of incidents of avoidable harm to our patients or staff.</p> <p>This means we are not open to risks that could result in poor quality care or clinical risk assessment, non-compliance with standards of clinical or professional practice, unintended outcomes or poor clinical interventions.</p> <p>We will not accept risks associated with unprofessional conduct,</p>	<p>BCUHB places the safety of its patients and staff at the heart of everything it does. It has a cautious risk appetite for patient and staff safety risks that could result in harm or discomfort to patients and staff which may arise from the delivery of its core business activities.</p> <p>BCUHB recognises that during exceptional circumstances and in line with full clinical risk stratification, it will be prepared to accept a slightly higher threshold for patient and staff safety risks such as falls, delay referral to treatment, limited access to some operations, cancellation of appointments, etc.</p>	<p>BCUHB places the safety of its patients and staff at the heart of everything it does. It has a cautious risk appetite for patient and staff safety risks that could result in harm or discomfort to patients and staff which may arise from the delivery of its core business activities.</p> <p>BCUHB recognises that during exceptional circumstances and in line with full clinical risk stratification, it will be prepared to accept a slightly higher threshold for patient and staff safety risks such as falls, delay referral to treatment, limited access to some operations, cancellation of appointments, etc.</p>

	<p>underperformance, bullying, or an individual's competence to perform roles or tasks safely and, nor any incidents or circumstances which may compromise the safety of any staff member or group.</p>	<p>BCUHB will however not accept risks associated with underperformance, unprofessional conduct, Never Events (as these shouldn't occur in the first place), taking shortcuts, bullying, or an individual's competence to perform tasks safely and/or any incidents or undue circumstances which may compromise the safety patients and/or any staff member or group.</p>	<p>BCUHB will however not accept risks associated with underperformance, unprofessional conduct, Never Events (as these shouldn't occur in the first place), taking shortcuts, bullying, or an individual's competence to perform tasks safely and/or any incidents or undue circumstances which may compromise the safety patients and/or any staff member or group.</p>
<p><b>Quality and Patient Outcomes</b></p>	<p>The Health Board's ambition is to ensure that the health services it provides to individuals, patients and the population improve and achieve desired health outcomes and are informed by current professional and cutting-edge knowledge and best practice. The Health Board recognises that it's quality risks will include those which relate to clinical effectiveness and patient experience amongst others.</p> <p>The provision of high quality services is of the utmost importance to the Health Board and for ensuring value for money in a challenging arena. We therefore have a cautious appetite to risks that impact adversely on quality of care and depending on the circumstances will accept some risks that could limit our ability to fulfil this activity.</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>BCUHB is committed to providing high quality healthcare services to patients and the entire population it serves with the view to delivering better outcomes and greater value for money that are informed by cutting-edge knowledge, best practice and professionalism.</p> <p>BCUHB has a moderate appetite for risks that could impact adversely on the quality of its healthcare services and patient-centred outcomes. It acknowledges that in exceptional circumstances, it will explore appropriate risk stratification and due diligence in deciding on the amount of risk associated with quality and patient outcomes it would be able to accept in pursuant of its operational and strategic objectives.</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>BCUHB is committed to providing high quality healthcare services to patients and the entire population it serves with the view to delivering better outcomes and greater value for money that are informed by cutting-edge knowledge, best practice and professionalism.</p> <p>BCUHB has a moderate appetite for risks that could impact adversely on the quality of its healthcare services and patient-centred outcomes. It acknowledges that in exceptional circumstances, it will explore appropriate risk stratification and due diligence in deciding on the amount of risk associated with quality and patient outcomes it would be able to accept in pursuant of its operational and strategic objectives.</p>

<p><b>Workforce and OD</b></p>	<p>The Health Board will continue to employ and retain staff that meet our high quality standards and provide on-going training to ensure all staff reach their full potential, always mindful of the professional and managerial capacity and capability of the Health Board. We will also actively promote staff well-being.</p> <p>In certain circumstances we will accept risks associated with the delivery of this activity, however the preference is for safe delivery options with a low degree of inherent risk.</p> <p>There might be occasions as part of a future strategy to meet changing needs that we seek to develop new staffing models, which in their development might require a greater level of risk.</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p>
	<p>BCUHB places emphasis on promoting staff safety and well-being as it recognises that a healthy staff is key to driving high productivity and ensuring the achievement of its core business objectives.</p> <p>BCUHB realises that during exceptional circumstances, its staff could however be stretched and put under enormous pressure as they support the delivery of its core operational and strategic objectives.</p> <p>It recognises that in pursue of its core objectives, it will have a moderate risk appetite for risks associated with Workforce and OD. This acceptance will be based on the understanding that such risks will be timely identified, assessed and appropriately reduced and managed.</p>	<p>BCUHB places emphasis on promoting staff safety and well-being as it recognises that a healthy staff is key to driving high productivity and ensuring the achievement of its core business objectives.</p> <p>BCUHB realises that during exceptional circumstances, its staff could however be stretched and put under enormous pressure as they support the delivery of its core operational and strategic objectives.</p> <p>It recognises that in pursue of its core objectives, it will have a moderate risk appetite for risks associated with Workforce and OD. This acceptance will be based on the understanding that such risks will be timely identified, assessed and appropriately reduced and managed.</p>	

<p><b>Regulation and Compliance</b></p>	<p>The Health Board will continue to comply with all legislation relevant to us and will avoid risks that could result in the Health Board being non-compliant with UK law or healthcare legislation, or any of the applicable regulatory frameworks in which we operate.</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>BCUHB will have a moderate risk appetite for risks associated with regulation and compliance as it recognises that the regulatory and compliance landscape will be challenging and daunting during exceptional circumstances.</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>In order to foster a culture of high quality safe care across all its services, BCUHB is committed to ensuring compliance with regulatory, policy and legislative instruments and will greatly discourage and frown at non-compliance and/or staff taking shortcuts.</p> <p>BCUHB will have a moderate risk appetite for risks associated with regulation and compliance as it recognises that the regulatory and compliance landscape will be challenging and daunting during exceptional circumstances.</p>
<p><b>Risk Appetite</b></p>	<p><b>Category: Moderate (Score 8 – 10)</b></p>	<p><b>Risk Appetite Category: Moderate (Score 8 – 10)</b></p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p>
<p>Reputation &amp; Public Confidence</p>	<p>The Health Board will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviours, and will not accept risks or circumstances that could damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of</p>	<p>The Health Board will maintain high standards of conduct, ethics and professionalism at all times, espousing our Values and Behaviours, and will not accept risks or circumstances that could damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of</p>	<p>BCUHB is committed to maintaining high standards of conduct, ethics and professionalism at all times as underpinned by its Values and Behaviours. It recognises that the mitigation and management of risks associated with reputation and public confidence could be exacerbated during exceptional circumstances.</p> <p>It will have a moderate risk appetite for reputation and public confidence risks that</p>

	<p>North Wales, Partners, Stakeholders and Welsh Government.</p> <p>We have a moderate appetite for risks that may impact on the reputation of the health board when these arise as a result of the health board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.</p>	<p>North Wales, Partners, Stakeholders and Welsh Government.</p> <p>We have a moderate appetite for risks that may impact on the reputation of the health board when these arise as a result of the health board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory environment.</p>	<p>can inhibit the achievement of its core business objectives. However, BCUHB won't accept high risks associated with reputation and public confidence as these could lead to poor perception of its services and image, trigger adverse press and media coverage, reputational damage, financial penalties and loss of core business activities.</p>
Partnership Working	<p>The Health Board will continue to work with other organisations to ensure we are delivering the best possible service to our patients/service users and are willing to accept risks associated with this collaborative approach.</p> <p>Partnership working is a fertile ground for innovation in service delivery, new ways of delivering services and new service models. However, not where this compromises safety and quality of care for patients and service users.</p> <p>This is key to ensuring patients, carers and stakeholders receive seamless care from all agencies, especially with regard to legislation such as Social Care and Well Being Act and the Well Being of Future Generations Act, which will support the Health Boards commitment</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>The Health Board will continue to work with other organisations to ensure we are delivering the best possible service to our patients/service users and are willing to accept risks associated with this collaborative approach.</p> <p>Partnership working is a fertile ground for innovation in service delivery, new ways of delivering services and new service models. However, not where this compromises safety and quality of care for patients and service users.</p> <p>This is key to ensuring patients, carers and stakeholders receive seamless care from all agencies, especially with regard to legislation such as Social Care and Well Being Act and the Well Being of</p>	<p><b>Risk Appetite Category: Moderate (Score 9 – 12)</b></p> <p>BCUHB recognises that in order to deliver high quality personalised transformational health services to its patients and the wider population, it is helpful to tap into the immense benefits which can accrue from working in collaboration both vertically and/or horizontally within and outside its boundaries with key stakeholders, agencies and partners as well as across organisational and professional divide.</p> <p>However, it will have a moderate risk appetite for all risks associated with partnership working which could inhibit the achievement of its operational and strategic objectives. This is key to ensuring patients, carers and stakeholders receive seamless care from all agencies, especially with regard to legislation such as Social Care and Well Being Act and</p>

	to improving population health and the general wellbeing of local people through the implementation of “Living Healthier Staying Well”.	Future Generations Act, which will support the Health Boards commitment to improving population health and the general wellbeing of local people through the implementation of “Living Healthier Staying Well”.	the Well Being of Future Generations Act, as these will support BCUHB`s commitment to improving population health and the general wellbeing of its local population through the implementation of “Living Healthier Staying Well”.
Finance	The Health Board have been entrusted with public funds and must remain financially viable. We will make the best use of our resources for patients and staff. Risks associated with investment or increased expenditure will only be considered when linked to supporting innovation and strategic change. We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.	<b>Risk Appetite Category: Moderate (Score 9 – 12)</b> The Health Board have been entrusted with public funds and must remain financially viable. We will make the best use of our resources for patients and staff. Risks associated with investment or increased expenditure will only be considered when linked to supporting innovation and strategic change. We will not accept risks that leave us open to fraud or breaches of our Standing Financial Instructions.	<b>Risk Appetite Category: Open (High Score 15)</b> BCUHB acknowledges the exacerbating constraints and pressure during exceptional circumstances which could be exerted on its capacity and resources to effectively and efficiently reduce and manage finance risks to the delivery of its core business operations and objectives.  It will therefore have an open risk appetite for risks associated with finance and will accept finance risks to the achievement of its core business objectives that are scored at 15. It won`t accept very high finance risks which could compromise the judicious, effective and efficient use of public funds placed at its disposal for the smooth delivery of its core business objectives.
<b>Risk Appetite</b>	<b>Category: Open (High Score 12 - 15)</b>	<b>Category: Open (High Score 15)</b>	<b>Risk Appetite Category: Open (High Score 15)</b>
Innovation &	The Health Board wishes to maximise opportunities for developing and growing our services by encouraging	The Health Board wishes to maximise opportunities for developing and growing our services by encouraging	BCUHB recognises that innovation and strategic change are critical drivers for the delivery of high quality patient-centred care

<p>Strategic Change</p>	<p>entrepreneurial activity and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the 3 Year outlook, Annual Plan, whilst respecting and abiding by our statutory obligations.</p> <p>We are willing to accept risks associated with innovation, research and development to enable the integration of care, development of new models of care and the use of technology to address changing demands. This will include new ways of working, trials and pilot programmes in the delivery of healthcare.</p>	<p>entrepreneurial activity and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the 3 Year outlook, Annual Plan, whilst respecting and abiding by our statutory obligations.</p> <p>We are willing to accept risks associated with innovation, research and development to enable the integration of care, development of new models of care and the use of technology to address changing demands. This will include new ways of working, trials and pilot programmes in the delivery of healthcare.</p>	<p>and encourages staff to explore innovation, new technologies and cutting-edge approaches and models in delivering patient care.</p> <p>It will however, have an open risk appetite for innovation and strategic change risks and will accept related risks scored<sup>15</sup> that are associated with innovation, research and development to enable better integration of care, development of new models of care and the use of technology to address changing demands.</p>
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This Statement will be regularly reviewed and modified so that any changes to BCUHB's strategy, objectives, priority areas or our capacity to manage risk are properly reflected. It will be communicated throughout BCUHB in order to embed sound risk management and to ensure risks are properly identified and managed.



## Appendix B: Guidance for completing the BAF Template

BAF Template Item		Please refer to the Risk Management Strategy and Policy for further detailed explanations
<b>Risk Reference</b>		Board Assurance Framework reference number, allocated by the Board Secretary.
<b>Risk Description</b>		An uncertainty that something could or may happen that will have an impact on the achievement of the Health Board's Priority. There are 3 main components to include when articulating the risk description (cause, event and effect):
		- There is a risk of / if ....
		- This may be caused by ....
		- Which could lead to an impact / effect on .....
<b>Risk Ratings</b>	Inherent	Without taking into consideration any controls which may be in place to manage this risk, what is the likelihood that this risk will be realised, and if it did, what would be the consequence.
	Current	Having considered the key controls and key mitigation measures in place, indicate what the current risk grading is. Note – this should reduce as action is taken to address the risk.
	Target	This is the level of risk one would expect to reach once all controls and key mitigation measures are in place and actions have been completed.
<b>Risk Impact</b>		The consequence (or how bad) if the risk was to be realised, in line with the NPSA Grading Matrix an impact of 1 is a Negligible (very low), with a 5 as Catastrophic (very high).
<b>Risk Likelihood</b>		The probability were this to happen if the risk was to be realised. In line with the NPSA Grading Matrix a likelihood of 1 is this will probably never happen / recur, with a 5 being that it will undoubtedly happen, recur, possibly frequently.
<b>Score</b>		Impact x Likelihood of the risk happening.
<b>Appetite</b>	Definition	Is defined as the amount and level of risk that the Health Board is willing to tolerate or accept in order to achieve its priorities.
	Low	Cautious with a preference for safe delivery options.
	Moderate	Prepared to take on, pursue or retain some risks as a result of the Health Board taking opportunities to improve quality and safety of services.
	High	Open or willing to take on, pursue or retain risks associated with innovation, research and development consistent with the Health Board's Priorities.

<b>Control</b>	Definition	<p>These are measures/interventions implemented by the Health Board to reduce either the likelihood of a risk and/or the magnitude/severity of its potential impact were it to be realised.</p> <p>A collection of strategies, policies, procedures and systems - to control the risks that would otherwise arise and ensure that care and services are delivered by competent staff who are aware of how to raise concerns [NHS WALES Governance e-manual - <a href="http://www.wales.nhs.uk/governance-emanual/risk-management">http://www.wales.nhs.uk/governance-emanual/risk-management</a>] A measure that maintains and/or modifies risk (ISO 31000:2018(en)).</p>
	Examples include, but are not limited to:	<ul style="list-style-type: none"> <li>- People, for example, a person who may have a specific role in delivery of an objective</li> <li>- Strategy, policies, procedures, SOP, checklist in place and being implemented which ensures the delivery of an objective</li> <li>- Training in place, monitored and assurance reported</li> <li>- Compliance audits</li> <li>- Business Continuity plans in place, up to date, tested and effectively monitored</li> <li>- Contract Management in place, up to date and regularly monitored.</li> </ul>
<b>Mitigation</b>	Definition	<p>This refers to the process of reducing risk exposure and minimising its likelihood and/or lessening or making less severe its impact were it to materialise. Types of risk mitigations include the 5Ts (treat, tolerate, terminate, transfer or take opportunity).</p>
	Examples include, but are not limited to:	<ul style="list-style-type: none"> <li>- A redesigned and implemented service or redesigned and implemented pathway</li> <li>- Business Case agreed and implemented</li> <li>- Trained staff</li> <li>- Risk Assessment</li> <li>- Evidential data sets</li> <li>- Insurance procured.</li> </ul>
<b>Assurance Levels</b>	1	<p>The first level of assurance comes from the department that performs the day to day activity, for example the data is available.</p>
	2	<p>The second level of assurance comes from other functions in the Health Board who have internally verified the data, for example quality, finance and H/R assurance.</p>
	3	<p>The third level of assurance comes from assurance provided from outside the Health Board, for example WG, HIW, HSE and Internal/External Audits, etc.</p>