

## Section G

# Risk Management Strategy

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### CONTENTS

Reference Number	Topic	Page Number
1	Purpose	3
2	Aim	4
3	Objectives	5
4	Scope	5
5	Principles Underpinning Risk Management	5
6	Organisational Responsibilities	6
7	Governance Arrangements	7
8	Risk Appetite	8
9	Assurance	10
10	Monitoring the Strategy	11
11	Implementation	11
12	Training	13
13	Equality Impact Assessment	14
	Document Control Sheet	15
	Appendix 1 – Risk Appetite Statement	17
	Appendix 2 – Risk Appetite Framework	18
	Appendix 3 – Schematic of Reporting Structure	20
	Appendix 4 – Definitions	21
	Appendix 5 – Roles and Responsibility	22

## 1. PURPOSE

This document sets out the Risk Management Strategy as part of an overall Risk Management Framework.

Organisations need to proactively manage risk to an acceptable level by embedding processes focussed on assessment and prevention, rather than reaction and remedy.

Risk management plays a vital role supporting and informing decision making in providing a safe and secure environment.

Our risk management framework which encompasses our Risk Strategy and all associated policies is designed to identify, measure, manage, monitor and report risks to achieve our organisational objectives.

### Risk Management Framework



This is a three year strategy building on previous work to continue to develop and strengthen the NHS Board's risk management capability, in order that the risks to which the Board, its staff and service users are exposed can be actively and systematically managed.

Whilst this strategy has been developed for the use of the NHS Board who retains responsibility for the management of risk, it must be considered in the context of the operational delivery of Health and Care services in Dumfries and Galloway through the Health and Social Care Partnership.

The Board delegates the development and detailed work associated with its implementation to the Risk Executive Group (REG) who will provide regular reports to the NHS Board and Committees as per the agreed framework.

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The management of risk involves everyone to ensure the process is embedded into the organisation's everyday activity.

As such, the Code of Corporate Governance should be read in conjunction with the NHS Dumfries and Galloway Risk Management Strategy, as it gives guidance on how staff deal with fraud, financial approvals, risk management and also sets out how both staff and Board Members should conduct themselves in undertaking their duties.

### 2. AIM

The aim of this Risk Management Strategy is to ensure that staff, patients, visitors, reputation and assets of the Board are protected through the process of risk identification, assessment, control and elimination/reduction. It will ensure a process where risks are managed at the appropriate level and that risks are escalated to a more senior level if resources are insufficient to manage the risk appropriately.

This process also supports the effective delivery of NHS Dumfries and Galloway's corporate objectives.

Risk management is an essential feature of a modern healthcare organisation and although a risk free environment is impossible, much can be done to manage risk by having comprehensive policies and procedures that cover and permeate all areas of Board activities.

The aim of this strategy is:

- To develop a proactive approach to risk management
- To manage risk to an agreed and acceptable level and in particular the risk of harm to patients and staff
- To support the organisation in creating a culture of continuous improvement
- To ensure that there is a system of comprehensive organisational engagement in risk management activity
- To ensure the organisations policies and procedures support practitioners and managers to include risk management in decisions and improve and drive effective decision making
- To provide an educational framework that encourages the sharing of knowledge relating to both risk assessment and risk management to create a shared understanding

The strategy encompasses both clinical and non-clinical risks to ensure a streamlined, consistent systemic and integrated approach to risk.

### 3. OBJECTIVES

The objective of the Risk Management Strategy is to ensure that our risk management framework is consistently applied and that it encourages a culture whereby staff are supported to:

- Identify, assess and control risks and ensure a balanced approach to risk taking
- Avoid undue risk aversion but rather identify and control risks which may adversely affect the operational ability of NHS Dumfries and Galloway
- Compare and prioritise risks with one another using the risk grading guidance
- Where possible, eliminate or transfer risks or reduce them to an acceptable or cost effective level, otherwise ensure the organisation accepts the remaining risk

### 4. SCOPE

This strategy is applicable to:

- **All staff** working for, on behalf of or commissioned to deliver services for NHS Dumfries and Galloway and whilst this strategy has been developed and approved through the NHS, the ambition is that will be adopted at operational level across the Health and Social Care Partnership (this includes all directly employed staff, bank, agency and contracted staff)
- **All risks** inherent in the business activities of NHS Dumfries and Galloway (articulated with the Risk Appetite Framework - Appendix 2)

### 5. PRINCIPLES UNDERPINNING RISK MANAGEMENT

The underpinning principle of this strategy is that a positive risk management culture is developed within the Board that empowers all staff to make sound judgements and decisions concerning the management of risk and risk taking.

The key principles the Board has identified as underpinning our approach to risk management and how it will be embedded within working practices are:

- To embrace an open, objective and supportive culture
- To acknowledge that there are risks in all areas of work
- All staff will be actively involved in identifying and reducing risk

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- All managers and leaders will actively promote awareness of risk and support a culture where risk supports decision making
- Responsibility for management, escalation and monitoring of risk will be clearly defined
- To learn from mistakes in an open and honest environment
- To regularly review our approach to risk management through performance review and internal audit

### 6. ORGANISATIONAL RESPONSIBILITIES

#### The NHS Board

The NHS Board will approve a Risk Management Strategy and will seek assurance that the Executive team are supporting the development of appropriate policies and procedures.

The Board will have in place and own the Corporate Risk Register which focuses on risks that have a strategic impact on the delivery of the Boards' objectives and services.

#### Executive/ Strategic Accountability

The Chief Executive Officer is ultimately accountable to the Board for ensuring effective management of risk.

The Executive Directors have responsibility to provide leadership and support to their respective areas and ensure co-ordination of risk activity enabling them to assure the Board of such.

Executive Directors will hold their own Directorate risk registers comprising significant risks that have been escalated to them and/or which have been identified by the Executive risk assessment as potentially having a significant impact on the sustainability of the Boards services.

#### Tactical Accountability

The Executive Nurse Director has operational responsibility for the Risk Management Strategy and ensuring that the required systems and processes are in place to support delivery.

Directorate and Corporate Management Teams will lead in the management of risk within their areas ensuring that a risk register is maintained to robustly reflect the risk profile of their services with appropriate escalation as needed to support management of risks. This includes continual monitoring of risk to provide assurance that risks are adequately managed to an acceptable level.

Within strategic projects, the project/programme lead will assume this responsibility liaising with appropriate stakeholders to develop a risk register.

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Staff from the Patient Safety and Improvement Team will support the development of robust risk registers at all levels of the organisation.

### **Operational Responsibility**

All staff members have a role in identifying and managing the risk in their areas of responsibility. Risks are best managed by those best placed to understand and control them. All staff will engage in managing risks in their daily roles.

Managers will support a proactive approach to identification and management of risk in their areas and will discuss the escalation of risks with their line managers on a regular basis. All departments will maintain a risk register pertaining to their span of responsibilities.

General Managers will identify support from within their team to focus on risk management and the development of risk registers.

## **7. GOVERNANCE ARRANGEMENTS**

The Board is responsible for approval of the Risk Management Strategy.

The Risk Executive Group is responsible for approval of Corporate policies that underpin the strategy.

The Board will review and scrutinise the Corporate Risk Register on a quarterly basis.

The Board will delegate to the Audit and Risk Committee responsibility to assess the adequacy of the risk management systems.

### **NHS Board Committees**

The Audit and Risk Committee will advise the Board on the adequacy of the assurances available with respect to systems, structure and process around Risk Management.

The Information Assurance Committee reports to the Audit and Risk Committee and provides assurance to the Committee on risks related to information governance, security and privacy.

The Performance Committee will review the Corporate Risk Register on behalf of the Board as required.

The Healthcare Governance Committee will advise the Board on the adequacy of the assurances available with respect to clinical risk.

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The Staff Governance Committee will advise the Board on the adequacy of the assurances available with respect to health & safety and workforce risk.

The Public Health Committee will advise the Board on the adequacy of the assurances with respect of public health risks.

The Board will ask committees to review evidence of mitigation activity within risks on the Corporate Risk Register that relate to the span of governance of that committee. They will advise the Board on the adequacy of risk mitigation's captured in the Corporate Risk Register.

### 8. RISK APPETITE

Risk appetite is a necessary component of risk management. It refers to the amount and type of risk an organisation is willing to pursue or retain.

Willingness to accept risk can be defined in two ways:

- An organisation's desire or aversion to pursue opportunities in an uncertain business environment.
- How much volatility or uncertainty there is around expected outcomes and the organisation's willingness to tolerate potential risks to *quality, people, finance, regulatory and reputational risk*.

Risk appetite is the level of risk that an organization is prepared to accept in pursuit of its objectives, before action is deemed necessary to reduce the risk. It represents a balance between the potential benefits of innovation and the threats that change inevitably bring.

NHS Dumfries and Galloway have articulated their risk appetite within its risk strategy for over a number of years. This Risk Appetite Statement represents a significant step forward in terms of our risk maturity and mirrors the strategic direction of our Board to provide visionary and transformative approaches to delivering health and care fit for the future. This means that we have an open and mature attitude toward innovation and calculated risk taking, where it will ultimately improve the quality and experience of care or service provision.

Risk appetite is an integral part of decision-making and for NHS Dumfries and Galloway should be considered explicitly when comparing potential options.

Where attempting to innovate or to adopt alternative models of care we will seek to understand the risk and potential benefits. We will do so in an open and transparent way that engages our staff and our communities and by considering the evidence to support successful actions before making firm decisions. We will seek to learn from the best in order to become the best.



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### NHS Dumfries and Galloway Risk Appetite Statement (April 2022)

To help define our risk appetite we have adapted guidance from the Good Governance Institute Risk Appetite Matrix.

#### Quality

Our Board aims to deliver excellent quality care and experience of care and services. We will promote and embed continuous quality improvement by fully adopting the Institute of Medicine definition of quality:

- safe
- effective
- patient centred
- timely
- equitable
- efficient care



Our preference is for the safe delivery of services that have a low degree of inherent risk. We have a **moderate** risk appetite but understand that innovation introduces potential risk and we may be willing to carry short term risk if there is the possibility of improved outcomes and if appropriate and robust control measures are in place. A **high** risk appetite may be tolerated in the short term to improve the quality or transform services but this should be approved by appropriate Board or other Board Committees.

#### People

The Board recognises that our people are its biggest asset. We recognise that we would be unable to deliver safe, effective, patient centred, timely, equitable and efficient care without robust processes in place to recruit, train, retain and support the health and wellbeing of our workforce. As we recover from the pandemic we are only prepared to take limited risks with regards to our workforce in order that we continue to develop innovative models of service provision. Our risk appetite is **moderate**.

As our risk maturity increases we are prepared to accept the possibility of some workforce risk as long as there is a potential for improved recruitment and retention and for workforce development opportunities and in those circumstances we may consider a **higher** risk appetite.

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### Finance

Value for money remains our primary concern and as such we currently have a **moderate** risk appetite. As we become more risk mature and our staff understanding of financial risk increases, we are prepared to move to a more open approach to financial risk where we consider all potential delivery options and choices which includes spend to save options. At that point we may tolerate a **higher** risk appetite if appropriate assurance mechanisms are in place.

### Regulatory

The Board is unwilling to accept any regulatory risk. The Board has **no** risk appetite for decisions that may compromise compliance with statutory or regulatory policy requirements.

### Reputational

Traditionally, we have had a low to moderate risk appetite for decisions that may damage our reputation with our communities, with our peers and Government. Our risk tolerance is significantly different than pre-pandemic levels as difficult choices and decisions have had to be made. Through our proactive public engagement approach we aim to minimise risk by complying fully with the national standards for public engagement. We are prepared to accept the possibility of some reputational risk as long as there is a potential for improved outcomes for our stakeholders, therefore we have a **moderate risk** appetite.

### Risk Appetite Framework

When determining what level of risk appetite to apply, consideration should also be given to the following criteria and how the level of risk would be assessed against the below table:

- Anticipated level of transformation of service
- Efficiency, level of savings and future cost avoidance
- Extent to which, the proposal is in line with the strategic direction (national, regional or local)
- Likely unacceptability /acceptability to public, politicians or staff
- Extent to which, the proposal addresses the area of pressure
- Deliverability of the proposal
- Organisational risk
- Extent of prevention of higher-level service use

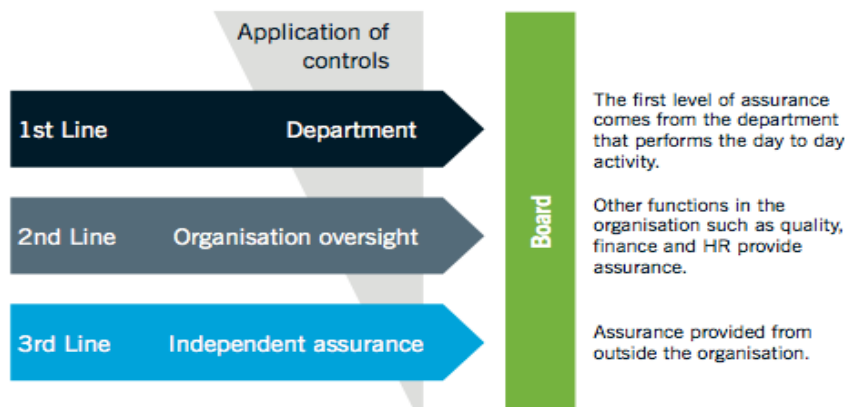
9. ASSURANCE

A key component of the Board’s risk management system is providing assurance, not only about the overall risk management system but as importantly on the effectiveness of the controls being put in place to mitigate the impact of any risk.

As Figure 1 below shows three lines of assurance are proposed in respect of the application of controls and reporting and monitoring associated with this.

**Figure 1 – 3 Lines of Assurance**

(Source: Baker Tilly – Board Assurance: A toolkit for health sector organisations)



The table below outlines the types of assurance that will be that will be applied for each of these 3 levels.

**Table 1 – Types of Assurance**

Line of Assurance	Examples of Assurance
<b>Level 1 Department</b>	<ul style="list-style-type: none"> <li>• Meetings between a Team Risk Owner and a Management Risk Owner</li> <li>• Self assessment return</li> <li>• Up to date Risk Register</li> <li>• Management Team review of Risk Registers</li> </ul>
<b>Level 2 Organisation Oversight</b>	<ul style="list-style-type: none"> <li>• 1-1 meetings between a Management Risk Owner and a Executive Risk Owner</li> <li>• Reports to a Management Team and a Board Committee (ie. Quality Report, Financial Report, Management Report)</li> <li>• Recommendation to a Board Committee</li> <li>• Recommendation to the Board, from a Board Committee</li> </ul>

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Line of Assurance	Examples of Assurance
	<ul style="list-style-type: none"><li>• Key Performance Indicators</li><li>• Annual reports on committees to the Board</li><li>• Benchmarking with another organisation</li><li>•</li></ul>
<b>Level 3 Independent assurance</b>	<ul style="list-style-type: none"><li>• External audit report e.g. HIS, Audit Scotland, External Auditors</li><li>• Internal Audit reports</li><li>• National Staff Surveys</li><li>• National Patient Satisfaction Surveys</li><li>• National Audits</li><li>• Information Governance Toolkit</li></ul>

### 10. MONITORING THE STRATEGY

Board will receive an annual Risk Management report reflecting all elements of the Risk Management Strategy implementation.

Board will receive a Corporate Risk Register report at least three times a year.

Audit and Risk Committee will receive reports at every meeting on aspects of the Risk Management Strategy, including implementation, training and progress of risk review. An update on the assurance checklist/ implementation plan will be provided at quarterly meetings to seek assurance on delivery of strategy.

Healthcare Governance Committee will receive a report every 6 months on significant adverse events as well as risks on the Corporate Risk Register relating to the Committee's terms of reference.

Staff Governance Committee will receive a report every 6 months on the Corporate Risk Register relating to the Committee's terms of reference.

All other Committees will receive reports on risk for their respective responsibilities as set out in their terms of reference and directed by the Committee Chair.

### 11. IMPLEMENTATION

The effective implementation of this strategy along with staff training will provide awareness of the need to prevent, control and contain risk. This must be championed by the Executive Management Team and Senior Managers. A detailed implementation plan will be developed with the delivery and implementation monitored through the Risk Executive Group

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The draft plan is set out below, this will be monitored and reviewed through the Audit and Risk Committee and will develop over time.

### Implementation Plan/Assurance Checklist

**Table 2**

Action	Lead Officer	Timeframe
Communication of Approved Strategy to Executive Team, General Manager and other Senior Staff through line management	Executive Nurse Director	Within 2 weeks of Board approval
Raise awareness and communication of strategy for all staff	All line managers, Risk Manager and Patient Safety and Improvement Manager	Complete by June 2021 and then ongoing
Develop a set of appropriate KPI's for ongoing review and monitoring of risk	Patient Safety and Improvement Manager and Risk Manager	1st May 2021
Review and update of Board's Corporate Risk Register through a Board Workshop	Executive Nurse Director/ Director of Finance	30 <sup>th</sup> April 2021
Review and update of Board Risk Appetite	Executive Nurse Director/ Director of Finance	30 <sup>th</sup> June 2021
Corporate Risk Register to be reviewed at NHS Board meeting three times a year – Feb, June and Oct	Executive Nurse Director/ Corporate Business Manager	Ongoing as per timetable
Development and implementation of training plan for risk including establishment of targets for numbers of staff trained and plan for ongoing training requirements	Risk Manager	1 <sup>st</sup> May 2021
Implementation of all outstanding actions identified in the Internal Audit Report	Various – update after REG	Completed

## 12. TRAINING

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The Risk Management Strategy will be published on the NHS Dumfries & Galloway Intranet (Beacon) to ensure it is available to all staff and stakeholders.

Effective risk management depends on all staff having a clear understanding of the subject and the contribution they can make to managing risk. Managers are responsible for ensuring their staff, through personal development planning, are able to identify learning needs and participate in appropriate risk management training and related activities.

A Risk Management Training Plan will be provided, outlining levels of training required for staff at all levels involved in risk management.

New risk owners are required to undertake risk management training and are provided with a reference guide and access to professional support and training.

### **13. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment (EQIA) was carried out on Tuesday 9th March 2021 led by the Executive Nurse Director.

The EQIA was undertaken to provide assurance that the implementation of the Risk Strategy will help raise the profile of and, in turn, increase awareness of the protected characteristics of all groups: Age, Disability, Sex, Gender Reassignment and Transgender, Marriage and Civil Partnerships, Pregnancy and Maternity, Race, Religion or belief, Sexual orientation, Human Rights, Health & Wellbeing & Health Inequalities, Economic & Social Sustainability and Staff.

This will be accomplished by the following:

- Risk management training will include the consideration of an EQIA when assessing risk.
- As risks are identified at Corporate/Strategic, Directorate/Tactical and Specialty/Operational levels, specific consideration should be given, by the assessing team, for any potential impact (positive or negative) on protected characteristics and that evidence of this is referenced within the risk assessment.
- For example, consideration must be given to the effect that a risk has on a particular service and the people within that service, whether providing or receiving services and also the impact that the introduction of control measures may have on other services.

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### DOCUMENT CONTROL SHEET

#### Document Status

<b>Title</b>	<i>Risk Management Strategy</i>
<b>Author</b>	<i>Alice Wilson, Nurse Director Katy Kerr, Director of Finance Sarina Beacher, Deputy Nurse Director</i>
<b>Approver</b>	<i>Board</i>
<b>Version number</b>	<i>1.0</i>

#### Document Amendment History

<b>Version</b>	<b>Section(s)</b>	<b>Reason for update</b>
1.0	New Strategy	
2.0	Whole Document	Review of comments received and incorporated into document (consultation version)
3.0	Whole document	Comments from MS and RM team (20.01.21)
4.0	Whole Document	Review from SB (20.01.21)
5.0	Whole Document	Review by KL incorporating comments from Nick Morris, MS and SB (28.01.21)
6.0	Whole Document	Review by MS and KH incorporating comments from JW and REG (31.03.21)
7.0	Section 8	Following Board Risk Appetite Workshop and new risk appetite statement development by SLWG, section 8 contains replacement of Risk Appetite Statement and inclusion of Risk Appetite Matrix as an Appendix. Approved by REG on 29.03.2022 MS and KH completed Risk Appetite update on 31.03.2022.

#### Distribution

<b>Name</b>	<b>Responsibility</b>	<b>Version number</b>
Board Management Team	Consultation of strategy	Version 2 circulated by email Sept 2020
Health and Social Care Performance and Governance (includes GM's and Directorate Teams)	Consultation on strategy	Version 2 circulated by email Sept 2020
Risk Executive Group	Review Comments on Consultation prior to submission to Audit and Risk Committee	All versions
Audit & Risk Committee	Consultation and Review of Strategy	Version 2 circulated by email Sept 2020 Version 4 to meeting 25/1/2021



Title: Code of Corporate Governance  
 Date: June 2022  
 Version: 7.0  
 Lead Author: Corporate Business Manager

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Board	Approval of strategy	
Communications Team	Place on intranet and include in Core Briefing of final strategy	
Executive Directors	Dissemination to all staff through line management of final strategy	




Risk Appetite Matrix

<p><b>Risk Level</b> </p> <p><b>Risk Domain</b> </p>	<p><b>0 AVOID</b></p> <p>Avoidance of risk and uncertainty is a key organisational objective</p>	<p><b>1 MINIMAL (ALARP)</b></p> <p>As low as reasonably practicable. Preference for ultra safe delivery options that have a low degree of inherent risk and only for limited reward potential</p>	<p><b>2 CAUTIOUS</b></p> <p>Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward)</p>	<p><b>3 OPEN</b></p> <p>Willing to consider all potential delivery options and choices while also providing an acceptable level of reward and (Value for Money) VFM</p>	<p><b>4 SEEK</b></p> <p>Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risks)</p>	<p><b>5 MATURE</b></p> <p>Confident in setting high levels or risk appetite because controls, forward scanning and responsiveness systems are robust</p>
<p><b>Quality</b> How will we deliver safe services?</p>	<p>We have no appetite for decisions that may have an uncertain impact on quality outcomes</p>	<p>We will avoid anything that may impact on quality outcomes unless absolutely essential. We will avoid innovation unless established and proven to be effective in a variety of settings</p>	<p>Our preference is for risk avoidance. However, if necessary we will take decisions on quality where there is a low degree of inherent risk and the possibility of improved outcomes, and appropriate control are in place</p>	<p>We are prepared to accept the possibility of short-term impact on quality outcomes with potential for longer-term rewards. We support innovation.</p>	<p>We will pursue innovation whenever appropriate. We are willing to take decisions on quality where there may be a higher inherent risk but the potential for significant longer-term gains</p>	<p>We seek to lead the way and will prioritise new innovations, even in emerging fields. We consistently challenge current working practices in order to drive quality improvement</p>
<p><b>People</b> How will we be perceived by the public and our partners?</p>	<p>We have no appetite for decisions that could have a negative impact on our workforce</p>	<p>We will avoid all risks relating to our workforce unless absolutely essential.</p>	<p>We are prepared to take limited risks with regards to our workforce. Where attempting to innovate, we</p>	<p>We are prepared to accept the possibility of some workforce risk, as a direct result from</p>	<p>We will pursue workforce innovation. We are willing to take risks which may have implications on our</p>	<p>We seek to lead the way in terms of workforce innovation. We accept that innovation and be</p>

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	development, recruitment and retention. Sustainability is our primary interest.	Innovative approaches to workforce recruitment and retention are not a priority and will only be established if proven and effective elsewhere	would seek to understand where similar actions had been successful elsewhere before taking any decision	innovation as long as long as there is a potential for improved recruitment and retention, and development opportunities for staff	workforce but could improve the skills and capabilities of our staff. We recognise that innovation is likely to be disruptive in the short term but with the possibility of longer term gains	disruptive and are happy to use it as a catalyst to drive positive changes
<b>Financial</b> How will we use our resources?	We have no appetite for decisions or actions that may result in financial loss	We are only willing to accept the possibility of very limited financial risk	We are prepared to accept the possibility of financial risk. However, VFM is our primary concern.	We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with cost not the overriding factor	We will invest for the best possible return and accept the possibility of increased financial risk	We will consistently invest for the best possible return for stakeholders, recognising that the potential for substantial gain outweighs the risks
<b>Regulatory</b> How will we be perceived by our Regulator? <i>(HIS, Care Inspectorate, Scottish Government, Audit Scotland) e.g., targets</i>	We have no appetite for decisions that may compromise compliance with statutory or regulatory policy requirements	We will avoid any decisions that may result in heightened regulatory challenge unless absolutely essential	We are prepared to accept the possibility of limited regulatory challenge. We would seek to understand where similar actions had been successful elsewhere before taking any decision	We are prepared to accept the possibility of some regulatory challenge as long as we can be reasonably confident we would be able to challenge this successfully	We are willing to take decisions that will likely result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks	We are comfortable challenging regulatory practice. We have a significant appetite for challenging the status quo in order to improve outcomes for stakeholders

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<p><b>Reputational</b> How will we be perceived by the public and our partners?</p>	<p>We have no appetite for decisions that could lead to additional scrutiny or attention on the organisation</p>	<p>Our appetite for risk taking is limited to those events where there is no chance of significant repercussions</p>	<p>We are prepared to accept the possibility of limited reputational risk if appropriate controls are in place to limit any fallout</p>	<p>We are prepared to accept the possibility of some reputational risk as long as there is a potential for improved outcomes for our stakeholders.</p>	<p>We are willing to take decisions that are likely to bring scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks</p>	<p>We are comfortable to take decisions that may expose the organisation to significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for our stakeholders</p>
<p>Risk Appetite </p>	<p align="center"><b>Minimal</b></p>	<p align="center"><b>Low</b></p>	<p align="center"><b>Moderate</b></p>	<p align="center"><b>High</b></p>	<p align="center"><b>Significant</b></p>	

Adapted from Good Governance Institute (GGI) Risk Appetite Framework and NHS Ayrshire & Arran Risk Appetite Framework

## Risk Categories (Last updated Oct 2021)

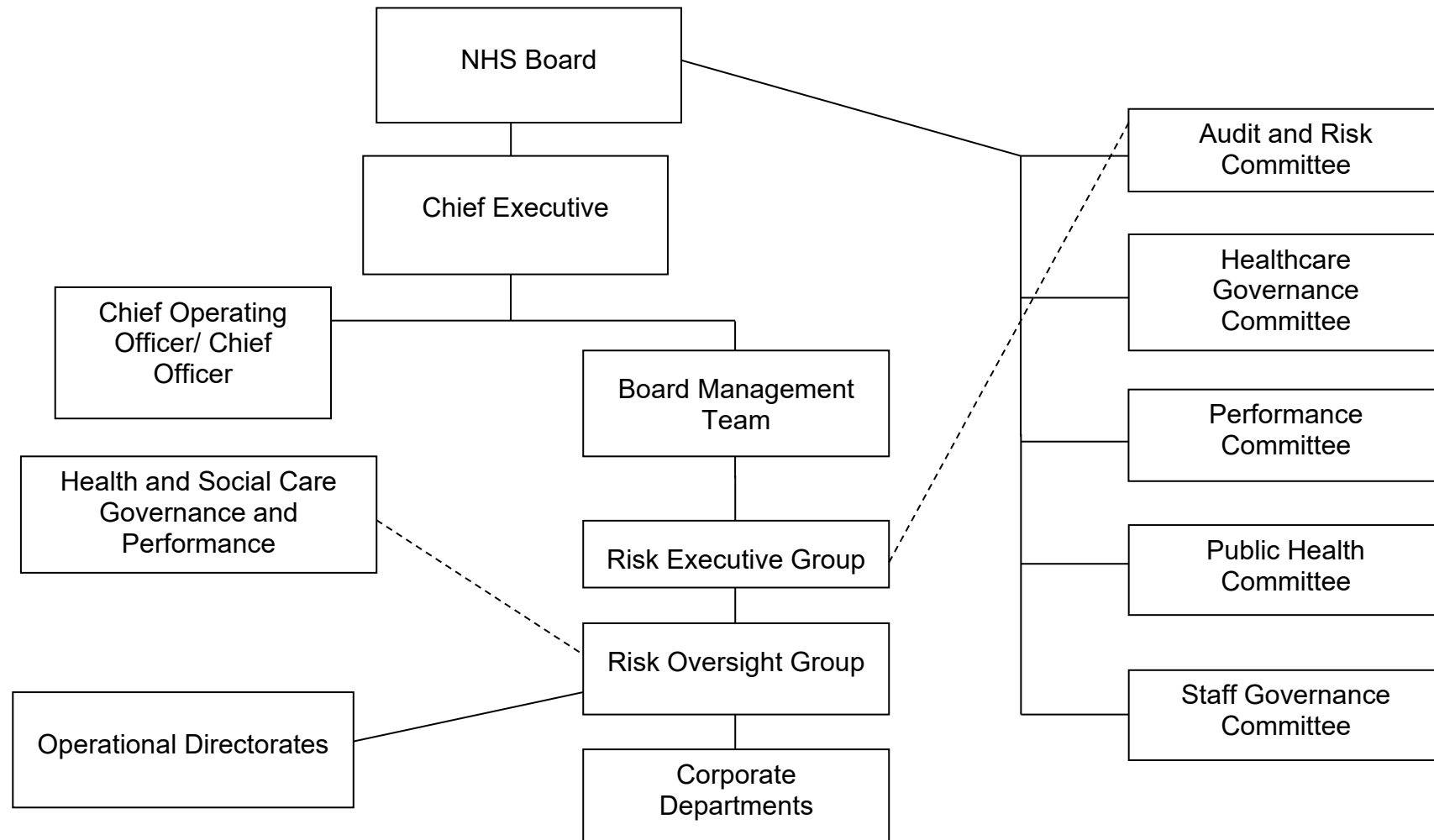
Type	Definition
Business	Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Environmental	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial	<p>The risk that a weakness in financial controls could result in a failure to safeguard assets, impacting adversely on the Board's financial viability and capability for providing services.</p> <p>Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and /or failure to meet business requirements/objectives.</p>
Health and Safety	Risks arising from a failure to ensure, as far as is reasonably practicable, the health, safety and welfare of staff and others that may be affected by our work activities.
Information Governance	<p>Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.</p> <p>Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.</p> <p>Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.</p>
Patient Safety	Risks that are specifically related to clinical care provision, for example; system or process issues and human error that may have an adverse effect and outcome.
Project / Programme	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.
Quality	Risks that threaten the day to day delivery of clinical care and services.
Reputational	Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.

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Type	Definition
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and buildings resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Statutory	Risks which may impact on the ability of the Board to deliver high quality of care in accordance with the requirements of regulators and national standards.
Strategy / Governance	<p>Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).</p> <p>Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.</p>
Workforce	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.

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Schematic of Reporting Structure for Risk



## Definitions

**Risk** is the chance that something will happen that will have an impact on the achievement of NHS Dumfries and Galloway aims and objectives. It is measured in terms of likelihood (frequency or probability of the risk occurring) and severity (impact or magnitude of the effect of the risk occurring).

**Risk Management** is 'the culture, process and structures that are directed towards the effective management of potential opportunities and adverse effects.

**The Risk management process** is 'the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communication risk'.

**Significant risks** are those which when measured using the risk matrix are assessed to be high or very high or threaten a corporate objective. NHS Dumfries and Galloway Board and Governance Committees will take an active interest in the management of significant risks.

**Roles and Responsibilities**

**NHS Dumfries and Galloway Board**

The Board is ultimately responsible for managing risk. Board members have a corporate responsibility for the management of risk and each member must be aware of their obligations to promote this and protect the public from risk in the normal course of events within local NHS provision. An updated Corporate Risk Register Summary Report is presented to the Board on a quarterly basis. The Board also receives an annual report on risk management.

A 6 monthly summary of the corporate risks is provided to the relevant committees and reports by exception. Committees report any exceptions to the Board as and when required via the Committee update.

**Chief Executive**

The Chief Executive as the accountability officer has responsibility for risk management systems and processes across the organisation.

**Executive Nurse Director**

Whilst the Chief Executive has overall accountability for risk management across NHS Dumfries and Galloway, the Executive Nurse Director has responsibility for the implementation of suitable and effective risk management arrangements. The Nurse Director is supported by the Deputy Nurse Director and Patient Safety and Improvement Manager.

The Executive Nurse Director has a remit to co-ordinate, integrate, oversee and support the risk management agenda and to ensure that risk management principles are embedded across NHS Dumfries and Galloway. These arrangements should allow for assurance to be given to the Chief Executive as Accountable Officer in signing off the Annual Governance Statement.

**Executive Directors**

Directors of the organisation are responsible for ensuring that risk registers are maintained and reviewed and that appropriate risk management practices are adopted within their area of responsibilities.

Directors are responsible for elements of the Corporate Risk Register which sit within their remit. They are required to review the risks and report through the relevant governance committee as appropriate

**NHS Board Chair and Non-Executive Directors**

The Board Chair and Non-Executive Directors have a responsibility to:

- Constructively challenge Chief Executive and Executive Directors on the management of the Corporate Risk Register



## BOARD PUBLIC

- Support the Executive Directors in the development of proposals on risk mitigation
- Scrutinise and review the implementation of the Risk Management strategy through the Committee structure
- Support and consider the development of a Board Assurance Framework

### **Risk Executive Group (REG)**

The REG is a senior management group, chaired by the Chief Executive, Nurse Director and Director of Finance on a rotational basis. It has overall responsibility for the development and delivery of Risk Management Strategy which includes integration, co-ordination and standardisation of risk management throughout the Board.

The Risk Executive Group ensures NHS Dumfries and Galloway has appropriate governance arrangements in place to maintain operational co-ordination for risk management. It oversees the identification and monitoring of corporate risks, including maintenance of the Corporate Risk Register, and deals with significant and escalating risks, reporting formally to the relevant Committees and to the Board.

The Risk Management Strategy is reviewed every three years by the REG before being submitted to the Board for approval. Additionally, on behalf of the Board, the REG monitors the risk management work plan which includes the Risk Management Strategy implementation.

### **Risk Oversight Group (ROG)**

The Risk Oversight Group will oversee the implementation of NHS Dumfries & Galloway Risk Management Strategy and associated Policies, ensuring that it is consistently and comprehensively adopted.

It will link Corporate, Tactical and Operational teams tasked with implementing the Risk Management Strategy and provide a means of reviewing progress, identifying issues and escalating to Risk Executive Group or deescalating to Directorate or Corporate functions.

### **Patient Safety and Improvement Manager**

The Patient Safety and Improvement Manager supported by the Risk Manager will develop a culture whereby risks are identified, assessed and managed in a way that promotes improvement and learning.

### **Risk Manager**

The Risk Manager will advise and support the development and implementation of the Risk Policy and Adverse Event Policy and Procedure, aligning it with the Risk Management Strategy and Implementation Plan.

The Risk Manager will also give advice on whether escalation of a risk may be required when all possible mitigations have been exhausted.

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## **BOARD PUBLIC**

### **Staff**

All members of staff have an important role to play in identifying, assessing and managing risk. To support staff in this, the Board provides a fair, consistent environment and encourages a culture of openness and willingness to admit mistakes. Staff are encouraged to report any situation where things have, or could have, gone wrong. Where necessary the Board will provide information, counselling and support, and training for staff in response to any such situation. The Board needs to learn from any such situation in order to continuously improve the risk management process.