

<b>Risk Management Process</b>	
Standard Operating Procedure (SOP)	
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<b>Presented to: Integrated Governance Committee</b>	<b>Date: 24 August 2015</b>
<b>Ratified by: IGC</b>	<b>Date: 24 August 2015</b>
	<b>Review date: 26 August 2017</b>
<b>Relating to policies:</b>	Risk Management Strategy Risk Management Policy

**Purpose of this document** – Torbay and Southern Devon Health and Care NHS Trust (the Trust) is required to have an approved organisation wide risk process. The effective identification and maintenance of risks will result in an improved quality of, and safe, care for patients and the minimisation of risks for staff, visitors and the organisation as a whole.

This document has been written to act as a procedure to identify, rate and review risk, This SOP is supported by the [Risk Management Strategy](#) the [Risk Management Policy](#) and the “[Risk Assessment & Management Handbook](#)” which can be found on the Torbay and Southern Devon Health and Care NHS Trust website.

**Scope of this SOP** – This document refers to employees of Torbay and Southern Devon Health and Care NHS Trust. It applies to all staff with responsibility for the reporting and management of risks within their area of responsibility.

**Competencies required** – No specific competencies are required to follow this procedure however it is recommended that the Risk Management Strategy and Risk Management Policy are read. Additionally it would be beneficial to read the linked documents as outlined in Risk Management Strategy. Risk Assessment is part of mandatory Health and Safety Training provided on a 3 yearly basis.

**Responsibilities** – All staff have a responsibility for understanding risk and for keeping up to date with risk management issues. Risk coordinators and Managers are accountable for recording risks. Managers are responsible for implementing and monitoring any identified and appropriate risk management control measures within their designated areas and scope of responsibility. Full responsibilities are detailed within the [Risk Management Policy](#).

#### 1. Procedure:

Risk Management is a systematic process, to be effective it needs to be holistically applied strategically and operationally to all systems, processes and services. It should include (but not be limited to): Individual factors

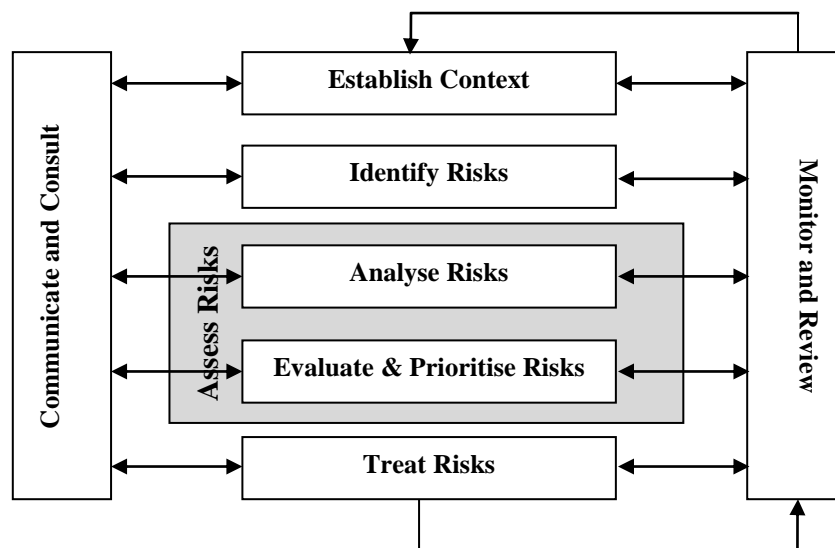
- Environmental factors
- Political factors

- Operational constraints
- Process factors
- Corporate factors
- Clinical factors
- Information Governances factors

The Risk Management process model is based on following key steps:

- Establish the Context
- Risk Identification
- Risk Assessment (Analyse, Evaluate and Prioritise)
- Treatment and Control
- Monitor and Review
- Communicate and Consult

*Fig 1 Risk management process (Adapted from AS/NZS 4360:1999 - Risk management)*



A risk can be any event that **might** occur which **could** affect the ability of the Trust/Directorate to achieve its **objectives** – it is what could happen, how it could happen and who could be affected by it.

## **2. Establish the context.**

Risk Management planning is a fundamental part of the process and sets the basis for a sound approach to the management of risk. Establishing the context, i.e. the specific risk management issues pertaining to the Trust can provide an understanding of the environment in which the risk of harm might take place. Key questions to help you establish the context include:

1. Is this a review of a new or existing process/ system, or is it the result of an incident or near miss?
2. What strategic (and perhaps other) objective does this impact on?
3. Who are the stakeholders and how might they be affected?

## **4. Identify the Risks**

There are many methods of risk identification within an organisation. These can include, but are not limited to:

1. Introducing, changing or reviewing a process, system or service
2. As a result of an incident or near miss
3. PALS, Complaints and Claims reporting
4. Health and Safety Inspection
5. Audit – Clinical, Financial and External Audit
6. Legislation and Policy
7. Reports from Assessments/ Inspections by External Bodies
8. Surveys and Questionnaires
9. Issues arising from routine Patient and Public Involvement Activities
10. Training
11. National reports & policies
12. Media
13. Central Alert System (CAS)
14. Information Risk
15. Freedom of Speech (Whistle blowing)
16. Grapevine, Intuition, Observation (listening to hearsay and ad hoc comments, observing or becoming aware of potential risks or hazards – concerns should be discussed with your line manager)
17. Trade Unions

18. Exit Interviews with Staff
19. Backlog of Buildings Maintenance
20. Serious Untoward Incident Reports
21. NSPA, NICE and other professional body guidelines

The above list is not exhaustive but raises awareness and identifies responsibility for formally addressing risk issues throughout the organisation and in all formats.

#### **5.4 Risk Assessment: Analysing the Risk**

5.4.1 A standardised approach is taken across the Trust to analyse and measure risk, this is detailed below. Line Managers must ensure that, for their area, risk assessments are carried out and documented, and that the necessary control measures are implemented in order to reduce risks. The level of detail in the risk assessments and any subsequent action taken should be proportional to the risk.

5.4.2 The key questions to consider in analysing the risk are:

1. What can happen?
2. How can it happen?
3. Who could it happen to?
4. How could risks occur?
5. What would be the effect if they did?
6. What is the likelihood of the risk occurring?
7. How could they be reduced?
8. Are there any controls already in place to manage the risk?

5.4.3 A standard risk matrix is used across the trust to identify a risk score. This is calculated using two factors, the likelihood of a risk occurring and the consequence of a risk occurring.

### ASSESSMENT OF LIKELIHOOD OF RISK

Score	Description	Detailed Description
1	Rare	May only occur in exceptional circumstances (1 in 1000 or less)
2	Unlikely	Could occur at some time (1 in 100 or 1 in 1000)
3	Possible	Might occur at some time (1 in 10 to 1 in 100)
4	Likely	Will probably occur in most circumstances (1 in 10 to evens)
5	Almost Certain	Is expected to occur in most circumstances (evens to certain)

### ASSESSMENT OF IMPACT OF RISK

Impact	1 Minimal	2 Minor	3 Moderate	4 Major	5 Catastrophic
Clinical/ Safety	No injury/ prevented incident  Minor cuts, bruising	Extra observation/ treatment  First Aid  Major cuts, bruising  Minor Illness	Further treatment needed  Referred to other department/ hospital/ A&E  Additional treatment required up to 1 year RIDDOR reportable non major injury	Major injury – RIDDOR reportable  Major clinical intervention  Permanent incapacity  Unexpected death  Death caused by the incident	Multiple Deaths
Financial	£1,000- £20,000	£20,000- £100,000	£100,000- £500,000	£500,000- £2.5m	> £2.5m
Legal		Tribunal/ NHSLA involvement (potential for claim)	Defensible legal action	HSE prosecution or other criminal prosecution  Civil litigation (1 person)	HSE prosecution or other criminal prosecution (Major)  Civil litigation (>1 person)
Performance		Failure to meet local standards	Failure to meet national standards	Failure to meet professional standards or	Sustained failure to meet professional

				statutory requirements	standards or statutory requirements
Reputation	Complaints	Letters in local press	Adverse articles in local press. S4BH lapse	Adverse letters/ articles in national press. S4BH lapse	Major censure by Healthcare Commission, Ombudsman etc.

The risk score = the consequence x the likelihood

### RISK SCORING MATRIX

	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Minimal	1	2	3	4	5

## 5.5 Risk Assessment: Evaluating and Prioritising the risk

5.5.1 This process enables the Trust to hold a risk register which gives an overall picture of the range of risks that the trust has to manage. It identifies the risks and prioritises the remedial action. The Trust has a legal (and ethical) responsibility to identify and categorise risks and either eliminate them or reduce them to the lowest level that is reasonably practicable.

5.5.2 What is reasonably practicable also takes into account the costs involved in eliminating them or reducing the risks through control mechanisms etc. It is therefore necessary to assess and prioritise the effectiveness and economic efficiency of the different options available for risk reduction. As resources are always going to be finite relative to demand, the establishment of priorities is a necessity.

5.5.3 The process of evaluation looks at the assessment of all risks, prioritising them and identifying medium to high risks that require immediate treatment. Risk evaluation is about deciding whether the particular risks are acceptable or not, taking into account:

1. The controls already in place.
2. The consequence of managing risks or leaving them untreated.
3. Benefits and opportunities presented by the risks.
4. The risk borne by other stakeholders.

5.5.4 Where risks cannot be dealt with at a local level these should be escalated to the Risk Officer. Further detail on escalation can be found in the [Risk Management Policy](#). Although the Trust recognises that the assessment and scoring of risks can be subjective it is important that across the organisation we are applying a consistent approach. Therefore all risks must be assessed using the same process and scored using the approved Risk Matrix as detailed in this document.

5.5.5 The Corporate Affairs team and the Risk Co-ordinators Group review all new risks that are added to the risk register, on a monthly basis to ensure that risks are being assessed consistently across the organisation.

## 5.6 Risk Treatment

5.6.1 The purpose of risk treatment is to determine what will be done and who will be responsible for the risks that have been identified. Risk treatment converts and risk assessment into an action plan. This information is then recorded in the risk register.

5.6.2 The process of treating the risk is that of finding an appropriate and practical resolution, which will significantly minimise or eliminate the risk.

5.6.3 The Trust accepts that it will not be possible to eliminate or minimise all risks identified immediately. Some may require further research and development; others may require financial planning or have a lead time to undertake work.

5.6.4 By omitting to consider the context of the risk and not performing appropriate analysis and evaluation, those undertaking the risk assessment may

implement inadequate “quick fixes”. It is important to consider underlying systems when undertaking these assessments.

5.6.5 In some cases, it may be necessary to implement short term solutions “*Action in Place*”, but in considering all the information, the risk assessment process can help to inform longer term planning and processes.

5.6.6 Risk Treatment options are evaluated in terms of feasibility, costs and benefits with the aim of choosing the most appropriate and practical way of reducing risk to a tolerable level. The option chosen should provide a Risk Action Plan to deal with risks before they arise and a Contingency Plan that provides for recovery if a risk eventuates. Risk Action Plans will manage different risks in different ways. They may seek to:

1. Reduce the risk – Reduce or control the likelihood and consequence of the occurrence
2. Avoid the risk – Not proceeding with an activity likely to generate risk
3. Transfer the risk – arranging for another party to share part (or all) of the risk
4. Accept the risk – decide the risk is acceptable

5.6.7 There will be some risks that cannot be dealt with in the Directorate/ Zone; these risks should be escalated to the Risk Officer as soon as it is clear that the risk cannot be controlled locally.

## **5.7 Monitor and Review**

5.7.1 It takes time to plan and implement change. A robust monitoring and review system is essential to ensure actions are followed through, that priorities are re-assessed, so that risk management is an ongoing process that is embedded into normal management systems. It is crucial that when undertaking these assessments and reviews that details of when these were carried out and by whom are documented.

5.7.2 Continuous monitoring and review of risks ensures that new risks are detected and managed action plans are implemented and managers and stakeholders are kept informed. The availability of regular information on risks can assist in identifying trends, likely trouble spots or other changes that have arisen.



5.7.3 As with each step of the risk management process the details of monitoring and reviewing risks must be recorded on the risk register. This enables the Risk Co-ordinators and the Corporate Affairs team to provide an extra level of assurance to the Board that risks are being managed effectively.

The key risks will be reviewed regularly by the:

- Risk Co-ordinators Group
- Corporate Governance Committee
- Management of Information Group
- Integrated Governance Committee
- Audit and Assurance Committee
- Trust Board

5.7.4 The NHSLA Risk Management Standards self-assessments and formal assessments will provide extra assurance that risk processes are being effectively managed and will highlight any gaps. The risk management process must be formally reviewed annually by Internal Audit.

## **5.8 Communicate and Consult**

5.8.1 Effective communication is key to ensuring risks are managed appropriately. Stakeholders should be involved and consulted throughout the process. Key questions to answer are:

1. Who needs to know?
2. Who internally and externally needs to be consulted?
3. Who is affected?

5.8.2 It is important to note that the entire process is cyclical it does not stop once you have completed step 7 you need to continue to review the risk on a regular basis to identify any changes to the risk, to the consequence or likelihood of the risk and to the controls. The process may then need to be repeated.

**Monitoring tool**

Standards:

Item	%	Exceptions

**References:**

Risk Management Strategy

Risk Management Policy

**Amendment History**

Issue	Status	Date	Reason for Change	Authorised
V2	Active	30//07/2015	Extracted from Policy as this should be a document in its own right	TBA