



PWYLLGOR ARCHWILIO A SICRWYDD RISG AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	20 February 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Risk Management Strategy
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Joanne Wilson, Director of Corporate Governance/ Board Secretary
SWYDDOG ADRODD: REPORTING OFFICER:	Charlotte Wilmshurst, Assistant Director of Assurance and Risk Rachel Williams, Head of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

The Audit and Risk Assurance Committee (ARAC) is requested to endorse the revised Risk Management Strategy (the Strategy), attached at Appendix 1, prior to its submission to the Board for approval on 28 March 2024.

Cefndir / Background

Risk Management is the process that aims to help organisations management understand, evaluate and take action on all their risks with a view to increasing the probability of success and reducing the likelihood of failure (Institute of Risk Management). It forms part of the overall governance framework of the organisation.

The current Risk Management Strategy was approved by Board at its meeting in January 2023, and is required to be reviewed on an annual basis.

The Strategy needs to be read in conjunction with the [Risk Management Framework](#), which was approved by the Board in July 2022.

Asesiad / Assessment

The Strategy aims to improve 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. It also supports a dynamic and systematic approach to risk management, and to ensure prompt and comprehensive identification, assessment and management of risks that threaten the delivery of its strategic objectives and day-to-day operations.

The Strategy outlines the broad aims and principles of risk management across the Health Board, and sets out the objectives the Health Board wants to achieve in respect of risk management over the next 12 months.

The objectives for 2024 have been informed by the outcomes of a risk maturity assessment undertaken in December 2023 in line with the Orange Book, which is a recognised risk management standard for the public sector. Progress against the objectives will be report to the Audit and Risk Assurance Committee on a six-monthly basis via the Risk Assurance Report.

Feedback has also been incorporated, where appropriate, from the recent global consultation on the Strategy which ran from 15 – 29 January 2024.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is requested to **ENDORSE** the Risk Management Strategy, prior to its submission to the Board for approval on 28 March 2024.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1 The Committee shall review the adequacy of the UHB's strategic governance and assurance arrangements and processes for the maintenance of an effective system of good governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical) that supports the achievement of the organisation's objectives. 3.5 The Committee will seek assurance that effective systems are in place to manage risk, that the organisation has an effective framework of internal controls to address principal risks (those likely to directly impact on achieving strategic objectives), and that the effectiveness of that framework is regularly reviewed.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable
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Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Legislation and national policy. ISO 31000, 2018 ISO Guide 73, 2009
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included within the body of the policy.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	As detailed in the assessment

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Staff accessing written control documentation which is out of date, no longer relevant or contradicts current guidance may have a negative effect on the quality, safety and experience of care. It may also lead to unwarranted variation in care delivery
Gweithlu: Workforce:	Not applicable
Risg: Risk:	The presence of written control documentation on the intranet, outside of the Policies, Procedures and other Written Control Documentation intranet webpage, may result in staff accessing documents which are out of date, no longer relevant, or contradicting current guidance.
Cyfreithiol: Legal:	It is essential that the HDdUHB has up to date policies and procedures in place.
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	An equality impact assessment has been undertaken for the policy.

Risk Management Strategy

Policy information

Policy number: 156

Classification:

Corporate

Supersedes:

Previous Versions

Local Safety Standard for Invasive Procedures (LOCSSIP) reference:

N/A

National Safety Standards for Invasive Procedures (NatSSIPs) standards:

N/A

Version number:

4.0

Date of Equality Impact Assessment:

12/01/2024

Approval information

Approved by: Board

Date of approval:

Enter approval date

Date made active:

Enter date made active (completion by policy team)

Review date:

Enter review date (normally three years from approval date)

Summary of document:

The aim of this document is to set out the broad aims and [principles](#) of risk management across the UHB, and sets key targets and milestones for the next 12 months at which point it will be refreshed.

Scope:

This strategy applies to all UHB staff, contractors and other third parties working within the UHB. Managers at all levels within the UHB must take an active lead to ensure that risks are managed effectively and that a risk aware culture across the UHB is facilitated / maintained.

To be read in conjunction with:

[608 - Risk Management Framework](#) (opens in new tab)

[674 - Risk Assessment Procedure](#) (opens in new tab)

Patient information:

Include links to [Patient Information Library](#)

Owning group:

Audit and Risk Assurance Committee (ARAC)

Date signed off by owning group

Executive Director job title:

Professor Philip Kloer – Interim Chief Executive

Reviews and updates:

1.0 – New Policy

2.0 – Revised

3.0 – Full Review

4.0 Version 4- Full review

Keywords

Risk, Risk Management, RM, Risk Management Strategy

Glossary of terms

UHB – University Health Board

BAF – Board Assurance Framework

RM – Risk Management

ARAC – Audit and Risk Assurance Committee

QSEC – Quality, Safety and Experience Committee

CEO – Chief Executive Officer

OD – Organisational Development

Term	Definition
Risk	The effect of uncertainty on objectives. Note that an effect may be positive, negative, or a deviation from the expected. Also, a risk is often described as an event, a change in circumstance or a consequence. (International Organisation for Standardisation (ISO) Guide 73, 2009)
Risk management	The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of success and reducing the likelihood of failure. (The Institute of Risk Management)
Risk management framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management processes throughout the organisation. (ISO Guide 73, 2009)
Risk appetite	The amount and type of risk that an organisation is willing to pursue or retain (ISO Guide 73, 2009)
Risk tolerance	The organisation's readiness to bear a risk after risk treatment in order to achieve its objectives. (ISO Guide 73, 2009)
Risk owner	The person with the authority and accountability to manage the risk. (ISO Guide 73, 2009)
Risk exposure	The level of risk that the organisation is exposed, either in regard to an individual risk or the cumulative exposure to the risks faced by the organisation
Risk culture	Risk culture is a term describing the values, beliefs, knowledge, attitudes and understanding about risk shared by a group of people with a common purpose (The Institute of Risk Management)
Risk maturity model	Structure for determining the level to which risk management is embedded within an organisation (Fundamentals of Risk Management, 2022 Hopkins)
ISO 31000, 2018	Generic risk management standard, which provides principles, framework and a process for managing risk, which can be used by any organisation, regardless of size, activity or sector
ISO Guide 73, 2009	Provides the definitions of generic terms related to risk management.
Hazard risks	"Pure" risks facing the organisation, which result in negative outcomes and disrupt normal operations / service delivery
Opportunity risks	Risk that is associated with the benefit of speculative opportunities

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Introduction

Hywel Dda University Health Board (the UHB) is committed to developing and implementing a risk management strategy that will enable a dynamic and systematic approach to risk management and which ensure prompt and comprehensive identification, assessment and management of risks that threaten the delivery of its strategic objectives and day-to-day operations. Risk management is central to the effective running of any organisation. At its simplest, risk management is good management practice. It should not be seen as an end in itself, but as part of an overall management approach.

The Risk Management Strategy aims to improve 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. The mission of risk management in Hywel Dda is that operational and corporate management proactively and promptly identify, assess and manage risks that affect the achievement of our strategic, operational and financial objectives, to enable the Board to focus on what really matters.

The Risk Management Strategy sets out the UHB's risk management policy statement, and the objectives it wants to achieve in respect of risk management over the next 12 months.

Policy statement

The UHB recognises that risks will inevitably occur in the course of providing care and treatment to patients, employing staff, owning, leasing and maintaining premises and equipment, and managing finances. The UHB recognises that principles of good governance must be supported by an effective risk management framework that is designed to deliver improvements in patient safety and care, as well as the safety of its staff, whilst striving to achieve its organisational objectives. The UHB will therefore set in place and implement a Risk Management Strategy, [Risk Management Framework](#) (opens in new tab), processes and procedures which enable a dynamic and systematic approach to risk management and which ensure prompt and comprehensive identification, assessment and management of risks that threaten the delivery of its strategic objectives and day-to-day operations.

The Board is responsible for the effective management of the organisation's risks in pursuance of its aims and objectives. The Board collectively has responsibility and accountability for setting the organisation's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives.

Corporate and operational directorates and services are responsible for ensuring risks to achieving their objectives, delivering a safe and effective service, and compliance with legislation and standards, are identified, assessed and managed to an acceptable level, i.e. within the Board's agreed risk appetite. These are reported through the Board and Committee structure to provide assurance that risks are being managed effectively and efficiently.

Risk Management is not about being 'risk averse' – it is about being 'risk aware'. All activities contain inherent risks and the UHB will need to take informed risks to achieve its objectives. Risk management is about making the most of opportunities and achieving objectives once those decisions have been made.

The UHB will achieve effective risk management through:

- Implementing a strategy, framework and process that is fit for purpose and compliments the other governance and quality processes within the organisation;
- Reviewing the UHB's risk appetite and tolerance as part of the process to develop the UHB's Integrated Plan;
- Ensuring a consistent understanding and application of the organisation's risk appetite and tolerance;
- Equipping managers with the skills required to identify and assess risk and communicate this appropriately and effectively;
- Acknowledging that the UHB's increasing reliance on its partners to help it achieve its objectives and deliver services. Risks are shared across partner organisations, which can increase the complexity of analysis and reporting, and also that assurances regarding the level of risk may need to be sought from third parties as well as internal sources;
- Annually reviewing the effectiveness of risk management and reporting the UHB's capacity to manage risk as part of the Governance Statement; and
- Considering on an on-going basis that the UHB's approach remains in line with good practice, whilst reviewing and approving the Strategy and Framework formally every three years, with a review every 12 months following an annual review of risk management (see previous bullet point).

Scope

This strategy applies to all UHB staff and Independent Members, contractors, other third parties working within the UHB and those who work in partnership with the UHB. All managers, (working in clinical as well as non-clinical/corporate functions/services within the UHB) must take an active lead to ensure that risks are managed effectively and drive the development of a risk aware culture within the UHB.

Aim

The aim of this document is to:

- Set out the broad aims and [principles](#) of risk management across the UHB, and sets key targets and milestones for the next 12 months at which point it will be refreshed.

Objectives

The Risk Management Strategy will provide a supportive framework that ensures integration of risk management into policy making, planning and decision-making processes, and specifically:

- To protect patients, carers, staff and others who come into contact with the UHB;
- To create awareness through the UHB about the importance of recognising and managing risk in a timely manner, and providing staff with the appropriate knowledge, skills and support;
- To promote positive risk taking in the context of clinical care and in controlled circumstances;
- To provide a robust basis for strategic and operational planning through structured consideration of key risk elements;
- To enhance partnership working with stakeholders in the delivery of services;
- To improve compliance with relevant legislation and national best practice standards; and
- To enhance openness and transparency in decision-making and management.

Risk Management Principles

The following principles underpin the Risk Management Strategy:

- That risk management will be embedded in the core processes and systems of the UHB, including policies, procedures, business planning, business case development, performance management and corporate governance;
- That these core systems will be reflected in Directorate risk management arrangements;
- Risks will be actively managed and positive assurance sought;
- The risk register will be a live, up-to-date, actively managed and reviewed document and not simply a passive repository of risks;
- That risk management is the responsibility of all staff within their own sphere of work, so that the person best placed to manage each identified risk is the one that does so;
- That high-risk areas and activities will attract greatest focus and attention; and
- That there will be learning from analysis of incidents, complaints and claims and explicit roll-out of identified improvements.

The Risk Management Strategy stretches the ambition of the UHB in its management of risk via the following objectives:

Risk Management Objectives

Risk Management Objective 1: Implement and embed the UHB's refreshed risk appetite statements

We will do this by:

- Developing an implementation strategy to embed revised risk appetite statement across the UHB;
- Reviewing our approach to risk tolerance and how it aligns to the refreshed risk appetite statements (approved by Board in January 2024);
- Providing practical support to services in the utilisation of refreshed risk appetite statement; and
- Reviewing the risk appetite statement after 3 months with the Executive Risk Group (ERG) to ensure it remains fit for purpose and supports effective decision making.

Risk Management Objective 2: Support the strengthening of operational risk management arrangements

We will do this by:

- Ensuring risk management arrangements and systems are realigned to the new Operations Directorate structure (when approved), and systems used to capture this process are appropriately updated;
- Supporting corporate and operational directorates via quality and business meetings and Directorate Improving Together sessions to identify, assess and manage risks and improve outcomes;
- Reviewing current partnership risk management arrangements and developing a plan to strengthen these arrangements which will support the UHB to achieve its objectives;
- Reviewing the training needs analysis and provision of risk management training to implement the operationalisation of revised risk appetite statements across the UHB; and
- Providing practical support to services with operational risk management arrangements via business partnering arrangements to ensure risk management outcomes inform and prioritise organisational decision making.

Risk Management Objective 3: Understand how established risk management processes currently contribute to the overall health of the UHB (i.e achievement of objectives, delivery of plans and performance), and how this can be strengthened.

We will do this by:

- Engaging with relevant teams across the UHB to establish how risk information is currently utilised within their areas to support the achievement of the delivery of our objectives and performance targets to inform our risk maturity assessment, and how this could be strengthened; and
- Engaging with service leads across the UHB to assess the risk culture within the organisation to identify areas of improvement to support individuals in undertaking risks in an informed manner to support the achievement of our objectives and performance targets.

Activities to deliver this strategy will include:

- Collaborative working with services and directorates to develop their risk management capability and ensure risk management is dynamic and part of the everyday;
- Embedding risk management in quality and governance processes at all levels of the UHB;
- Using data in a risk-focused way (what does this tell us about the service and where there are risks and vulnerability);
- Ensuring risk registers interact appropriately at different levels of the UHB to ensure risks are appropriately escalated and that there is oversight of risks as appropriate at senior levels of the organisation; and
- Ensuring staff are aware of the options for managing a risk – whether to tolerate (accept), treat (reduce or remove), transfer (responsibility), terminate (suspend the risk situation/activity) or take the opportunity.

Responsibilities

Please refer to the Risk Management Framework (<https://hduhb.nhs.wales/about-us/governance-arrangements/policies-and-written-control-documents/policies/risk-management-framework/>) (opens in a new tab) which outlines the roles and responsibilities with regards to risk management at the UHB.

References

- North West Ambulance Service NHS Trust