

Risk Management Strategy



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1. Organisational Context

NHS Cheshire and Merseyside Integrated Care Board (referred to in the policy as “the ICB”) was established as a statutory body on 1 July 2022. The ICB operates as NHS Cheshire and Merseyside (referred to in this policy as “NHS C&M”).

The ICB operates in the 9 geographical areas of Cheshire East, Cheshire West, Halton, Knowsley, Liverpool, Sefton, St Helens, Warrington, and Wirral (referred to in the policy as “Places”).

The ICB has an integrated care partnership, The Cheshire and Merseyside Health and Care Partnership (referred to in the policy as “the C&M HCP”) with local authorities, NHS providers, Healthwatch, and the voluntary and community sector across Cheshire and Merseyside. In addition, it has local partnerships in each of the 9 geographical areas (referred to in the policy as “place-based partnerships”).

All staff and members operate in accordance with agreed policies and the principles relating to business conduct which can be found at <https://www.cheshireandmerseyside.nhs.uk/about/how-we-work/managing-conflicts-of-interest/>.

2. Introduction

This document outlines NHS C&M’s approach to risk management and assurance. Specifically:

- The governance structure, detailing groups which have responsibility for risk.
- Roles and responsibilities of all staff with regards to risk management.
- The process for identification, assessment and management of risk.
- The process for managing and reviewing the Board Assurance Framework and Corporate Risk Registers.
- The process for monitoring this Risk Management and Assurance Framework and ensuring it is effective.

An effective risk management framework is essential to ensuring high quality services are delivered within available resources and to providing a safe working environment for staff.

The strategy reflects current best practice, taking into account a range of governance standards including those set out in:

- UK Corporate Code of Governance (2018)
- BS31100: The British Code of Practice for Risk Management & Guidance
- NHS Controls Assurance, Risk Register Working Group 2002

3. Statement of Intent

NHS C&M is committed to the provision of high-quality commissioning, partnership and collaboration, and NHS system-wide working and oversight in the delivery of its objectives. This will be supported through the development and implementation of a robust system of internal control including processes for risk management and assurance that are understood and embedded at all levels of the organisation. The purpose of this document is to set out those processes and the monitoring arrangements to ensure effective implementation.

The establishment of effective risk management systems is vital to the successful management of the organisation and local NHS system and is recognised as being fundamental in ensuring good governance. NHS C&M’s management needs to receive robust and independent assurances on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate

outcomes. NHS C&M's leadership therefore has overall responsibility for ensuring they have assurance that the process of risk identification, evaluation and control are effective.

This is achieved through the management and application of the Board Assurance Framework. The reporting and monitoring of the Board Assurance Framework enables the Integrated Care Board to be assured that the controls applied in the mitigation of risk are operating effectively and/or seek assurance of further mitigation.

There are a number of principles and aims that underpin the strategy and are essential for its successful implementation.

NHS C&M Strategic Objectives 2022/23



Risk Management and Assurance Strategy – Key Principles & Aims

The following key principles are essential for the successful implementation of this strategy:

- There is executive director and senior management commitment to, and leadership of risk.
- There is widespread employee participation and consultation in risk management processes, which will operate in a fair blame culture.
- There are management systems in place that provide safe practices, premises and equipment in the working environment. Systems of work must be designed to reduce the likelihood of human error occurring.
- The risk management process must be applied to contract management especially when acquiring, expanding or outsourcing services, equipment or facilities. Contracts must be reviewed and written to ensure that only reasonable risks are accepted.
- On all NHS C&M premises, whether owned or shared, safe systems of work must be in place to protect visitors and staff.
- NHS C&M maintains an effective system of emergency preparedness, emergency response and contingency planning.
- NHS C&M provides realistic resources to implement and support effective risk management throughout the organisation.

The aims of managing risks effectively are to:

- Ensure the management of risk is consistent with and supports the achievement of NHS C&M strategic objectives.
- Provide high quality services to patients.
- Initiate action to prevent or reduce the adverse effects of risk.

- Minimise the financial and other negative consequences of losses and claims, for example, poor publicity, loss of reputation.
- Ensure the risks associated with new developments and activities remain within agreed tolerances determined by the relevant Executive Director in accordance with the ICB's risk appetite.
- Meet statutory and legal obligations and improve compliance with the ongoing requirements of best practice governance standards.
- Protect visitors and staff from risks as far as is reasonably practicable.

4. Scope

This strategy aims to identify and provide:

- Clarity on the approach and direction to be taken to manage risks
- Promote awareness of risk management
- Provide a process of identification, assessment, mitigation and elimination of risks
- Provide clarity on integrating risk management into directorates' objectives; personal objectives; project work etc.

The strategy relates directly to the strategic objectives of NHS C&M.

This strategy applies to all staff, teams and activities managed by NHS C&M.

This strategy will be supported by more detailed procedures and guidance. These documents collectively comprise the NHS C&M Risk and Assurance Framework.

It is often at the interface between organisations that the highest risks exist and clarity about responsibilities and accountabilities for those risks can sometimes be difficult. Partnership risks which are jointly owned by the ICB and its partners, as part of the C&M ICP and place-based partnerships are out of the scope of this strategy. It is anticipated that an approach to partnership risks will be developed in conjunction with partners and will be reflected in future iterations of this strategy.

NHS C&M recognises that there are risks as well as opportunities in partnership working and that failing to actively engage with partners also carries risks. NHS C&M endeavours to work closely and collaboratively with a wide range of partner organisations to ensure these risks are identified and appropriately managed and that risk management is fully integrated into all joint working arrangements.

In all partnership working agreements the Board will seek assurance that risks to strategic objectives have been identified from both NHS C&M perspective and by the partner organisation and that adequate risk controls have been put in place e.g., section 75 partnership agreements with Local Authorities, collaboration agreements etc.

Links with partners' risk management and assurance arrangements will be developed and delivered via "local" Place arrangements and "system" level via ICP arrangements. This may involve links into Health and Wellbeing Boards, local authorities and provider collaboratives.

5. Definitions

Risk	<p>The effect of uncertainty on objectives.</p> <p>Risk is the combination of the probability of an event and its consequence.</p> <p>The chance of something happening that will have an impact on objectives.</p> <p>An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.</p>
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Issue	<p>A relevant event that has happened or is certain to happen, was not planned, and requires specific management action.</p> <p>The distinction between an issue and a risk is that an issue is an event that has happened or will happen, and a risk is an event that may happen.</p>
Risk Assessment	A systematic process of identifying, analysing and evaluating risks.
Impact	A measure of the anticipated effect on the achievement of NHS C&M's objectives if the event or set of events occurs.
Likelihood	A measure of the chance or probability of the event or set of events occurring.
Risk Rating	The severity assigned to a risk following assessment. This is determined by multiplying the impact of the risk by the likelihood of occurrence.
Risk Matrix	A matrix setting out the criteria used to define and measure the impact and likelihood, resulting in the risk rating. This aims to ensure a consistent approach to the rating of risks across NHS C&M. Impact may be measured in the context of each of the 9 places or for the ICB as a whole.
Risk Management	The culture, framework, processes and structures that are directed towards identifying, understanding and controlling exposure to risks which may threaten the achievement of NHS C&M's objectives.
Risk Register	A log of risks of all kinds that threaten the achievement of NHS C&M's objectives. It is a dynamic document, populated through the organisation's risk management process, enabling risk to be quantified and ranked. It provides a structure for collating information about risks that helps both in the analysis of risks and in decisions about whether or how these risks should be treated. The ICB will have a Corporate Risk Register and 9 Place Risk Registers.
Controls	<p>The systems or processes we <i>currently</i> have in place to prevent a risk from occurring, or to reduce the potential consequences and likelihood. Examples of possible controls include:</p> <ul style="list-style-type: none"> • Implementation of policies and guidance • Management structure and accountabilities • Corporate and clinical governance processes • Statutory frameworks e.g., Standing Orders, Standing Financial Instructions, Scheme of Delegation • Incident reporting, complaints, and patient and public feedback procedures • Staff recruitment, retention and training.
Assurance	Confidence, based on sufficient evidence, that internal controls are in place, operating effectively and objectives are being achieved.
Assurance Framework	A structured means of identifying, mapping and assessing sources of assurance in relation to the strength and effectiveness of internal controls to mitigate the risks to the organisation's objectives. By receiving and reviewing actual assurances and using findings, the adequacy of internal control can be confirmed or modified.
Board Assurance Framework	The document used to capture and provide assurance to the ICB's board in relation to the control of the principal risks and delivery of the strategic objectives.
Principal Risks	The key risks, of such significance that should they be realised, would prevent NHS C&M from delivering its strategic objectives, continuing to operate and/or seriously affect its performance, future prospects or reputation. These include

	risks that would threaten the business model, future performance or financial sustainability of NHS C&M.
Corporate Risks	Risks that threaten the delivery of the ICB's operational plan, statutory functions and duties. These include risks in relation to corporate and at scale functions and the aggregation of risks in common across multiple (3 or more) places.
Place Risks	Risks that threaten the delivery of the ICB Place objectives, operational plans, statutory functions and duties in each of the 9 places. These include risks which are unique to a place, and risks in common across multiple (3 or more) places, but which would be assessed independently in the context of the environment and situation in each place.
Risk Appetite	The amount of risk that NHS C&M is willing to seek or accept in the pursuit of its strategic objectives. This is determined by the Board in relation to each strategic objective and is reviewed annually. It is used by the leadership team to determine what potential options will / will not be considered in pursuing these objectives.
Risk Tolerance	The boundaries of risk taking outside of which NHS C&M is not prepared to venture in the pursuit of its strategic objectives. This is determined by the Board and reflected in this Risk and Assurance Strategy. It is used by leadership to determine where action is required to improve control and when risks require escalation.

6. Organisational Arrangements for Risk Management and Assurance

The ICB recognises that a robust risk management system is a key component of the organisation's system of internal control and serves to provide assurance to key stakeholders of its capability to deliver its objectives. NHS C&M's Board, Committees, Executive and Senior Teams are committed to establishing an organisational culture that embeds effective risk management into its corporate planning and management systems at all levels of the organisation. This is delivered through robust governance arrangements and clear accountabilities for ensuring effective risk management.

Roles and Responsibilities

Specific accountabilities, roles and responsibilities for risk management are set out below and provide a structure that supports the integrated approach to risk and governance. The NHS C&M governance structure is attached at Appendix 2.

The Integrated Care Board (the Board)

The Board is responsible for implementing the strategic direction for NHS C&M, ensuring delivery of the organisation's objectives, and that structures are in place to reflect the organisation's roles and responsibilities. It will consider each individual aspect of governance at an adequate level of detail but also bring them all together to give the organisation appropriate assurance.

The Board will determine the ICB's risk appetite in relation to the achievement of its strategic plan, which will inform strategic decisions and control efforts; and it will identify the principal risks to the organisation.

The Board is committed to providing the resources and support systems necessary to support the Risk Management and Assurance Strategy. It has a duty to assure itself that the organisation has properly identified the risks it faces and that it has processes in place to mitigate those risks and the impact they have on the organisation and its stakeholders. The Board discharges this duty as follows:

- a) Identifying risks which may prevent the achievement of its strategic objectives
- b) Determining the organisation's level of risk appetite in relation to the strategic objectives
- c) Proactive monitoring of identified risks via the Board Assurance Framework and Corporate Risk Register

- d) Ensuring that there is a structure in place for the effective management of risk throughout the organisation, and its committees (including at place)
- e) Receiving regular updates and reports from its committees identifying significant risks, and providing assurance on controls and progress on mitigating actions
- f) Demonstrating effective leadership, active involvement and support for risk management

Audit Committee

The **Audit Committee** is part of the organisation's internal governance structures, systems and processes, and contributes to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance, risk management and internal control processes within the ICB.

In relation to Risk Management, the core responsibilities of the group include:

- reviewing the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the Board
- having oversight of principal risks, key controls and assurances where they relate to the achievement of the ICB's objectives.
- having oversight of corporate and place risks by exception where these are escalated or for the purposes of providing assurance to the Board on the adequacy of risk management arrangements

In carrying out this work the Committee will utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from officers and Board members as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness. This will be evidenced through the Committee's use of an effective assurance framework to guide its work and that of the audit and assurance functions that report to it.

Risk Committee

A Risk Committee will be established on an interim basis to support the Audit Committee in overseeing the successful implementation and development of this strategy and the embedding of effective risk management systems across the ICB. Its principal functions will be to:

- Oversee the implementation and further development of the risk management strategy, systems and processes
- Support the development of an effective development programme and understanding of roles and responsibilities across the organisation and system
- Review and advise risk owners regarding completeness, consistency, and compliance with the ICB strategy and processes
- Develop and monitor key performance indicators on the operation of the risk management system
- Work with partners on the development of a system approach to BAF and risk management in relation to joint strategic objectives

Other Committees

All committees and sub-committees of NHS C&M are responsible for:

- providing assurance on key controls where this is identified as a requirement within the Board Assurance Framework
- ensuring that risks associated with their areas of responsibility are identified, reflected in the relevant corporate and / or place risk registers, and effectively managed

Non-Executive Board members play a critical role in providing scrutiny, challenge, and an independent voice in support of robust and transparent decision-making and management of risk. A board appointed Chair will be assigned to each Committee and will be responsible, with the risk owner and the support of committee members, for determining the level of assurance that can be provided to the Board in relation to risks assigned to the committee and overseeing the implementation of actions as agreed by the Committee.

NHS C&M's governance lead

NHS C&M will appoint a member of staff whose responsibilities include being the designated governance lead for NHS C&M. The governance lead is responsible for the development and delivery of the Risk Management and Assurance Strategy and associated operational procedures including:

- promoting effective risk management and demonstrating leadership, involvement and support;
- preparing the Risk Management and Assurance Strategy for review by the Audit Committee and approval by the Board
- ensuring the development of risk management policy, procedures, standards and guidance to support the effective delivery of the strategy
- supporting the Audit Committee Chair in forward planning and agenda setting in respect of risk management and ensuring that committee members are aware of best practice, national guidance and other relevant documents and have access to independent advice as appropriate
- responding to requests from the Audit Committee and the Board for reports and positive assurance on risk management arrangements
- leading the preparation and regular updating of the Board Assurance Framework and Corporate Risk Registers for review by relevant Committees and the Board
- assuring the effective and consistent implementation of the risk management and assurance arrangements corporately and at place level
- identifying the training needs of the board, its committees, sub-committee and staff and ensuring these are met

Risk Leads

Each identified risk will have an Operational Lead, who as the operational owner, has responsibility for managing and reviewing the risk. This includes assessment, the identification and implementation of actions to mitigate the risks, and compliance with reporting arrangements such as updating the risk register, escalating risks and providing assurance to the relevant committee.

Each identified risk will also have a Senior Responsible Lead, who will be accountable to the Chief Executive, the relevant committee and the Board for ensuring that the risk is appropriately managed. This includes approving the risk assessment and mitigation strategy, oversight of risk management and compliance with reporting arrangements, such as the escalation of risks and providing assurance to the relevant committee and to the Board as appropriate.

Place Directors or Associate Directors will be the Senior Responsible Leads for place risks, and a member of their team will be assigned as the Operational Lead. Where the same or similar risk exists in a number of places, this may require collaboration between places and with the relevant ICB Executive Director / Director to determine the appropriate organisational mitigation strategy. It may be appropriate for this to be led corporately or by one place on behalf of others; or for the agreed mitigation strategy to be applied in each place proportionate to the risk level in that place.

Thematic / Portfolio Leadership Teams

Executive Directors / Directors will be the Senior Responsible Leads for all corporate risks which fall within their portfolio. This may include leadership of risk in common across multiple (3 or more) places where appropriate. It is anticipated that the majority of principal risks will be led by ICB Executive Directors / Directors.

Thematic / portfolio leadership teams for quality, performance, finance, workforce, etc, led by the relevant Director and including representatives from each place will provide a holistic view of aggregated risk across the ICB. Their role in relation to risk management will include:

- Supporting the relevant committee in its oversight and assurance role in relation to thematic risks
- Considering where risks identified in one place have an impact across other places or the wider organisation and allocating operational and senior leadership roles
- Reviewing risks escalated from directorate, programme and project risk registers and making recommendations to Senior Leads regarding inclusion on Place and / or the Corporate Risk Register
- Reviewing risks where agreed actions are not progressing or having the required effect, and making recommendations to the Senior Lead to address this
- Reviewing all potentially critical risks and making recommendations to the Senior Lead and Assistant Chief Executive for addition to the principal risks and inclusion on the Board Assurance Framework

All Managers

All managers are responsible for:

- Familiarising themselves with the Risk Management Strategy and associated procedures and guidance, and for raising awareness and understanding of risk management within their work area;
- Reviewing their areas of work to identify risks, agree appropriate actions and escalate risks as necessary;
- Fostering a supportive work environment to facilitate the reporting of risks;
- Investigating risks reported to them by staff;
- Ensuring staff have access to opportunities for training and development; and
- Ensuring that risk management is a regular agenda item at team meetings.

All Staff

All staff are responsible for:

- Attending mandatory and statutory training;
- Co-operating with arrangements for minimising risk;
- Working to NHS C&M procedures;
- Taking reasonable care for their own safety and that of others;
- Taking care of NHS C&M buildings, equipment and other assets; and
- Reporting risks, incidents and near misses using the correct processes and documentation.

Other Specialist Expertise

Expertise in specific areas of risk may be obtained from a number of sources, both internal and external, such as:

- Governance and Quality Leads at NHS England and Commissioning Support Services
- Health and Safety Lead from Commissioning Support Services
- Occupational Health Manager from locally commissioned service
- Local Anti-Fraud Specialist (AFS)
- NHS Resolution
- Health & Safety Executive (HSE)

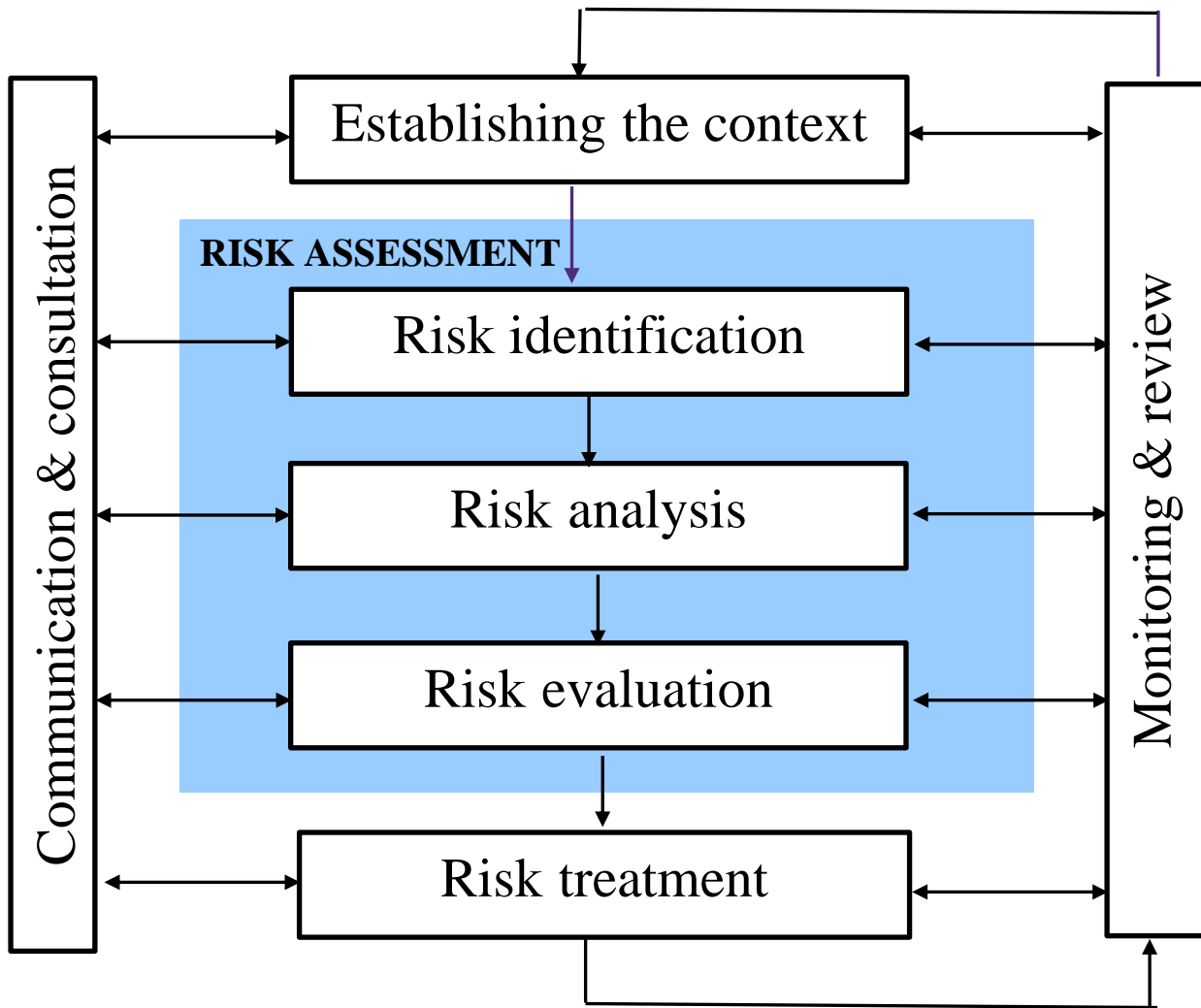
EPRR Risks

The Emergency Preparedness, Resilience and Response (EPRR) agenda is an integral component of the ICB's business. The ICB will meet its 'duty to assess risk' by drawing from various sources such as community risk registers, events planning and participation in multi-agency exercises. Any high/extreme risks to ICB objectives arising from EPRR related threats / activities will be added to the appropriate risk register (at ICB level and / or relevant Place).

7. Risk Management: Systems & Processes for the Management of Risk

Risk Management Process

It is accepted that it is neither realistic nor possible to totally eliminate all risk. It is however, feasible to develop a systematic approach to the management of risk so that adverse consequences are minimised, or in some cases, eliminated. The risk management process is illustrated below with each stage described in the following sections.



Establishing the Context: Strategy, Objective Setting and Risk Appetite

The UK Corporate Code of Governance sets out that ‘The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.’

NHS C&M operates within a changing and developing NHS and public sector landscape. The scale of financial challenge across the system and pace of change makes effective risk management essential. This includes the need to maximise opportunities which in themselves may require a degree of risk taking.

The Board will be responsible for implementing the ICB’s strategic plan, reflecting the organisation’s purpose and the C&M HCP Strategy. The annual planning process will translate this into strategic objectives for the ICB operating corporately and in the 9 places. The annual strategic objectives will set out clear measurable delivery over the coming year towards achievement of the medium and long term goals.

As part of the annual planning process the board will carry out a robust assessment of the organisation’s emerging and principal risks. This aims to identify the significant external and internal threats to the achievement of the ICB’s strategic goals and continued functioning.

The Board has agreed the following risk appetite statement, which will be reviewed and updated annually:

Purpose

The ICB must take risks to achieve its aims and deliver beneficial outcomes to patients, the public and other stakeholders. The ICB aims to create an environment in which risk is considered as a matter of

course, appropriately identified and controlled by elimination, or reduction to an acceptable level and at acceptable cost.

The ICB Board is responsible for determining the nature and extent of the risks it is willing to accept. This statement sets out the Board's strategic approach to risk-taking by defining its risk appetite thresholds.

Core Statement

'The ICB's overall risk appetite is OPEN – we are willing to consider all delivery options and may accept higher levels of risk to achieve improved outcomes and benefits for patients.

The ICB has no tolerance for safety risks that could result in avoidable harm to patients.

Our ambitions to improve the health and wellbeing of our population and reduce inequalities can only be realised through an enduring collaborative effort across our system. We will not accept risks that could materially damage trust and relationships with our partners.

We will pursue innovation to achieve our transformational objectives and are willing to accept higher levels of risk which may lead to significant demonstrable benefits to our patients and stakeholders, while maintaining financial sustainability and efficient use of resources. We will support local system / providers to take risks in pursuit of these objectives within an appropriate accountability framework.'

NEED TO UPDATE TO REFLECT ANNUAL REVIEW AND FURTHER DEVELOPMENT OF STATEMENT ONCE COMPLETE

This statement reflects the optimal risk position, which is the risk level with which the ICB aims to operate, and the Board expects risk owners to work towards. However, the Board recognises the necessity to balance this against what is achievable and affordable in the short term and will tolerate higher risk levels by agreement in the short term with a longer-term strategy to reach optimal levels.

Risk Assessment

Risk assessment is the systematic process of identifying, analysing and evaluating risks, to inform decision making regarding the appropriate risk treatment.

Risk Identification

NHS C&M is exposed to a wide range of potential risks which may threaten the achievement of the strategic objectives or delivery of statutory functions.

Principal Risks

Principal Risks will be identified annually as part of the corporate planning process, aligned to the review and establishment of strategic objectives and strategic challenges.

NHS C&M's identification of strategic challenges informs the development of Principal Risks. A Principal Risk is a risk that can seriously affect the performance, future prospects or reputation of NHS C&M and is captured on the Board Assurance Framework.

The Principal Risks are defined and agreed by the ICB Board (top down) and reflect the major risks that could prevent the board from fulfilling the objectives in the ICB Strategy.

In addition to Principal Risks being informed (top down) as part of the strategic objectives, risks identified through the planning and delivery of the strategic objectives and statutory functions (bottom up) can pose a high level of risk to the performance, future prospects or reputation of NHS C&M. Such risks would be escalated to the Corporate Risk Register.

Risks may arise from external factors such as:

- a) **Patient/ Public:** those associated with the failure to meet the current and changing needs and expectations of our population – patients & public
- b) **Political:** those associated with the failure to deliver government or local membership policy
- c) **Economic:** those affecting the ability of NHS C&M to meet its system financial targets – also acknowledge the ability of organisations within the C&M Integrated Care System to meet their own financial targets
- d) **Social:** those relating to the effects of changes in demographic, residential or socio-economic trends
- e) **Technological:** those associated with the capacity of NHS C&M to deal with the pace or scale of technological change or effectively harness technology to deliver its objectives
- f) **Environmental:** those relating to the environmental consequences of progressing NHS C&M's strategic objectives
- g) **Legislative:** those associated with current or potential changes in law

Risks may arise from internal factors such as:

- a) **Clinical:** those related to the delivery of effective care and treatment
- b) **Contractual:** those related to the failure of providers to deliver services
- c) **Business:** those affecting the delivery of the CCG's operational business plans
- d) **Health and Safety:** those related to accident prevention and securing the safety and welfare of patients, staff and visitors
- e) **Financial:** those associated with financial management
- f) **Workforce and recruitment:** those related to the ability to attract, develop and retain required capacity and skills
- g) **Legal liability:** those related to possible breaches of legislation
- h) **Estate and technological:** those related to reliance on buildings and operational equipment

The identification of risks is the responsibility of all ICB staff and will be done proactively, via regular planning and management activities and reactively, in response to inspections, alerts, incidents and complaints. The following are examples of some of the ways in which NHS C&M will identify risks, although this is not intended to be exhaustive:

Incidents and Complaints - All incidents and complaints must be reported and managed in line with NHS C&M's procedures. Any risks identified as part of these processes must be assessed and managed in line with these procedures. The reporting of incidents and near misses is an efficient and effective system for identifying risk. This allows rapid alert to ascertain why and how incidents occurred and facilitates a fast response in the case of adverse events, which may lead to a complaint or litigation. It enables lessons to be learnt and therefore prevent recurrence. This is best achieved in a supportive management environment where a 'fair blame' culture is advocated and makes explicit the circumstances in which disciplinary action may be considered. All incidents and near misses will be reported and managed using the NHS C&M incident reporting system in line with the Serious Incident Management Policy.

Procedures and Guidance - NHS C&M staff operate within the boundaries and principles set out in corporate policies. There is a process for ensuring that all necessary procedures and guidance that sit beneath these policies are in place, up to date and easily accessible. All risks identified through the development and implementation of procedures and guidance must be assessed and managed in line with this framework. These policies / procedures / frameworks are located on the intranet.

Group Reports - All NHS C&M committees / sub-committees should consider a regular agenda item on the review of risks. All risks identified and reported in this way must be assessed and managed in line with this framework.

External Assessments - NHS C&M will be subject to external assessments and audits. Any risks identified in relation to the requirements of an external assessment must be assessed and managed in line with this framework.

Internal Audit - NHS C&M will be subject to its own internal audit programme. All risks identified through the internal audit process must be assessed and managed in line with this framework.

Risk Analysis

The corporate risk summary will be used to analyse and record each identified risk to include:

- Risk description which should include the cause, effect and impact on the organisation
- Ownership of the risk including operational and executive leadership and overseeing committee
- Strategic objective or function that will be impacted by the risk
- Controls that are currently in place to mitigate the risk and an assessment of their effectiveness
- An evaluation of the impact and likelihood of the risk using the ICB's risk matrix at appendix 1 to arrive at a risk rating – both an inherent (pre-controls) rating and a current (with existing controls) rating
- Risk proximity

Supporting procedures and the current NHS C&M risk management proformas will be available on the ICB Staff Hub. Training and guidance will be available from the Corporate Affairs and Governance Team.

Risk Evaluation

The purpose of risk evaluation is to assess the severity, in the context of the ICB's risk appetite and determine the appropriate risk treatment. The evaluation takes into account the appetite to accept the risk following mitigation.

It should be acknowledged that it is not always possible to show continuous improvement in all risk ratings or eliminate risk completely. For those risks that cannot be removed / reduced entirely, the risks must be mitigated to a level, which the organisation is willing to tolerate. In the short term, a target score above the optimal risk appetite level may be approved by the relevant ICB Committee or the Board.

When assessing individual risks, the following questions should be considered to assist in determining whether a risk is acceptable:

- What is the level of risk currently being faced?
- What is the likely impact?
- Can we tolerate the possibility of that risk actually happening?
- If not, do we want or need to do more?
- Will the cost of managing this risk outweigh the benefit?

Risk Treatment

The Operational Lead needs to consider and recommend how risks will be treated. It is not always possible to identify and then fully implement actions to eliminate or minimise a risk. Where this is the case it is essential that the significance of the risk that remains is understood and the organisation, with reference to the risk appetite and in accordance with the risk management governance, confirms that it is prepared to accept that level of risk (residual risk).

The level and type of treatment of risks will vary depending on the level of residual risk that has been determined and the tolerance for bearing any negative outcomes that result from a risk actually happening.

There are four different types of treatment for any risks. Each risk can be:

- **Terminated** – by simply not carrying out the activity that may cause the risk. In reality it is very difficult to terminate a risk in this way.
- **Transferred or shared** – by outsourcing an activity to pass the responsibility of the risk on to another organisation or individual. Again, in reality, it is rare that this option is available.
- **Managed through taking action** – this is the most common treatment. This can include doing something to help ensure that possible negative impact of a risk does not increase. It can also include doing something to minimise any impact should the risk occur (such as identifying contingent actions).
- **Tolerated** – a Risk Owner may feel that the level of residual risk exposure is acceptable and no further actions are necessary, or even possible. For example:
 - The risk is sufficiently low that treatment is not considered cost effective.
 - A treatment is not available e.g. a project terminated.
 - A sufficient opportunity exists that outweighs the perceived level of threat.

However, if a risk is being tolerated it still needs to be regularly monitored, as circumstances may change which could result in a different treatment in the future.

Critical risks (20+) are outside of tolerable limits and should be immediately escalated to the relevant Senior Responsible Lead. Consideration should be given to curtailing or ceasing the activity giving rise to the risk where this does not present greater risk.

Scrutiny and Approval

Completed risk assessments, including the proposed mitigation treatment, will be quality assured by corporate or place governance leads to ensure that they have been described and evaluated in accordance with this strategy and to promote consistent application across the ICB. Following this they will be submitted to the appropriate Senior Responsible Lead for review and approval prior to inclusion on the relevant risk register.

The process of risk analysis, evaluation and treatment should be completed within one month of identification to ensure that risks are mitigated, escalated as required and reported promptly.

Where the current risk rating is high, extreme or critical, the risk will be escalated to the appropriate ICB Committee who will scrutinise and approve the mitigation strategy and (at or before year-end) target score. Where an extreme rated target score is proposed, Board approval is required.

Risk Monitoring and Review

Risk registers will be maintained for the purposes of monitoring and reporting on risks including:

Corporate Risk Register: to record all the risks which are rated as extreme or critical (15+). This will include risks to corporate and at scale objectives and functions and aggregated (in common) and unique risks to place-based objectives and functions. Risks will be categorised by strategic objective or, where they don't relate to the delivery of a strategic objective, by functional themes of quality, finance, performance, workforce. All risks on the Corporate Risk Register will be allocated to an ICB Committee for oversight and assurance to the Board.

Committee Risk Registers: will reflect those risks attributed to each committee which are rated as high, including corporate and place risks.

Place Risk Registers: to record all the risks to the ICB at place, both unique and in common with other places, which are rated as high. Risks will be categorised by strategic objective or, where they don't relate to the delivery of a strategic objective, by functional themes of quality, finance, performance, workforce. Risks may appear on more than one place risk register, but the risk rating may vary reflecting the circumstance of each place.

Directorate Risk Registers: to record all the risks owned by a corporate or place directorate. Risks will be categorised by strategic objective or, where they don't relate to the delivery of a strategic objective, by functional themes of quality, finance, performance, workforce. Risks may appear on more than one place risk register, but the risk rating may vary reflecting the circumstance of each place.

Programme and Project Risk Registers: will be maintained for all corporate and place programmes and projects. Risks that cannot be managed locally or will have a significant impact on operational objectives (i.e. risks rated as high) will be escalated to the relevant Place and / or Corporate Risk Register and reported to the relevant committee.

Critical risks (20+) should be reviewed monthly by the Senior Risk Owner in conjunction with the Operational Lead, with the aim of reducing the risk level as soon as possible.

Following committee approval of the mitigation strategy and target score, extreme and high risks should be reviewed quarterly by Operational Leads, or monthly by exception if mitigating actions are off track or not having the anticipated impact in reducing the risk level.

Risk owners should monitor their risks – reviewing & evaluating in order to:

- Confirm that action plans to address risks are being undertaken and on track or completed
- Report any change in assessment of the impact and likelihood of the risk
- Confirm that the risks are still relevant within the changing environment
- Escalate if necessary, including if the risk cannot be managed at the current level; and

- Agree mitigating action target dates and provide an explanation as to why original target dates have not been met, for strategic and principal risks, if applicable.

The review process should fulfil the following requirements. It should:

- Monitor whether controls remain aligned to risks in their area of responsibility
- Monitor whether key risks are being managed within the risk appetite or agreed tolerance in their area of responsibility
- Monitor the risk profile and key risks identified by the process and how they are changing over time
- Monitor the progress of actions to treat key risks and the operation of key controls
- Escalate issues
- Re-prioritise resources; and
- Make better informed decisions.

Moderate and low risks should be subject to a quarterly light touch review by directorate / service / team management sufficient to confirm that the level of risk has not increased and controls remain effective.

Risk Escalation

Risk escalation within NHS C&M supports the established leadership and reporting processes as described and illustrated below and at appendix 3. Risks will similarly be de-escalated where risk ratings reduce.

Risk Register	Inclusion / Escalation Criteria	De-escalation Criteria	Oversight by
Board Assurance Framework	<ul style="list-style-type: none"> • Principal risks to delivery of ICB strategic objectives • Identified by Board / recommended by Executive Team • Approved for inclusion by Board • Extreme / high inherent score • Reviewed annually 	<ul style="list-style-type: none"> • Target score is met and aligned to risk appetite • Board is assured that controls are effective & approves de-escalation • CLOSE if inherent impact score reduces <3 • CLOSE if objective is achieved / no longer required 	ICB Board
Corporate Risk Register	<ul style="list-style-type: none"> • Corporate & place risks scoring 15+ • Major programme / project failure risk meeting criteria for 15+ • Reviewed by ICB Committee & confirmed by Risk Committee 	<ul style="list-style-type: none"> • Current risk score reduces below 15 & confirmed by Risk Committee • CLOSE if inherent impact score reduces <3 • CLOSE if objective is achieved / no longer required 	ICB Board
Committee Risk Registers	<ul style="list-style-type: none"> • BAF risks assigned by Board for assurance oversight • Corporate and place risks rated high+ • Major programme / project failure risk meeting criteria for high+ 	<ul style="list-style-type: none"> • Current risk rating reduces below high & confirmed by Committee • CLOSE if inherent impact score reduces <3 • CLOSE if objective is achieved / no longer required 	ICB Committee
Place Delivery and Assurance Framework	<ul style="list-style-type: none"> • Principal risks to delivery of Place strategic objectives • Identified by Place Partnership Board / recommended by Place Leadership Team • Approved for inclusion by Place Partnership Board 	<ul style="list-style-type: none"> • Target score is met and aligned to risk appetite • Place Partnership Board is assured that controls are effective & approves de-escalation • CLOSE if inherent impact score reduces <3 	Place Board / Leadership Team

	<ul style="list-style-type: none"> • Extreme / high inherent score • Reviewed annually 	<ul style="list-style-type: none"> • CLOSE if objective is achieved / no longer required 	
Place Risk Registers	<ul style="list-style-type: none"> • Place risks (unique & in common) rated high+ • Major place programme / project failure risk meeting criteria for high+ 	<ul style="list-style-type: none"> • Current risk score reduces below 8 & confirmed by Place Leadership Team • CLOSE if inherent impact score reduces <3 • CLOSE if objective is achieved / no longer required 	Place Board / Sub-Group
Directorate Risk Registers	<ul style="list-style-type: none"> • All risks owned by a corporate or place directorate 	<ul style="list-style-type: none"> • CLOSE if inherent impact score reduces <3 • CLOSE if objective is achieved / no longer required 	Management Team

Low and moderate risks will be recorded on the appropriate directorate, programme or project risk register. They will be managed through quarterly monitoring and the continued application of existing controls, reporting to the appropriate team, programme or project meeting. Where risk ratings increase above tolerable limits they will be reviewed by the relevant Thematic / Portfolio Leadership Team and a recommendation made to the Senior Responsible Lead regarding escalation to the relevant Place and / or Committee / Corporate Risk Register and reported to the relevant ICB Committee.

High risks will be recorded on the appropriate Place and / or the Committee Risk Register. Following approval of the mitigation strategy and (in year) target score, they will be managed through quarterly monitoring, the actions agreed to address the gaps in control, and the continued application of existing controls, reporting to the appropriate place committee, and the overseeing ICB committee. Corporate risks rated 15+ will be escalated to the Corporate Risk Register. Where actions are not progressing as agreed or having the anticipated effect on the risk rating, the risk will be reviewed by the relevant Thematic / Portfolio Leadership Team. Any changes recommended to the mitigation strategy, including to target dates, must be approved by the Senior Responsible Lead and reported to the appropriate place or ICB committee.

Critical risks must be escalated immediately to the Senior Responsible Lead and the NHS C&M Governance Lead to determine the mitigation strategy. This will include consideration to curtailing or ceasing the activity giving rise to the risk where this does not present a greater risk. The risk will be reviewed at the next available meeting of the relevant Thematic / Portfolio Leadership Team and ICB Committee.

Escalation will be based on the current assessed score reflecting current controls in place. In the case of newly identified risks potentially requiring escalation, there will be a rapid initial assessment and moderation by the operational lead supported by the governance team to confirm the initial assessment and impact of any existing controls.

Escalation of risks as part of the delegated NHS C&M Data Protection Officer

In response to the compliance requirements with the GDPR, NHS C&M will appoint a Data Protection Officer (DPO) who will escalate items of high risk to the relevant NHS C&M decision making point when NHS C&M is processing personal data.

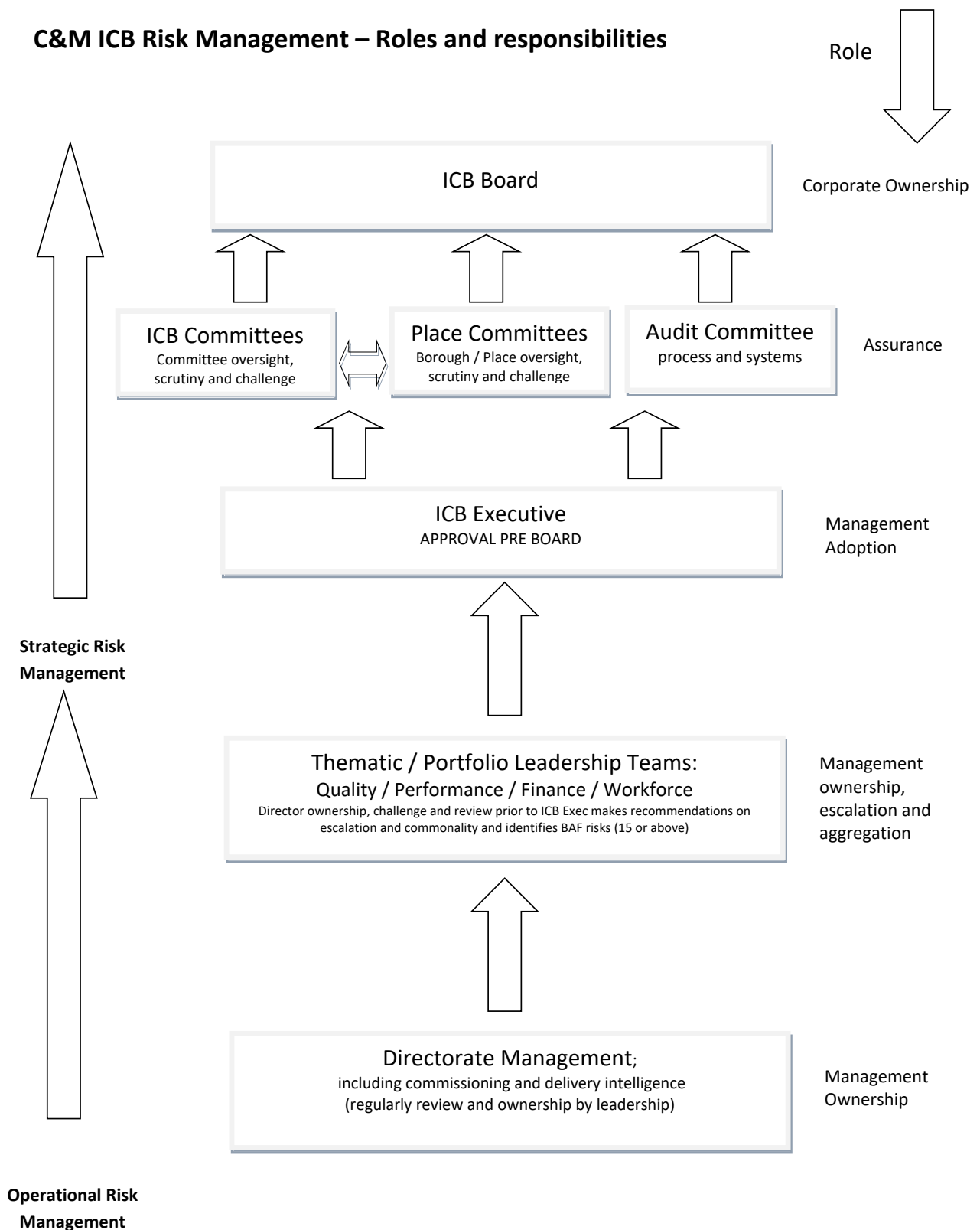
The DPO function supports the existing Information Governance Framework that NHS C&M has in place which supports the operation of IRO and Caldicott responsibilities.

All risks in relation to the processing of confidential, personal or sensitive data scored as Amber/Red or higher that cannot be mitigated any further must be reported/escalated with NHS C&M's governance framework. Once a risk with an anticipated residual risk level of Amber/Red has been identified it must be reported/escalated within 48 hours. The DPO must be emailed directly and the Corporate IG Teams generic email inbox copied into the email (mlcsu.ig@nhs.net).

The diagram below illustrates the risk escalation process which supports the leadership and reporting process within the governance structure.

ICB Risk Escalation Process*

C&M ICB Risk Management – Roles and responsibilities

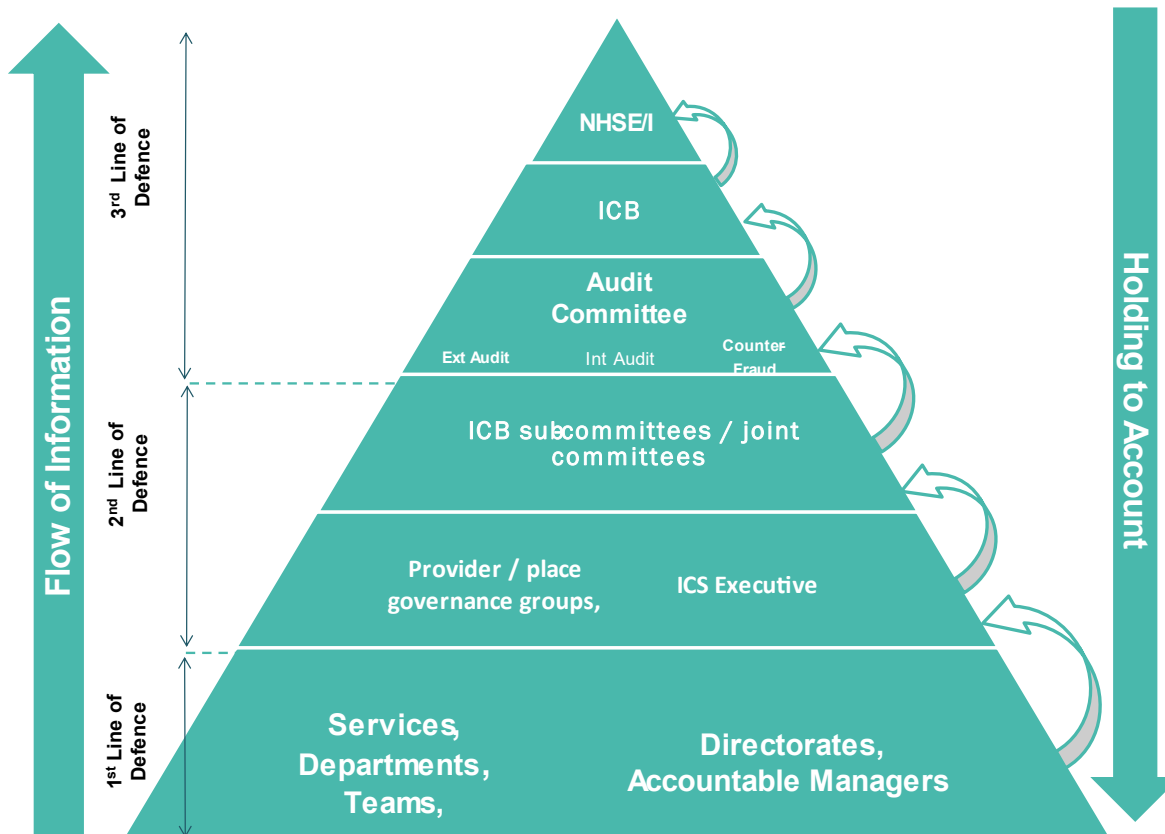


* This focusses on the ICB's risks – i.e. it is NHS-specific. Non-NHS partners may also need to escalate risks in accordance with their risk management / assurance processes.

8. Assurance Framework: Systems & Processes for the Governance of Risk

Governance of Risk – Three Lines of Defence

The assurance framework serves to assure the Board and external stakeholders, regarding effective delivery of the ICB's strategic objectives and statutory functions by providing evidence of effective management of risks. The 'Three Lines of Defence' (LOD) model has been incorporated into NHS C&M's Assurance Plan. To ensure the effectiveness of an organisation's risk management framework, NHS C&M's Exec and senior management need to be able to rely on adequate line functions, including monitoring and assurance functions within the organisation.



This is summarised as:

1. First LOD

Under the 1st LOD, Senior Responsible and Operational Leads have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2. Second LOD

The 2nd LOD comprises strategic leadership and oversight through Board and Place Committees and the Thematic / Portfolio Leadership Groups, which monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information. In addition this is supported by monitoring and reporting activity undertaken by corporate functions.

3. Third LOD

The 3rd LOD is formed of external review and oversight, including reporting, by auditors to the Audit Committee and the Board as appropriate. This approach might also be supplemented through NHSE oversight and/or regulatory returns and reporting.

Annual Governance Statement

As a statutory body NHS C&M is required to produce an Annual Governance Statement which acts as a statement of assurance that appropriate strategies, policies and internal control systems are in place and functioning effectively, so that key risks which may threaten the achievement of identified strategic objectives are identified, recorded and minimised. Any significant risks identified in the Annual Governance Statement will be recorded on the NHS C&M Board Assurance Framework (BAF) and relevant Committee, Corporate or Place Risk Register.

Board Assurance Framework (BAF)

The Board Assurance Framework (BAF) identifies and quantifies principal risks within the organisation, recording the links between the organisation's strategic objectives, key risks and key controls. The BAF is the means by which the Integrated Care Board (ICB) receives assurance that risks to the delivery of organisational objectives have been identified and are being managed. It provides a list of key pieces of evidence that the Board can use to gain this assurance.

Each principal risk is scored based on the likelihood and consequence of the risk resulting in failure to achieve the strategic objectives (see Appendix 1 for a copy of the Risk Scoring Matrix). The ICB will review the BAF regularly, during its public meeting. A target score will be set for the current financial year. BAF risks meeting their target score may be closed or de-escalated to the Corporate Risk Register for continued monitoring by the relevant committee.

A BAF risk owner, who will be a member of the Executive Team will be assigned to each principal risk, with overall responsibility for the risk and for ensuring actions are implemented; a board appointed Chair will be assigned to each Committee and will be responsible for the relevant group of risks and with the risk owner to ensure the appropriate level of assurance and that actions are implemented as agreed by the Committee.

Supporting procedures and the current NHS C&M assurance framework proformas will be available on the ICB Staff Hub. Training and guidance will be available from the Corporate Affairs and Governance Team.

The Board will regularly review the principal risks and may amend scores and assurance ratings as a result of completed actions or identified concerns.

Corporate and Place Risk Registers

The Corporate Risk Register will be reported quarterly to the Board, together with assurances and any items escalated for action or decision from the relevant ICB committees.

ICB Committee Assurance Role

All risks on the Corporate Risk Register will be assigned to an ICB Committee for oversight and assurance to the Board. It is the role of the committees to scrutinise the assessment and mitigation of risks, holding to account the relevant Senior Responsible Lead for effective management of risks. Committee members should provide appropriate challenge and collectively form a view regarding the level of assurance that can be provided to the Board.

Reporting to the Board will be via committee minutes and key issues reports and the Corporate Risk Register. The committees will escalate any items requiring action or decision by the Board.

Place Delivery Assurance Framework (PDAF)

The Place Delivery Assurance Framework (PDAF) mirrors the format and process of the BAF above but is held at the nine Places across Cheshire & Merseyside. The PDAF will be overseen by the Place Board, and through regular reporting to relevant Committees of the ICB, risks that are identified as being relevant/ affecting multiple places and/ or potentially impacting the achievement of the ICB Strategic Objectives may be recommended to the ICB for review and inclusion on the ICB BAF. Risks may be identified for escalation by the Place Lead, ICB Committee or ICB Risk Committee.

The PDAF may also contain risks to the delivery of place plans that are owned by partners other than the NHS. The PDAF would therefore need to be clear on the "Ownership" of PDAF entries to ensure appropriate escalation within partners' assurance frameworks.

Place Board and Sub Groups Assurance Role

The Place Board and its Sub Groups will be responsible for oversight and assurance to the Board in relation to all risks on their Place Risk Register. It is the role of the committees to scrutinise the assessment and mitigation of risks, holding to account the relevant Senior Responsible Lead for effective management of risks. Committee members should provide appropriate challenge and collectively form a view regarding the level of assurance that can be provided to the Board.

Reporting to the Board will be via committee minutes and key issues reports and the Corporate Risk Register. The committees will escalate any items requiring action or decision by the Board.

Audit Committee Assurance Role

The Audit Committee, supported by the Risk Sub Committee, will review the establishment and maintenance of the risk management system and systems of internal control. It will achieve this by:

- Scrutinising the Risk Management and Assurance Strategy prior to approval by the Board
- Reviewing the Board Assurance Framework, Corporate and Place Risk Registers
- Seeking additional information, reports and assurances from Senior Responsible Leads by exception as required
- Receiving regular reports from the Risk Sub Committee regarding the performance and operation of the ICB's risk management framework
- Considering the outcome and findings of the Internal Audit review of the ICB Board Assurance Framework

9. Monitoring and Reporting

It is essential that organisations are properly informed about risk, and are able provide evidence that they have identified their objectives systematically, managed the principal risks to achieving them through systems of internal control and obtained assurances that risk management arrangements are effective. The Board Assurance Framework and Corporate Risk Registers are designed to fulfil this purpose.

Through a process of audit and monitoring NHS C&M will undertake a review of the risk control measures regularly; using the following risk control and monitoring measures:

- Regular review of the BAF
- Ongoing review of the Corporate Risk Register
- Annual review of the Risk Management Strategy
- Audits undertaken by internal and external auditors
- Aggregated statistical and trend reporting of incidents, complaints and claims to the Board and relevant committees
- Ongoing audit of implementation of the range of risk management policies, procedures and guidelines throughout the organisation

Communication

Consideration should be given as to who needs to be informed of the risk. Consideration should also be given as to whether any external stakeholders should also be informed as the impact may affect the achievement of their objectives e.g. partners and key stakeholders.

10. Training and Awareness

Mandatory training will be given to all new starters during corporate induction. This will include a briefing on NHS C&M Risk Management Framework, and risk reporting processes. Those roles that manage risk e.g. inputting risks into the NHS C&M Risk Management System will also receive appropriate job-specification training as appropriate.

A Corporate or Place Governance Lead will attend committee or team meetings as required to discuss risk management and help develop awareness.

11. Dissemination and Implementation

This strategy & policy will be disseminated throughout NHS C&M via the regular communication channels and will be available on the intranet and website.

Generic responsibilities in relation to the management of risks are included in individuals' job / role descriptions. Specific responsibilities in relation to managing risks will be outlined in job / role descriptions of relevant members of staff; in addition to the responsibilities stated at section 6.

12. Review

This framework will be reviewed in 3 years, or earlier if there are changes to national guidance or significant changes to the management of risk across the organisation.

13. Appendices

Appendix 1 – Risk Matrix

Risk Impact Score Guidance

LEVEL	DESCRIPTOR	DESCRIPTION – ICB LEVEL
5	Catastrophic (>75%)	<p>Safety - multiple deaths due to fault of ICB OR multiple permanent injuries or irreversible health effects OR an event affecting >50 people.</p> <p>Quality – totally unacceptable quality of clinical care OR gross failure to meet national standards.</p> <p>Health Outcomes & Inequalities – major reduction in health outcomes and/or life expectancy OR major increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance – major financial loss = greater than 1% of ICB budget OR 5% of delegated place budget (whichever is the lesser)</p> <p>Reputation – special measures, sustained adverse national media (3 days+), significant adverse public reaction / loss of public confidence major impact on trust and confidence of stakeholders</p>
4	Major (50% > 75%)	<p>Safety - individual death / permanent injury/ disability due to fault of ICB OR 14 days off work OR an event affecting 16 – 50 people.</p> <p>Quality – major effect on quality of clinical care OR non-compliance with national standards posing significant risk to patients.</p> <p>Health Outcomes & Inequalities – significant reduction in health outcomes and/or life expectancy OR significant increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - significant financial loss = between 0.5-1% of ICB budget OR 2.5-5% of delegated place budget (whichever is the lesser)</p> <p>Reputation - criticism or intervention by NHSE/I, litigation, adverse national media, adverse public significant impact on trust and confidence of stakeholders</p>
3	Moderate (25% > - 50%)	<p>Safety - moderate injury or illness, requiring medical treatment e.g. fracture due to fault of ICB. RIDDOR/Agency reportable incident (4-14 days lost).</p> <p>Quality – significant effect on quality of clinical care OR repeated failure to meet standards</p> <p>Health Outcomes & Inequalities – moderate reduction in health outcomes and/or life expectancy OR moderate increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - moderate financial loss = less than 0.5% of ICB budget OR less than 2.5% of delegated place budget (whichever is the lesser)</p> <p>Reputation - conditions imposed by NHSE/I, litigation, local media coverage, patient and partner complaints & dissatisfaction moderate impact on trust and confidence of stakeholders</p>

2	Minor (<25%)	<p>Safety - minor injury or illness requiring first aid treatment</p> <p>Quality – noticeable effect on quality of clinical care OR single failure to meet standards</p> <p>Health Outcomes & Inequalities – minor reduction in health outcomes and/or life expectancy OR minor increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - minor financial loss less than 0.2% of ICB budget OR less than 1% of delegated place budget (whichever is the lesser)</p> <p>Reputation - some criticism slight possibility of complaint or litigation but minimum impact on ICB minor impact on trust and confidence of stakeholders</p>
1	Negligible (<5%)	<p>Safety - none or insignificant injury due to fault of ICB</p> <p>Quality – negligible effect on quality of clinical care</p> <p>Health Outcomes & Inequalities – marginal reduction in health outcomes and/or life expectancy OR marginal increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - no financial or very minor loss</p> <p>Reputation - no impact or loss of external reputation</p>

The likelihood of the risk occurring must then be measured. Table 2 below should be used to assess the likelihood and obtain a likelihood score. When assessing the likelihood it is important to take into consideration the existing controls (i.e. mitigating factors that may prevent the risk occurring) already in place.

Table 2 - Risk Likelihood Score Guidance

1	2	3	4	5
<p>Rare The event could only occur in exceptional circumstances (<5%)</p>	<p>Unlikely The event could occur at some time (<25%)</p>	<p>Possible The event may well occur at some time (25%> -50%)</p>	<p>Likely The event will occur in most circumstances (50% > 75%)</p>	<p>Almost certain The event is almost certain to occur (>75%)</p>

The impact and likelihood scores must then be multiplied and plotted on table 3 to establish the overall level of risk and necessary action.

Table 3 - Risk Assessment Matrix (level of risk)

LIKELIHOOD of risk being realised	IMPACT (severity) of risk being realised				
	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Rare (1)	1	2	3	4	5
Unlikely (2)	2	4	6	8	10
Possible (3)	3	6	9	12	15
Likely (4)	4	8	12	16	20
Almost Certain (5)	5	10	15	20	25

Low Risk	Moderate Risk	High Risk	Extreme Risk	Critical Risk
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Risk Proximity

A further element to be considered in the risk assessment process is risk proximity. Risk proximity provides an estimate of the timescale as to when the risk is likely to materialise. It supports the ability to prioritise risks and informs the appropriate response in the monitoring of controls and development of actions.

A pragmatic approach to the use of risk proximity which supports leadership, decision making and reporting is used and is therefore determined to be applied to all Risks.

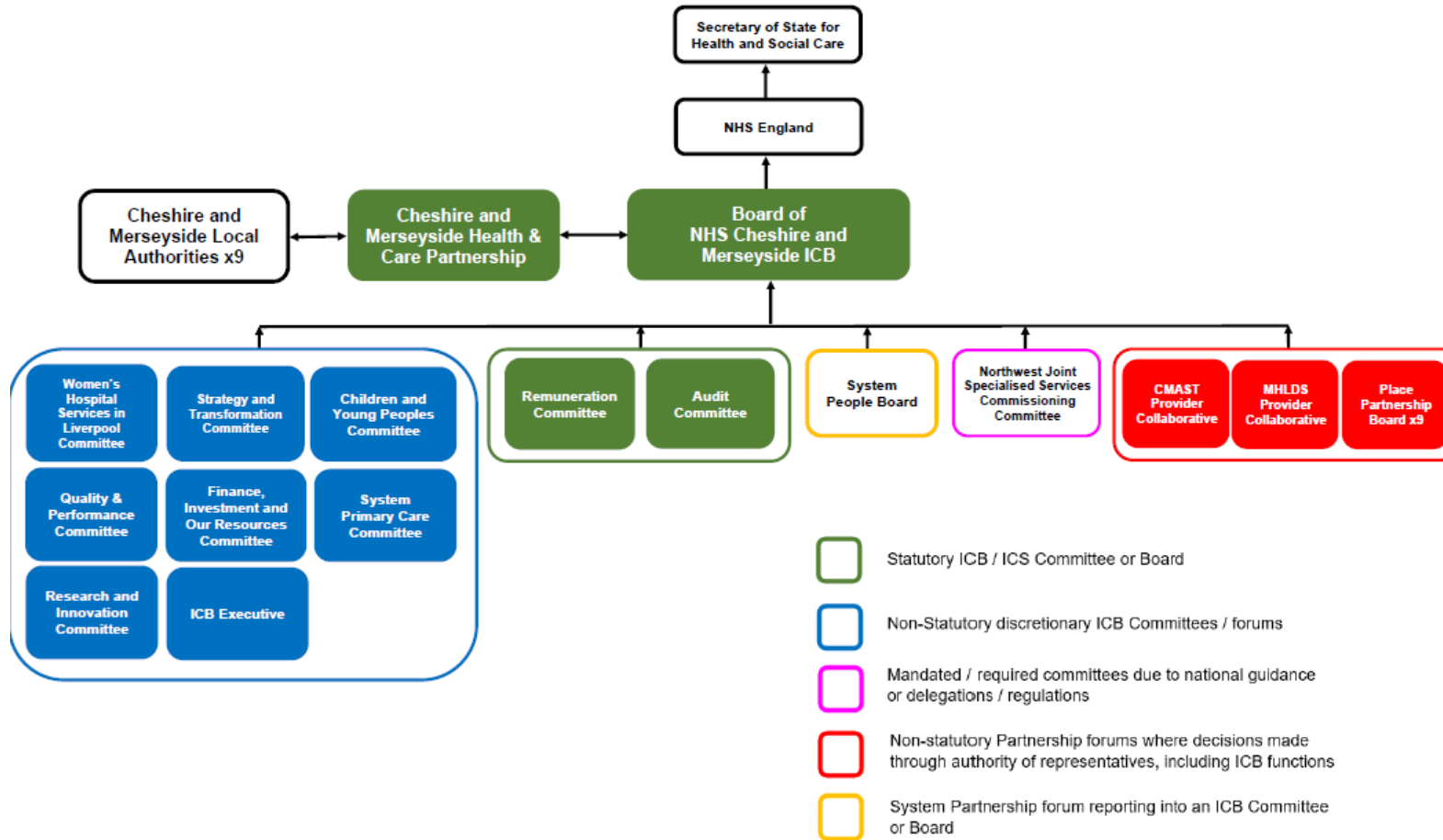
The proximity scale used is below:

Proximity and timescale for dealing with the risk	Within 3 months	Within 12 months	Beyond 12 months
Rating	A	B	C

Likelihood, impact and proximity are dynamic elements and consequently all three must be reviewed and reassessed frequently in order to prioritise the response.

Appendix 2

NHS Cheshire and Merseyside ICB Governance Schematic



03.10.2023

Risks Escalation

