

Trust Board Meeting in Public: Wednesday 11 November 2015
TB2015.136

Title	Annual Review of Risk Management Strategy
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Status	For discussion and approval
History	<p>The Trust Board formally approved the existing Risk Management Strategy on 31 July 2012.</p> <p>The previous Annual Review was reported to the Trust Board on 12 November 2014.</p> <p>This year's proposed assessment was presented and approved by Trust Management Executive at its meeting on 10 September 2015. It was also presented to the Audit Committee on 16 September 2015.</p>

Board Lead(s)	Eileen Walsh Director of Assurance			
Key purpose	Strategy	Assurance	Policy	Performance

Executive Summary

1. This paper provides results of the annual review of the Risk Management Strategy as presented for consideration by the Trust Management Executive on 10 September 2015 and to the Audit Committee on 16 September 2015.
2. It also provides the methodology and results of the annual assessment of risk maturity. This has been translated into an overall view of risk maturity for the Trust and provides positive assurance of the improvements in the Trust's overall risk maturity. The score has increased from 80 to 83, and the risk maturity level increased to level 4. The details of which are presented in this paper.
3. This improvement has been as a result of the continued implementation of the current Risk Management Strategy, and on-going programme of work.
4. The Risk Management Strategy has been fully reviewed and a number of changes were identified. These amendments were supported by the Trust Management Executive on 10 September 2015.

5. Recommendation

The Trust Board is asked to:

- Note the progress made in relation to the development of the Trust's Risk Management Strategy and the Trust's overall risk maturity; and
- Note and approve the amendments to the revised Strategy as recommended by the Trust Management Executive.

Risk Management Strategy Review

1. Purpose

- 1.1. This paper provides the results of the annual review of the Risk Management Strategy for consideration by the Trust Board.

2. Background

- 2.1. The Trust Board reviewed the existing Risk Management Strategy on 5 July 2012 and delegated formal approval of the final document to the Chief Executive and Chairman of the Trust. The strategy was formally approved on 31 July 2012 and was last reviewed in September 2015. The review section of the strategy sets out the requirement for a formal evaluation of the implementation of the Risk Management Strategy on an annual basis.

3. Methodology

- 3.1. In order to review the implementation of the strategy consistently each year, the Assurance Directorate adopted the use of a risk management maturity assessment. The assessment is based on a modified version of the HM Treasury Risk Management Assessment Framework. This self-assessment framework measures the extent to which good risk management policies are being practised across an organisation and is derived from the European Foundation for Quality Management (EFQM) excellence model.
- 3.2. It covers seven core areas with each category having an individual assessment that is then aggregated up to provide an overall rating for the Trust. An outline of the process has been included in Appendix 1 for information.
- 3.3. A baseline self-assessment using the same methodology was undertaken in June 2012 prior to the Risk Management Strategy being approved. An annual review has been undertaken each year since the approval of the strategy.

4. Review results

- 4.1. The Trust has continued its focus on risk management with new processes in place to monitor, manage and further embed risk into the organisation as a whole. The current annual review has translated into a proposed risk maturity score of 80, and shows a trend of consistent improvement.
- 4.2. Whilst the Trust's risk maturity has moved to Level 4, the following chart shows a trend of continuous improvement over time.

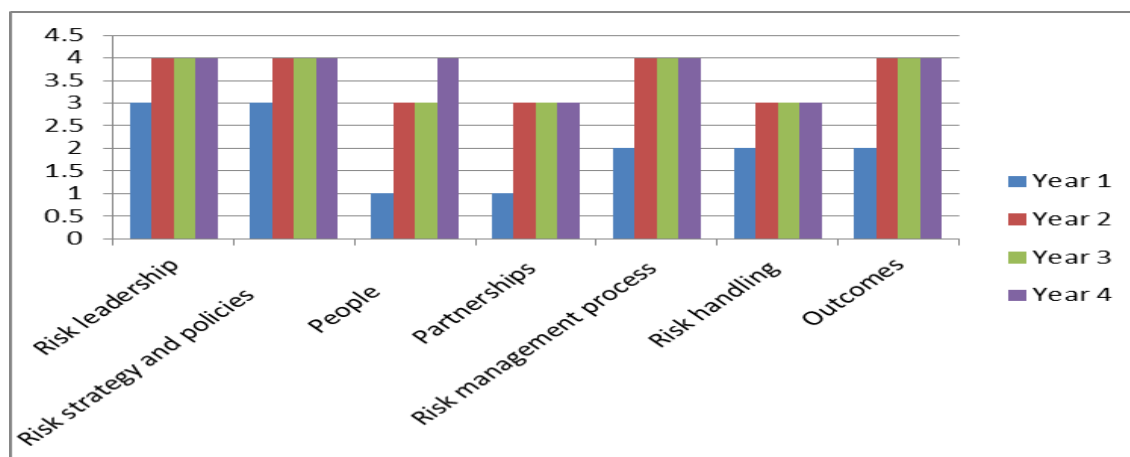


- 4.3. The Trust's Risk Maturity Matrix Score for this year, shown as year 4 is based on the detailed assessment and evidence in relation to each area is in the table overleaf.

Core Areas	Weightings x Assessed Level (AL)		Score
	W	AL	
Risk leadership	4	4	16
Risk strategy and policies	3	4	12
People	3	4	12
Partnerships	2	3	6
Risk management process	2	4	8
Risk handling	3	3	9
Outcomes	5	4	20
Total Risk Maturity Score			83

4.4. This score translates into an overall risk maturity rating of Level 4. This is an improvement in score from 80 to 83. It shows that a degree of consolidation and consistency in terms of compliance with Trust policy is required to improve and further embed the processes across the organisation.

4.5. This improvement is demonstrated by the chart provided below.



4.6. In order to improve risk maturity, further development work is planned over the next year. Specific actions have been included in Appendix 2.

4.7. As part of this process the Risk Management Strategy has been fully reviewed, in particular in anticipation of authorisation as a Foundation Trust. A number of changes to the strategy were identified as a result. These amendments were supported by the Trust Management Executive in September 2015. The amended Strategy is included as Appendix 3.

5. Recommendations

The Trust Board is asked to:

- Note the progress made in relation to the development of the Trust’s Risk Management Strategy and the Trust’s overall risk maturity; and
- Note and approve the amendments to the revised Strategy as recommended by the Trust Management Executive.

Eileen Walsh
Director of Assurance
November 2015

Prepared by: Clare Winch, Deputy Director of Assurance

Appendix 1: Overview of Assessment Process

Core Areas

The following categories form part of the assessment process, these directly map back to the Risk Management Strategy.

Category	Description
Risk leadership	Do the Board and senior managers promote risk management?
Risk strategy and policies	Is there a clear risk strategy and policy?
People	Are people equipped and supported to manage risks well?
Partnerships	Are there effective arrangements for managing risk with partners?
Risk management process	Do the Trust's processes incorporate effective risk management?
Risk handling	Are risks handled well?
Outcomes	Does risk management contribute to achieving outcomes?

Assessment Levels

The levels of assessment provide a means of quantifying and monitoring existing performance, in identifying and setting targets for improvement and in judging progress towards those targets. Each assessment has five levels to gauge progress in developing the necessary risk management capabilities and to assess the effectiveness of risk handling and impact on delivering successful outcomes. In summary these levels are:

Level	Description
1	Awareness and understanding / No Evidence
2	Implementation planned & in progress / Satisfactory
3	Implemented in all key areas / Good
4	Embedded and improving / Very Good
5	Excellent capability established / Excellent

Core Area Weighting

In order to determine the Trust's Overall Risk Maturity Rating, weightings have been applied to core areas (weights 1 - 5) indicating level of importance to the Trusts (5 being very important and 1 less so).

Weightings applied to the Trust's core areas are:

Core Areas	Weightings(w)
Risk leadership	4
Risk strategy and policies	3
People	3
Partnerships	2
Risk management process	2
Risk handling	3
Outcomes	5

Overall Assessment Levels / Rating

Levels	Score	Descriptor
1	1 - 30	The organisation has an awareness and understanding of risk management
2	31 - 60	Approaches for addressing risks are being developed and action plan for implementation being devised
3	61 - 80	Risk management applied consistently and thoroughly across the organisation
4	81 - 95	The organisation is proactive in driving, and maintaining the embedding of risk management and integration in all areas of the organisation
5	95 - 110	The organisation sustains risk capability, organisational & business resilience and commitment to excellence in risk management, leaders regarded as exemplars

1 Risk leadership

Level 1 Awareness & understanding	Level 2 Implementation planned & in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
<p>Top management are aware of need to manage uncertainty and risk and have made resources available to improve</p>	<p>Executive Directors and Non-Executives take the lead to ensure approaches for addressing risk are being developed and implemented</p>	<p>Executive Directors act as role models to apply risk management consistently and thoroughly across the organisation</p>	<p>Executive Directors are proactive in driving and maintaining the embedding and integration of risk management; in setting criteria and arrangements for risk management and in providing top down commitment to well managed risk taking to support and encourage innovation and the seizing of opportunities</p>	<p>Executive Directors re-enforce and sustain risk capability, organisational & business resilience and commitment to excellence. Leaders regarded as exemplars</p>
<p>Risk Leadership –Self Assessment Rating Level 4</p>				
<p>Summary Evidence</p> <ul style="list-style-type: none"> • Board members are actively engaged in risk issues particularly those relating to reputational risks • Executive Directors and Non-Executives have a good understanding of the key risks facing the Trust and their likely implications of service delivery to the public and the achievements of strategic objectives. This has been facilitated by the development of the BAF and CRR. • Key risks are prioritised for action and mitigation actions identified and monitored. • Executive Directors through the Trust Management Executive Committee have established criteria/arrangements for escalation of risks at various levels within the Trust. This process has been consistently applied over the past 12 months • Lead Directors are assigned as risk owners on the Board Assurance Framework and are responsible for overseeing action plans for the mitigation of risk. <ul style="list-style-type: none"> ◦ Risk appetite levels have been developed involving the Board sub-committees and TME. Divisional Directors have been engaged in development of risk appetite, as part of TME discussions. • Partnership risks included in the CRR and BAF and assurance in relation to strategic partnership meeting were added to the BAF. THE OCCG risk register was reviewed and relevant risks were discussed by the Trust and where appropriate these were added to the CRR. • A rolling programme of Deep Dive Reviews is in place in which has an agreed schedule of principal risks to be presented to the Audit Committee meetings. • Static risks are reviewed regularly at TME 				<p>Development work</p> <ul style="list-style-type: none"> • Ongoing work required in communicating acceptable and/or unacceptable risk below divisional level. • A more proactive approach required in supporting and driving a culture embracing well-managed risk taking. • Risk appetite levels to be more actively communicated to both clinical and non-clinical elements of the Trusts at a divisional level and below. • More systematic focus on static risks through regular review Board and Committee meetings

2 Risk strategy and policies

Level 1 Awareness & understanding	Level 2 Implementation planned & in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
The need for a risk strategy and related policies has been identified and accepted	A risk management strategy & policies have been drawn up and communicated and being acted upon	Risk strategy & policies are communicated effectively and made to work through a framework of processes	Risk strategy & policies are communicated effectively and are an inherent feature of department policies and processes	Risk management aspects of strategy and policy, making help to drive the risk agenda and are reviewed and improved, role model status
Risk strategy and policies – Self Assessment Rating Level 4				
<p>Summary Evidence</p> <ul style="list-style-type: none"> • Risk management strategy in place. • Risk management strategy endorsed by the Board / Audit Committee / Trust Management Executive. • Strategy sets out: <ul style="list-style-type: none"> ○ The organisation’s attitudes to risk ○ Defines the structures for the management and ownership of risk. ○ Specifies the way in which risk issues are to be tackled. ○ Ensures common understanding of terminology used in relation to risk issues ○ Defines the criteria that will inform assessment of risk and the definition of specific risks as “key. ○ Sets out horizon scanning process ○ Stance in relation to risk appetite and risk escalation processes • Risk Escalation process are further defined in the Risk Management Toolkit (Approved by TME Nov 12) • Horizon scanning built into the BAF process and emerging issues highlighted as part of TME risk papers • Risk is part of the business planning & business case process • A programme of assessment of practice at Divisional, Directorate and Clinical Service Unit carried out for high risks (15 or above) • Internal audit review of BAF/Risk Management assessed practice below divisional level to ensure departmental processes include robust risk management as appropriate. 			<p>Development work</p> <ul style="list-style-type: none"> • Further develop internal assessment of practice below divisional level. • Risk Assessment form in the process of being reviewed and linked more directly to the electronic Risk Management System (Health Assure). • Development of a learning forum with facilitated workshops at Divisional, Directorate and Clinical Service Unit level to discuss risk and expose any differences in perception of risk, further embedding ownership of risks and driving risk management into the agenda at all levels of the Trust. 	

3 People

Level 1 Awareness & understanding	Level 2 Implementation planned & in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
Key people are aware of the need to assess and manage risks and they understand risk concepts and principles	Suitable guidance is available and a training programme has been implemented to develop risk capability	A core group of people have the skills & knowledge to manage risk effectively	People are encouraged and supported to be innovative and are generally empowered to take well-managed risks. Most people have relevant skills & knowledge to manage risks effectively and regular training etc is available for people to enhance their risk skills and fill any 'gaps'	All staff are empowered to be responsible for risk management and see it as an inherent part of the Divisional / Directorate business. They have a good record of innovation and well managed risk taking
People – Self Assessment Rating Level 4				
<p>Summary Evidence</p> <ul style="list-style-type: none"> • There are clear reporting chains and mechanisms to raise risk issues. • Staff are aware of the risk management strategy and the importance of handling risks well. • All new staff are made aware of the Trusts risk management processes through its induction programme. • Job descriptions for clinical and non-clinical contain sections on risk management. • risk management guide (risk management toolkit) Approved by TME Nov 12 and on intranet site for all staff. • Board members to undertake an annual review of BAF & CRR including setting out its risk appetite / tolerance levels • All Register Owners provided with training on risk management practice and register system (HealthAssure) – Accountability embedded into the system all leads now known (all risk registers (total of 110 registers at all levels in the Trust) identified and populated on the system. • All Band 7 and above required to undertake risk awareness and risk assessment training (on line training reviewed and redeveloped to bring in good practice tips for risk management) part of SME training programme. • Review of effectiveness of risk training in HealthAssure has identified gaps in knowledge • Risk management is assessed at Divisional level through Clinical Risk and Governance Meetings • Health Assure Risk training is embedded into the Trust and cascaded at Divisional and Directorate level • Board Development Programme includes risk appetite and review of key risks, where necessary. 			<p>Development work</p> <ul style="list-style-type: none"> • The culture of risk management needs to be assessed at directorate and clinical service unit levels and further developments made where necessary. • Risk Appetite needs to be further developed into the business case process and beyond the Board into practical use within the trust (this should help promote innovation and empowerment agenda). • Gap analysis of skills and knowledge and cascading learning across the trust • Transfer of skills and knowledge through the development of a risk focus group 	

4 Partnerships

Level 1 Awareness & understanding	Level 2 Implementation planned & in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
Key people are aware of areas of potential risk with partnerships and understand the need to agree approaches to manage these risks	Approaches for addressing risk with partners are being developed and implemented	Risk with partners is managed consistently for key areas and across organisational boundaries	Sound risk management arrangements have been established. The most suitable: partnership arrangement (PFI, 'arm's length' etc); partners; suppliers etc are selected in full knowledge of the risks, risk management capability & compatibility	Excellent arrangements in place to identify and manage risks with all partners and to monitor and improve performance. Organisation regarded as a role model
Partnership – Self Assessment Rating Level 3				
<p>Summary Evidence</p> <ul style="list-style-type: none"> Formal partnership and governance arrangements in place: <ul style="list-style-type: none"> -Strategic Partnership Board -Oxfordshire Safeguarding Children's Board -Oxfordshire Safeguarding Adults Board -Oxfordshire Health Overview and Scrutiny Committee -Delayed Transfers of Care Programme Board -Creating a Healthier Oxfordshire Programme Board -Urgent Care Board -Oxfordshire Multiagency Safeguarding Hub (MASH) project Board and associated sub groups -Oxfordshire Dementia Partnership Board GP engagement Programme <p>Work Programmes developed for DTOC</p>		<p>Development work</p> <ul style="list-style-type: none"> Agree standards for assessing risks with partners. Ensure clear responsibility and accountability for risks where delivery of results is through partners, is fully documented and agreed. Suggest risk register review is a standard agenda items at partnership meetings. Where risks are transferred to a partner organisation establish partners capacity to manage, mitigate, monitor and report on risks. Establish and document risk escalation routes. Joint IT projects across organisational boundaries employ established project management principles including risk management strategies. Agreed escalation mechanism for issues/risks associated with the contract with Oxfordshire CCG. The development of a risk register for partner organisations, contractors and third parties, with a particular focus on strength of dependency, where we may be a minor client, but high risk in relation to our own strategic objectives. 		

5 Risk management processes

Level 1 Awareness & understanding	Level 2 Implementation planned & in progress	Level 3 Implementation in all key areas	Level 4 Embedding and improving	Level 5 Excellent capability established
Some stand-alone risk processes have been identified	Recommended risk management processes are being developed	Risk management processes implemented in key areas. Risk capability self - assessment tools used in some areas	Risk management is an integral part of the organisation's core processes (policy, planning, delivery etc) and data are collected to monitor and improve risk management performance	Management of risk & uncertainty is an integrated part of all business processes. Best practice approaches are used and developed. Selected as a benchmark site by other organisations
Processes - Assessment Rating Level 4				
<p>Summary Evidence</p> <ul style="list-style-type: none"> • There are established approaches for (i) identifying risk and (ii) assessing and reporting risks. • The Board is informed about key risk through the Board Assurance Framework and Corporate Risk Register. • Arrangements are in place to ensure risks to the public are well managed. • Procedure in place, for review of all risk registers. • Procedure in place to evaluate risks via the Trusts Risk Rating Matrix. • All investments in services require a business case, which in-turn requires that risks are considered, assessed and quantified. • Trust business planning process has current trust risk register template embedded into it. • The divisional nurses are the operational leads on risk within divisions they coordinate the risk management processes within their respective divisions. • Risk register template includes: <ul style="list-style-type: none"> ○ risk target (rag rated) ○ controls & contingency plans ○ Risk description to include cause, effect and impact ○ Risk owner • All directorates have a risk registers and these are reviewed by a nominated committee or working group. • Governance processes and reporting of BAF & CRR are embedded • Risk registers reviewed by Assurance Directorate for high risk items of 15 and above • Continued Risk Register training and support programme across four hospital sites 			<p>Development work</p> <ul style="list-style-type: none"> • See other suggested actions • Development of review and benchmarking processes to share learning and good practice • Develop scanning of all risks for potential themes for escalation. 	

6 Risk handling

Level 1 No evidence	Level 2 Satisfactory	Level 3 Good	Level 4 Very Good	Level 5 Excellent
No clear evidence that risk management is being effective	Limited evidence that risk management is being effective in at least most relevant areas	Clear evidence that risk management is being effective in all relevant areas	Clear evidence that risks are being handled very effectively in all areas	Very clear evidence of excellent risk handling in all areas and that improvement is being pursued
Risk handling - Assessment Rating Level 3				
Summary Evidence <ul style="list-style-type: none"> • Non-Executive Directors safety walk rounds provide an avenue to hear about key issues that may materialize into risks. Key issues identified along with recommendations are presented to the Clinical Governance Committee. • The Quality Committee receives reports analysing complaints trends which indicate the areas of risks for the Trust to focus on. • The Corporate Risk Register considers risks to the strategic objectives • Risk Registers at divisional level are kept up to date. • Corporate directorates have a risk register largely linked to their business plan objectives. • Positive Internal Audit Report into Risk Management and the BAF. • Clear and agreed escalation process in place and running. • Risk registers at all levels reviewed and in action on registers is tracked and followed-up. 		Development work <ul style="list-style-type: none"> • Proactive promotion of Innovation whilst managing risks effectively. • Develop performance indicators for effective risk management • See other actions re process. 		

7 Outcomes

Level 1 No evidence	Level 2 Satisfactory	Level 3 Good	Level 4 Very Good	Level 5 Excellent
No clear evidence of improved outcomes	Limited evidence of improved outcome performance consistent with improved risk management	Clear evidence of significant improvements in outcome performance demonstrated by measures including, where relevant, stakeholders' perceptions	Clear evidence of very significantly improved delivery of outcomes and showing positive and sustained improvement	Excellent evidence of markedly improved delivery of outcomes which compares favourably with other organisations employing best practice
Outcomes - Assessment Rating Level 4				
<p>Summary Evidence</p> <ul style="list-style-type: none"> • Projects and programme delivering • Fewer negative, more positive press reports. • Positive value for money opinions from Auditors. • Attracted some positive comments from staff, partners, stakeholders, professional and other bodies of repute. • Meeting planned financial outcomes • Overall improvement in risk profile seen over time. • Risks de-escalated from CRR as successfully reached their target risk score, target risk scores reduced for risks on the CRR. Positive CQC outcome from inspection in February 2014 • Award of Foundation Trust status October 2015. 			<p>Development work</p> <ul style="list-style-type: none"> • Sustained improvements in services By implementing effective risk management in the following areas: <ul style="list-style-type: none"> ○ Reducing the number of delayed transfers of care and improve performance against the thresholds ○ Addressing quality issues. ○ Delivering estates strategy ○ Developing and implementing an Information Management and Technology strategy 	