

# Risk Assessment Procedure

## Procedure information

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## Approval information

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Summary of document:

This procedure explains the risk assessment process from identification to the treatment of risks and how to complete a risk assessment form.

Scope:

This procedure applies to all Executives, Directorate Risk Leads, Service Delivery Managers, General Managers and all staff who will be involved in the identification and management of risk.

To be read in conjunction with:

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

156 – [Risk Management Strategy](#) – opens in a new tab

Patient information:

Include links to [Patient Information Library](#)

Owning group:

Audit and Risk Assurance Committee 18.06.2024

Executive Director job title:

Interim Chief Executive

## Reviews and updates:

1 – new procedure 14.2.2018

1.1 - Appendix 2 reuploaded to remove grey input sections 17.7.2018

2 – full review minimal changes 10.6.2021

2.1 - revised appendix

3 – full review 25.07.2024

## Keywords

Risk Assessment, Risk Assessment Form (RAF), Risk Matrix

## Glossary of terms

<b>Term</b>	<b>Definition</b>
Risk	The effect of uncertainty on objectives. Note that an effect is 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 Assessment Form (RAF)	The means by which risks are evaluated and prioritised by undertaking risk identification, risk analysis and risk evaluation
Risk scoring matrix	Tool used in risk analysis to determine the likelihood and impact of the risk to understand the nature and level of risk
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 control	Mechanisms that are currently in place which make a risk less likely to happen, and include systems, processes, people, policies and procedures, inspection regimes, defined responsibilities and accountabilities of staff, monitoring and review processes

## Contents

Procedure information.....	1
Approval information .....	1
Aim.....	4
Objective .....	4
Scope.....	4
Risk Assessment Process.....	4
Risk Identification.....	5
Risk Analysis.....	6
Risk Evaluation .....	7
Risk Treatment.....	8
Monitoring and Review .....	9
Communication and Consultation .....	9
Appendix 1 – Risk Assessment Flowchart.....	10
Appendix 2 - Risk Assessment Form .....	11
Appendix 3 - Risk Scoring Matrix .....	14

## Aim

This procedure should be used for assessing all types of risks (noting that risk assessments relating to Health and Safety such as maternity should adhere to relevant Health and Safety guidance). Risk assessment is a proactive, systematic and effective method of identifying, analysing and evaluating risks to determine the significant risks facing the organisation, a project or strategy.

Although risk assessment is extremely important, it is only useful if the outcomes of the risk assessment are used to inform decisions and identify appropriate risk responses. It is the start of the risk management process, and should not be considered as an end in itself.

Risk assessment is proactive; we are trying to stop an event from occurring. It includes the management of the business risks associated with running the Health Board or its hospitals, risks to delivering service objectives and plans, and risks to achieving and maintaining compliance, i.e. risks to business continuity, risk to patients, staff, etc. Once an event has occurred it is no longer a risk but becomes a management issue that needs action to be taken.

## Objective

The procedure will explain the risk assessment process from identification to the treatment of risks and how to complete a risk assessment form.

## Scope

This procedure applies to all UHB staff, contractors, other third parties working within the UHB and those who work in partnership with the UHB.

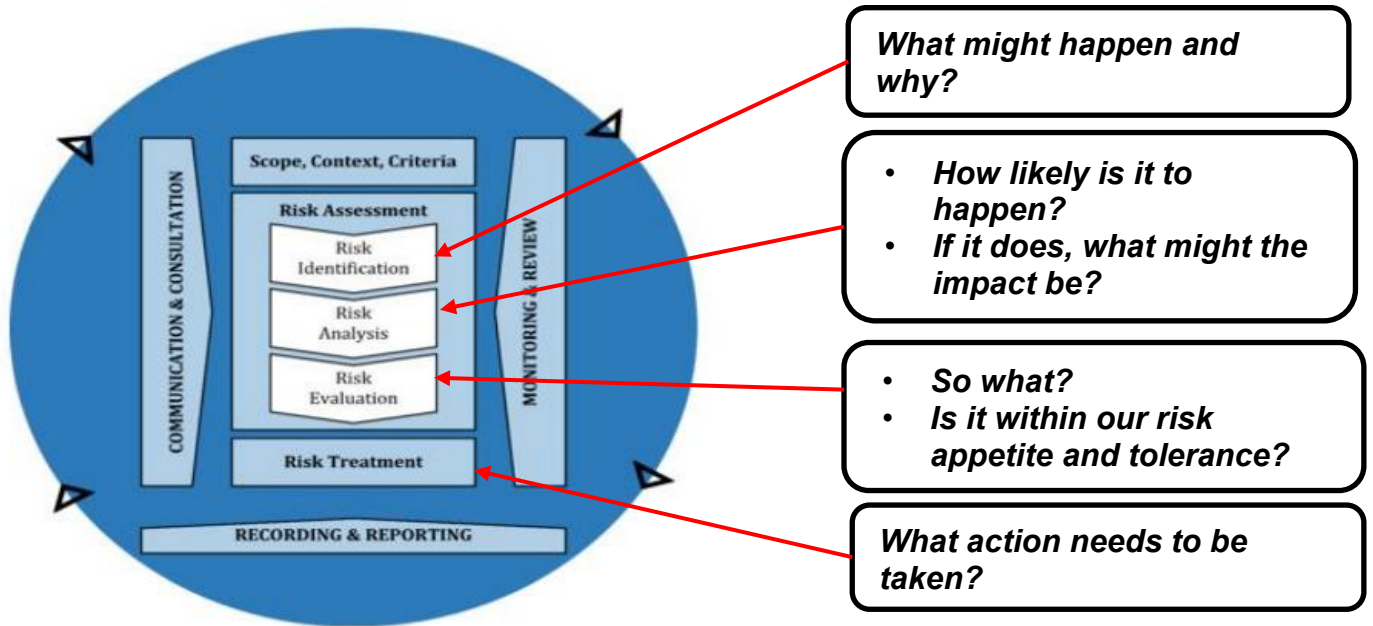
## Risk Assessment Process

There should be a combined top down and bottom-up approach to risk assessment. Top-down risk assessment will enable the organisation to engage the top of the organisation with risk management and will tend to focus on strategic objectives and strategic risks, particularly external risks, whereas a bottom-up approach will focus on operational objectives and risks. It is important however to avoid a 'silo-based' approach and understand the interconnectivity of risks throughout the organisation.

Risk can be subjective, and it is likely that anyone involved in the risk management process will have different views or perceptions of risk. It is important that differing views are explored to reach a common position to ensure the right risk response is identified. Risks identified within services should be discussed with managers before a risk assessment is completed as they should not be done in isolation. A flowchart of the risk assessment process can be found at [Appendix 1](#).

Risk assessment is part of the risk management process, and the following questions should be considered:

1. What could go wrong? *This is the 'event'*
2. What might lead to this event taking place? *This is the 'cause' of the risk*
3. How likely is this event?
4. What would be the impact of the event?
5. Is that outcome acceptable within the Health Board's stated risk appetite and tolerance?
6. Is there something the Health Board needs to do to reduce or mitigate the risk?



(ISO 31000, 2018)

## Risk Identification

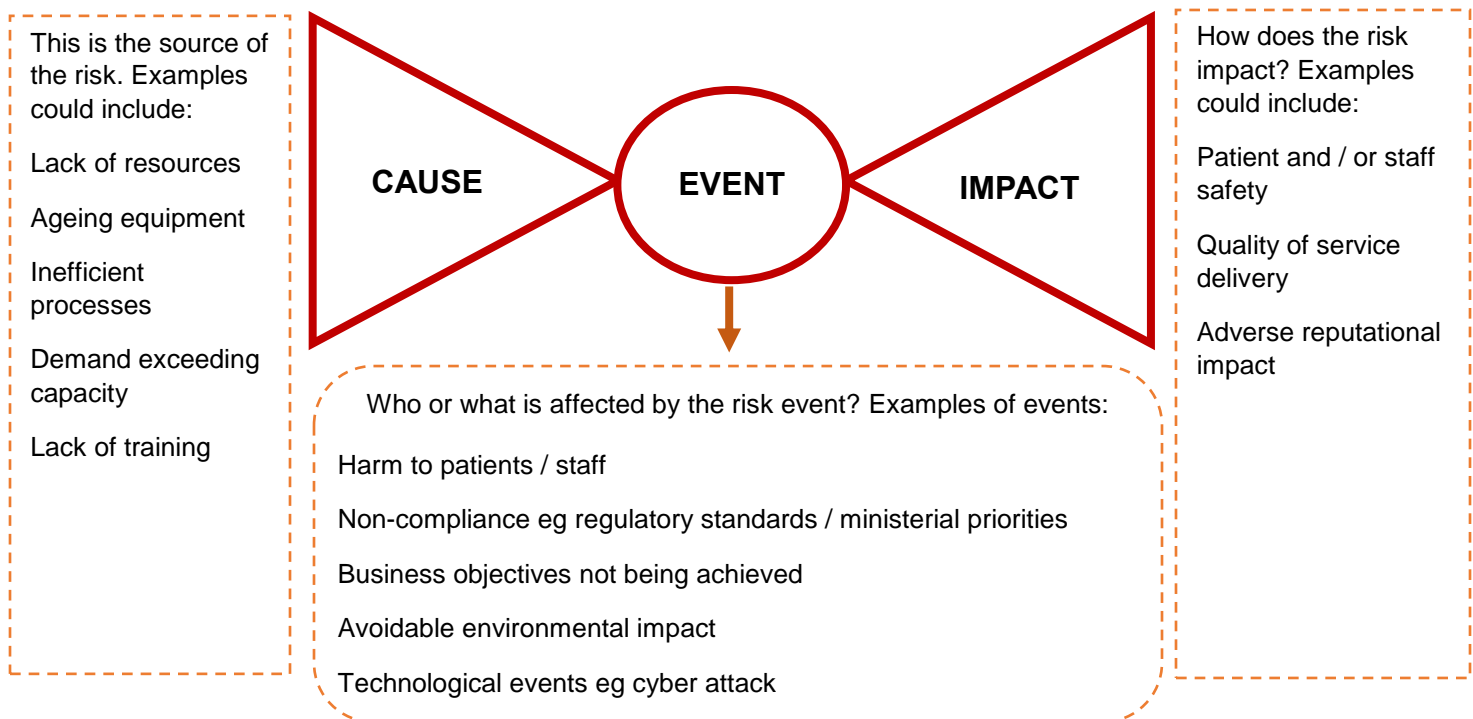
Identification of a risk will tell you what could go wrong. Understanding why, how, when and where things go wrong is also important to ensure the right risk response. The better you can define the risk, the more precise you can be in describing the impact and determining the proper controls needed.

Identifying possible scenarios where risks could occur helps the organisation to understand its most vulnerable areas of impact and where actions need to be taken to protect them.

The risk should be thought about in three parts using the following phrase:

- There is a risk that ....(this is the ' future event').
- This is caused by.....
- This would lead to an impact/effect on....

The bow-tie diagram below can be a useful way of representing the three components needed in risk description.



Risks can be identified by anyone in the organisation, however risk assessments should be discussed and completed with the line manager to ensure the right controls and actions are identified, and this is communicated to everyone who needs to know or is involved in the activity giving rise to the risk.

Sources of risk can include the following:

Proactive	Risk assessments, hazard reporting, workshops, surveys, horizon scanning, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, PESTLE (Political, Economic, Social, Technological, Legal, Environmental/Ethical) analysis, committees
Reactive	External reviews and inspections, incident investigations, claims, customer and staff satisfaction measures

Risk is not just about threats and negative impacts, managing risk can also bring about opportunities and enhance positive outcomes.

The risk assessment form in [Appendix 2](#), and available via the [Assurance and Risk Sharepoint page](#), must be completed when a risk has been identified. The person identifying the risk should complete it with their manager.

## Risk Analysis

Once a risk has been identified, the next step is to analyse the risk. ISO 31000 (2018) states: This step involves analysing the positive and negative consequences of the risk (i.e. its impact or magnitude of effect), and the likelihood that those consequences may occur (i.e. its frequency or probability). The consequence and likelihood are rated against established criteria which are on the Risk Scoring Matrix ([Appendix 3](#)).

It is essential that the 'domain' is chosen based on the consequence/impact already identified in risk description (previous step). Where a number of impacts have been identified, the domain selection should be based on the impact with the severest consequence/impact. Whilst in the majority of risks, the consequence/impact score will remain the same for the inherent, current and target score, as actions will generally be taken to reduce the likelihood of the risk occurring, risk owners should also consider whether actions can be taken to reduce the impact of the risk. This will help to reduce harm, minimise costs and limit damage should the risk materialise.

Using the Risk Scoring Matrix will help to enable a level of consistency on the approach to scoring risk across the Health Board. Risk scoring can be very subjective and is often based on personal values and attitudes, therefore it is always better to score with colleagues who have the relevant experience and knowledge to gain a different perspective. To help determine the impact and likelihood of a risk, it might be helpful to consider:

- Historical or past data;
- Personal relevant experience;
- Industry-relevant experience of the risk;
- Published literature on the risk;
- Market research;
- Economic/statistical models to base forecasts; and
- Expert information specific to the risk to make judgements.

The risk score is one way the Health Board will rank risks by significance, therefore it is important not to inflate or deflate scores. Risk scores must be an honest reflection of the risk to Health Board to aid it in its decision making and prioritisation of resources.

This step involves considering the controls or mitigating activities already in place that reduce the level of risk. These controls or mitigating activities, and their effectiveness, should be identified in the risk assessment form.

Controls are mechanisms that are currently in place which make a risk less likely to happen, and include systems, processes, people, policies and procedures, inspection regimes, defined responsibilities and accountabilities of staff, monitoring and review processes.

## Risk Evaluation

The next step in the process is to evaluate the risk. This is the decision point after analysing the risk, whether the risk can be tolerated (accept the risk and do nothing further) or treated (further action to be taken).

In order to have a consistent approach to risk management within the organisation, it is important that those who manage risk understand the trigger point, above which, they should respond or tolerate a risk. If they do not, it will lead to an inconsistent management of risk based on personal attitudes rather than organisational objectives and priorities. Risk appetite represents the organisation's willingness to undertake an activity that involves risk (see the UHB's risk appetite statement [here](#) - opens in a new tab). It can also be used in decision making in areas such as allocating resources and project approval.

## Risk Treatment

If a decision is made to treat the risk, existing controls should be reviewed in terms of their efficiency and effectiveness and whether there are any gaps. The aim of risk treatment is to develop and implement further actions to reduce the likelihood of the risk occurring and minimise the impact if the risk does materialise. It will help reduce prevent loss, limit further damage and contain costs. The options for risk treatment are identified in the 4Ts:

Tolerate	<p>i.e., accept the risk.</p> <p>Risk exposure may be tolerated without any further action being taken, even if it is higher than the level the organisation would choose to accept. Where the ability to do anything about certain risks may be limited or the cost of taking any further action may be disproportionate to the potential benefit gained, the response should be to manage the risk to as low as reasonably practicable (ALARP), then tolerate the risk. This option can also be supplemented by contingency planning for handling the consequences that may arise if the risk is realised. By tolerating the risk, this demonstrates the organisations' readiness to bear the risk after treatment.</p> <p>Where the status of the risk is to tolerate, the risk must be monitored and reviewed by the risk owner as per Health Board review guidance. The Executive Risk Owner must approve the tolerance of risks within their area of responsibility, and these will be reported to the Executive Risk Group and through the Board and its Committees.</p>
Treat	<p>i.e, reduce or remove the risk</p> <p>The purpose of treating a risk, is that whilst continuing the activity giving rise to the risk, action is taken to reduce the risk to an acceptable level.</p> <p>The Health Board has acceptable risk tolerance levels for different types of risks and these are determined by the Board. Risk owners should continue to treat the risk to bring within tolerance where possible. If the target risk score exceeds the tolerance level, then this will need to be agreed by the relevant Executive Risk Owner. Most risks should be addressed in this way before any other course of action should be considered.</p>
Transfer	<p>i.e., transfer responsibility.</p> <p>It may be possible to transfer the risk to another party either by insurance or contractual agreement, or some other means of sharing the risk. It is worth noting that a risk can never be fully transferred, and whatever the intention of the parties, the risk to the Health Board of any transfer arrangement should be risk assessed. This option is rarely possible in the NHS.</p> <p>The Executive Risk Owner must approve the transfer of risks within their area of responsibility and these will be reported to the Executive Risk Group and through the Board and its Committees.</p>
Terminate	<p>i.e., Suspend the risk situation/activity.</p> <p>Some risks will only be treatable, or containable to acceptable levels, by stopping the activity. It should be noted that this option is severely limited in the public sector as</p>



	<p>the activity may be a statutory requirement or stopping the activity would give rise to a higher risk.</p> <p>The Executive Risk Owner must approve the termination of risks within their area of responsibility and these will be reported to the Executive Risk Group and through the Board and its Committees.</p>
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### **Monitoring and Review**

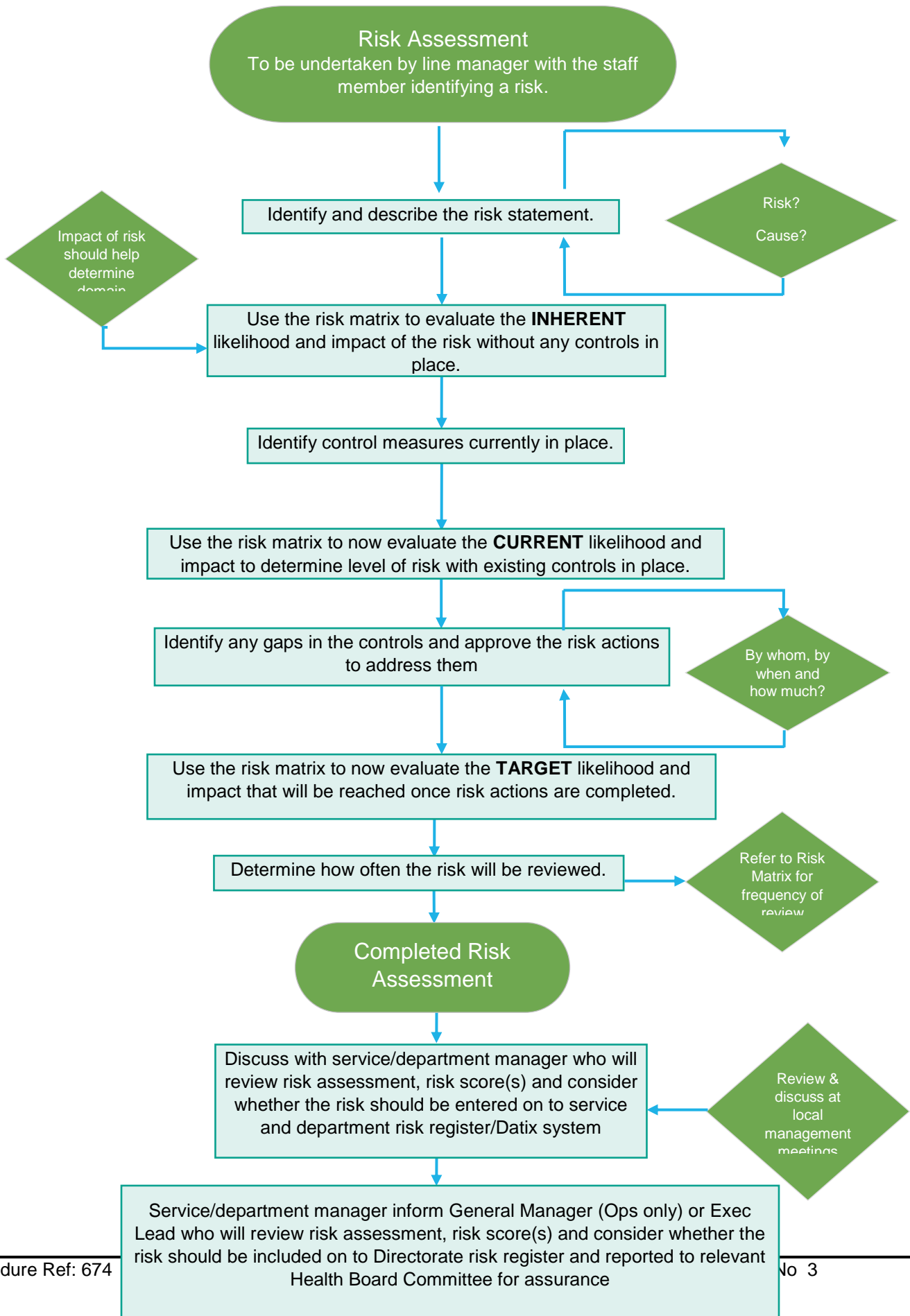
Once a risk assessment form has been completed, it must be reviewed and approved in line with Health Board guidance and local management arrangements prior to addition to the risk register.

Risk assessments require to be reviewed regularly by management, to ensure the risk is managed to an acceptable level and actions are being implemented. Guidance on frequency of review can be found on the Risk Scoring Matrix at [Appendix 3](#).

### **Communication and Consultation**

Effective communication is essential to ensure that those responsible for implementing risk management, and those with a vested interest or may be affected by the risk, understand the basis on which risk management decisions are made and why particular actions are required. It is also essential that those with actions are informed of their responsibilities and provide updates on progress when required.

# Appendix 1 – Risk Assessment Flowchart



## Appendix 2 - Risk Assessment Form

For guidance on completing this form please click on the following link: [Risk-Assessment-Guidance-Form sharepoint.com](https://sharepoint.com/Risk-Assessment-Guidance-Form)

### Risk Ownership

Executive Director:	
Directorate lead:	
Management or service lead:	

Directorate:	Choose your Directorate.	Service or Department:	Choose your Service or Department.
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### Risk Details

Title of risk: <b>Maximum characters: 128</b>	Risk of	due to
Date risk identified:	Select date.	
Domains of Quality (select all that are applicable):	Select Domain. Select Domain. Select Domain.	Select Domain. Select Domain. Select Domain.

Other risks you would like to link to on Datix:	
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### Risk Statement

<b>Please describe your risk clearly and concisely - who/what is at risk?</b>	
There is a risk...	
<b>Maximum characters: 200</b>	
<b>List all the causes of this risk</b>	
This is caused by...	
<b>Maximum characters: 400</b>	
<b>List all potential consequences of the risk</b>	
This will lead to an impact/effect on...	
<b>Maximum characters: 450</b>	
Location of the risk:	
Select the DOMAIN of the risk:	Choose one DOMAIN. <b>This should be based on the Impact of the risk</b>

### Inherent Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), evaluate the **inherent** risk rating. This is the risk score **WITHOUT** control measures in place.

Inherent impact score	Impact	Inherent likelihood score	Likelihood	Inherent risk score	Score (I x L)
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### Control Measures

List all completed actions and ongoing activities that are in place to successfully mitigate the risk

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### Gap in Controls

List any shortfalls in your control measures and unsuccessful actions (these should be addressed in your Action Plan)

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### Current Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **current** risk rating. This is the risk score **WITH** control measures in place.

Current impact score	Impact	Current likelihood score	Likelihood	Current risk score	Score (I x L)
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### Rationale of Current Risk Score

Please provide the reason/justification for the **current** risk score chosen above, taking into account the control measures in place and actions yet to be completed. **This section should be updated at each risk review and include any performance metrics that show progress to date that will inform the relevant committee/sub committee on the current position of the risk.**

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### Risk Decision

Tolerate, Treat, Transfer or Terminate

[\(Full definitions available here\)](#)

Choose 1 option

### Target Risk Score (Impact x Likelihood = Risk Score)

Using the [risk scoring matrix](#), identify the **target** risk rating. This is the risk score you are trying to achieve when **all actions are complete**.

Target impact score	Impact	Target likelihood score	Likelihood	Target risk score	Score (I x L)
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<b>Risk themes (select all that are applicable):</b> For theme definitions <a href="#">click here</a> .	Select theme. Select theme. Select theme.	Select theme. Select theme. Select theme.
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### Risk Review & Monitoring

<b>Identify the Lead Assurance Committee or Sub-Committee this risk should be reported to:</b>	Choose a Committee or Sub Committee.		
<b>Identify the local management group this risk should be monitored at:</b>			
<b>Is this risk to be entered onto your service risk register in Datix?</b>	Y/N.	<b>Frequency of review (based on Current Risk Score):</b>	Choose frequency of review.

### Risk Action Plan - Please note, this section is not visible until your risk has been saved to Datix.

Please specify actions that address the cause of the risk. <b>Actions must be SMART: Specific, Measurable, Achievable, Relevant/Realistic and Time-bound.</b> Add as many actions as necessary to achieve your target risk score.	<b>By whom</b> <span style="color: red;">Name 1 owner per action</span>	<b>By when</b> <span style="color: red;">Future dates only</span>
ACTION 1:		
PROGRESS UPDATE:		
ACTION 2:		
PROGRESS UPDATE:		
ACTION 3:		
PROGRESS UPDATE:		
Add as many actions as needed		

### Status of Risk

All risks are automatically added at <b>Service Level</b> .  <b>Directorate Level</b> risks must be approved by your Directorate lead.  If you would like to add/escalate a risk to <b>Corporate Level</b> please contact the <a href="#">Head of Assurance &amp; Risk</a> .	Service/Department Level
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# Appendix 3 - Risk Scoring Matrix

Likelihood x Impact = Risk Score

Likelihood	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost Certain
Frequency - How often might it/does it happen? (how many times will the adverse consequence being assessed actually be realised?)	This will probably never happen/recur (except in very exceptional circumstances).	Do not expect it to happen/recur but it is possible that it may do so.	It might happen or recur occasionally.	Will probably happen/recur, but it is not a persisting issue/circumstances.	It will undoubtedly happen/recur, possibly frequently.
	Not expected to occur for years.*	Expected to occur at least annually.*	Expected to occur at least monthly.*	Expected to occur at least weekly.*	Expected to occur at least daily.*
* time-framed descriptors of frequency					
Probability - Will it happen or not?  (what is the chance the adverse consequence will occur in a given reference period?)	(0-5%*)	(5-25%*)	(25-75%*)	(75-95%*)	(>95%*)
*used to assign a probability score for risks related to time-limited or one off projects or business objectives.					

Risk Impact Domains	Negligible - 1	Minor - 2	Moderate - 3	Major - 4	Catastrophic - 5
<b>Safety of Patients, Staff or Public</b>	Minimal injury requiring no/minimal intervention or treatment.  No time off work.	Minor injury or illness, requiring minor intervention.  Requiring time off work for >3 days  Increase in length of hospital stay by 1-3 days.	Moderate injury requiring professional intervention.  Requiring time off work for 4-14 days.  Increase in length of hospital stay by 4-15 days.  Agency reportable incident.  An event which impacts on a small number of patients.	Major injury leading to long-term incapacity/disability.  Requiring time off work for >14 days.  Increase in length of hospital stay by >15 days.  Mismanagement of patient care with long-term effects.	Incident leading to death.  Multiple permanent injuries or irreversible health effects.  An event which impacts on a large number of patients.
<b>Quality, Complaints or Audit</b>	Peripheral element of treatment or service suboptimal.  Informal complaint/inquiry.	Overall treatment or service suboptimal.  Formal complaint.  Local resolution.  Single failure to meet internal standards.  Minor implications for patient safety if unresolved.  Reduced performance if unresolved.	Treatment or service has significantly reduced effectiveness.  Formal complaint -  Escalation.  Repeated failure to meet internal standards.  Major patient safety implications if findings are not acted on.	Non-compliance with national standards with significant risk to patients if unresolved.  Multiple complaints/independent review.  Low achievement of performance/delivery requirements.  Critical report.	Totally unacceptable level or quality of treatment/service.  Gross failure of patient safety if findings not acted on.  Inquest/ombudsman inquiry.  Gross failure to meet national standards / performance requirements.

<b>Workforce &amp; OD</b>	Short-term low staffing level that temporarily reduces service quality (< 1 day).	Low staffing level that reduces the service quality.	Late delivery of key objective/ service due to lack of staff.  Unsafe staffing level or competence (>1 day).  Low staff morale.  Poor staff attendance for mandatory/key training.	Uncertain delivery of key objective/service due to lack of staff.  Unsafe staffing level or competence (>5 days).  Loss of key staff.  Very low staff morale.  No staff attending mandatory/ key training.	Non-delivery of key objective/service due to lack of staff.  Ongoing unsafe staffing levels or competence.  Loss of several key staff.  No staff attending mandatory training /key training on an ongoing basis.
<b>Statutory Duty or Inspections</b>	No or minimal impact or breach of guidance/ statutory duty.	Breach of statutory legislation.  Reduced performance levels if unresolved.	Single breach in statutory duty.  Challenging external recommendations/ improvement notice.	Enforcement action  Multiple breaches in statutory duty.  Improvement notices.  Low achievement of performance/delivery requirements.  Critical report.	Multiple breaches in statutory duty.  Prosecution.  Complete systems change required.  Low achievement of performance/delivery requirements.  Severely critical report.
<b>Adverse Publicity or Reputation</b>	Rumours.  Potential for public concern.	Local media coverage –  short-term reduction in public confidence.  Elements of public expectation not being met.	Local media coverage –  long-term reduction in public confidence.	National media coverage with <3 days service well below reasonable public expectation.	National media coverage with >3 days service well below reasonable public expectation. AMs concerned (questions in the Assembly).  Total loss of public confidence.
<b>Business Objectives or Projects</b>	Insignificant cost increase/ schedule slippage.	<5 per cent over project budget.  Schedule slippage.	5–10 per cent over project budget.  Schedule slippage.	Non-compliance with national 10–25 per cent over project budget.  Schedule slippage.  Key objectives not met.	Incident leading >25 per cent over project budget.  Schedule slippage.  Key objectives not met.
<b>Finance including Claims</b>	Small loss.  Risk of claim remote.	Loss of 0.1–0.25 per cent of budget.  Claim less than £10,000.	Loss of 0.25–0.5 per cent of budget.  Claim(s) between £10,000 and £100,000.	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget.  Claim(s) between £100,000 and £1 million.	Non-delivery of key objective/ Loss of >1 per cent of budget.  Failure to meet specification/ slippage  Claim(s) >£1 million.
<b>Service or Business interruption or disruption</b>	Loss/interruption of >1 hour. Minor disruption.	Loss/interruption of >8 hours.	Loss/interruption of >1 day.  Disruption to a number of operational areas within a	Loss/interruption of >1 week.	Permanent loss of service or facility.

		Some disruption manageable by altered operational routine.	location and possible flow onto other locations.	All operational areas of a location compromised. Other locations may be affected.	Total shutdown of operations.
<b>Health Equity</b>	Minimal or no impact on our attempts to improve health equity	Minor impact on our attempts to improve health equity or low level of certainty on the impact we are having on health equity	Moderate impact on our attempts to improve health equity or a lack of sufficient information that would demonstrate this. Indications that we are not having a positive impact on health improvement or health equity	Major impact on our attempts to improve health equity. Validated data suggesting that we are not improving the health of the most disadvantaged in our population whilst clearly supporting the least disadvantaged. Validated data suggesting we are having no impact on health improvement or health equity.	Validated data clearly demonstrating a disproportionate widening of health inequalities or a negative impact on health improvement and/or health equity.

RISK ASSESSMENT - FREQUENCY OF REVIEW			
RISK SCORED	DEFINITION	ACTION REQUIRED (GUIDE ONLY)	MINIMUM REVIEW FREQUENCY
15-25	Extreme	Unacceptable. Immediate action must be taken to manage the risk. Control measures should be put into place which will have an effect of reducing the impact of an event or the likelihood of an event occurring. A number of control measures may be required.	This type of risk is considered extreme and should be reviewed and progress on actions updated, at least monthly.
8-12	High	Very unlikely to be acceptable. Significant resources may have to be allocated to reduce the risk. Urgent action should be taken. A number of control measures may be required.	This type of risk is considered high and should be reviewed and progress on actions updated at least bi-monthly.
4-6	Moderate	Not normally acceptable. Efforts should be made to reduce risk, providing this is not disproportionate. Establish more precisely the likelihood & harm as a basis for determining the need for improved measures.	This type of risk is considered moderate and should be reviewed and progress on actions updated at least every six months.
1-3	Low	Risks at this level may be acceptable. If not acceptable, existing controls should be monitored & reviewed. No further action or additional controls are required.	This type of risk is considered low risk and should be reviewed and progress on actions updated at least annually.

RISK MATRIX					
	LIKELIHOOD →				
IMPACT ↓	RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
CATASTROPHIC 5	5	10	15	20	25
MAJOR 4	4	8	12	16	20
MODERATE 3	3	6	9	12	15
MINOR 2	2	4	6	8	10
NEGLIGIBLE	1	2	3	4	5



