

# Northern Ireland Blood Transfusion Service



## Risk Management Strategy 2022

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## 1 Introduction

Risk can be defined as the threat or possibility that an action or event will adversely or beneficially affect NIBTS ability to achieve its objectives. It is measured in terms of likelihood and impact.

Risk management is a business discipline that organisations use to effectively manage opportunities and threats to the organisation achieving its objectives. It is a key part of the strategic management and performance management process. It is also a clear requirement of the DoH that NIBTS has in place an effective risk management process.

The process of risk management includes the identification and analysis of risks to which the organisation is exposed, the assessment of potential impacts on the business, and deciding what action can be taken to eliminate, transfer or reduce risk and deal with the impact of unpredictable events causing loss or damage.

The purpose of the NIBTS Risk Management Strategy is to provide a framework to enable the organisation to define its risk management arrangements, following the principals of the HSC Regional Model for Risk Management. It should be reviewed on a biennial basis and approved by the Agency Board when changes are made. It does not follow the structure of a typical NIBTS strategy

## 2. Aims and Objectives

### Aims:

1. All sources and consequences of risk affecting NIBTS are identified and assessed;
2. Appropriate actions are taken to ensure that all such risks are prioritised and actions taken to minimise and if possible, eliminate these risks;
3. The process of risk management is developed and managed throughout the NIBTS in a consistent manner;
4. Contingency plans for risks that remain are developed and monitored;
5. Systems and procedures are monitored to measure levels of compliance and actions taken to address identified weaknesses.

### Objectives:

1. To enhance the care and safety of donors, patients and staff;
2. To enhance the quality of products and services;
3. To raise staff awareness of the principles and practice of risk management;
4. To actively involve all staff in the risk management process;
5. To monitor the adverse incident reporting system;
6. To monitor the complaint/claims systems linking it to risk management;

7. To ensure lessons learnt are disseminated widely across the NIBTS;
8. To identify and review areas of risk across NIBTS;
9. To ensure that training needs identified as part of the risk management programme are addressed effectively;
10. To meet existing and impending government directives on Corporate Governance;
11. To improve staff morale and productivity.

### **3 Scope**

The Northern Ireland Blood Transfusion Service Agency Board recognises that risk management is not restricted to any one area of the organisation, but embraces all departments, all staff and all services within the system. This includes donors, staff, services, reputation, capital and financial assets.

### **4 Structures**

- Risk management is an intrinsic part of NIBTS's business planning, decision making and policy development processes. No change of direction, outcome or objective should occur without first considering the risks involved. This should be documented using the Operational Risk Register form DD:1245.
- Risks are assessed and monitored through an NIBTS risk register process which record all significant identified risks, along with action plans to reduce the risk to the lowest practicable level or to a level acceptable to the NIBTS Senior Management Team (SMT) and NIBTS Board members.
- The Governance and Risk Management Committee and through supporting structures takes a holistic approach to risk that will address all areas of the Agency.
- A sub-group of the Governance and Risk Management Committee supports the Business Continuity and Risk Manager in co-ordinating the management of risk across the whole organisation.
- All accidents, incidents, adverse events (including 'near misses') and complaints will be reported promptly using the existing procedures.

These include:

- accidents and injuries to staff, donors or visitors
- adverse events/incidents
- violence to staff
- vehicle incidents
- theft or other security incidents
- fire
- suspected fraud

The Business Continuity and Risk Manager monitors the incidents which may have a significant impact on the organisation through attendance at the monthly Incident Management Meeting. The risks identified through this will be brought to the Risk Management Sub Group to assess whether they should be included on the Corporate Risk Register or the appropriate Department's Register.

## 5 Roles and Responsibilities

**NIBTS Agency Board:** will –

- Agree and approve the NIBTS Risk Management Strategy and Risk Appetite and oversee compliance with this.
- Receive, consider and approve the NIBTS Corporate Risk Register quarterly
- Receive formal quarterly update from the Governance and Risk Management Committee.
- Provide a representative to chair the quarterly Governance and Risk Management Committee meetings.

**NIBTS Audit Committee:** - will

- Review independent audit reports on NIBTS Risk Management Systems
- Review and approve action plans arising from such audits and obtain assurance that these are completed
- Advise the Board on any issues arising from the above.

**Chief Executive:** has overall accountability and responsibility for the management of Risk Management.

**Head of Human Resources and Corporate Services:** has delegated responsibility for ensuring that the Agency has a comprehensive system for Risk Management in operation across both clinical and non-clinical areas.

**Business Continuity and Risk Manager:** has operational responsibility for the delivery of this strategy and Risk Management in NIBTS.

**Senior Management Team Members:** have responsibility for ensuring that NIBTS risk management strategy and risk procedures are applied within their areas of responsibility.

**Line Managers and Clinical staff:** are accountable for the continuous audit, implementation and monitoring of risk management activity in their areas of responsibility. They are the focal point for risk identification, assessment, control and review in their area and must highlight risks as appropriate.

**All staff:**

- must ensure they are familiar with and use the correct methods of risk identification and its assessment for the situation

- communicate risk issues to their line manager
- contribute to minimising Risk whenever possible
- attend relevant training, as required

**NIBTS Governance and Risk Management Committee:** ensure there are robust and regularly reviewed systems and structures in place to support the effective implementation and development of integrated governance and risk management across the organisation. This includes reviewing the Corporate Risk Register at its quarterly meetings.

**Risk Management Sub-group:** under the chairmanship of the Business Continuity and Risk Manager promotes good risk management practice throughout NIBTS. It discusses and reviews risks to ensure the Corporate and Departmental Risk Registers are reflective of the current position within NIBTS.

## 6 Training

All staff should complete the Risk Management e-learning module biennially; Board members are also required to complete the Risk Management e-learning module.

## 7 Risk Management Process

Risk is one of life's few certainties. Nothing is achieved without some element of risk. Often, relatively little is done to evaluate and manage risk, or it is approached informally. This can mean that not enough is done to reduce exposure to hazards. Alternatively, it can mean that good opportunities are lost because there is some degree of hazard associated with them, from which we shy away. How we evaluate and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery is the essence of risk management.



The risk management process closely follows the strategic planning process followed by Senior Management. It involves four steps as outlined below.

## **NIBTS's Four Steps to Risk Management**

### **7.1. Risk Identification**

In the risk identification step managers should be concerned with identifying the risks that may impact on the business objectives. Risks can be driven by external, or internal factors, or a combination. For example, in NIBTS at a corporate level, NIBTS would consider threats to its long-term objectives as an increased demand for blood, raising standards, recruiting staff, recruiting donors and demographic factors. Such risks would be recorded in the organisations Corporate Risk Register.

When identifying risks, it is important to look at the categories of risk outlined in FORM:DD:665 'NIBTS Categories of risk' as well as the business objectives to ensure as many risks as possible are identified. They then should be expressed as a statement. Expressing risks requires rethinking assumptions about a situation and re-evaluating the elements that are most important. It is important to include three parts in the description of each risk;

**Event ⇒ Consequence ⇒ Impact**

A typical phrasing could be:

Loss to...  
Failure of...  
Lack of...  
Partnership with...  
Development of... } leads to... resulting in...

For example, "no resources" would become "shortage of resources leads to staff concentrating on day-to-day functions resulting in failure to keep to project timetable".

All risks identified should be recorded on FORM:DD:666 'NIBTS Risk Register Form' for the applicable department.

### **7.2. Risk Assessment**

The next step is to assess the risk to the organisation's activity. This involves assessing the likelihood of the risk occurring and its potential impact on the relevant business objective. Risks should be assessed by using FORM:DD:664 'NIBTS Risk Criteria for Impact/Severity' which contains a 5X5 risk matrix. By multiplying the impact and likelihood scores together you will arrive at a final risk score which dictates the risk level. This is your inherent risk score and should not include existing controls.

There may be existing controls or mitigation in place already, and these need to be taken into consideration when scoring your residual risk. In most cases the impact score will remain the same. Using the

same process as above but taking into account the existing controls the residual risk score is likely to be reduced.

**Table 1**

Risk Score	Rating	Risk Level
15-25	Extreme Risk	4
8-12	High Risk	3
4-6	Moderate Risk	2
1-3	Low Risk	1

The higher the risk level the more serious the risk as is shown by the colours in the table above. NIBTS take level 4 risks known internally as 'Red Risks' very seriously and when they are raised they should be placed onto the Corporate Risk Register by the Business Continuity and Risk Manager. More detail on this process is contained in the SOP:RM:001 'Risk Register Process'.

### Risk Appetite

NIBTS has set the Risk Appetite for the organisation. Risk Appetite is 'the extent of exposure to risk that has been assessed as tolerable for an organisation or business activity' at any one time. It is expressed as a statement see appendix 1. The risk appetite scale and risk appetite levels as defined by risk categories are at appendix 2, and risk boundaries are at appendix 3.

Methods of controlling risks must be balanced. NIBTS may accept some high risks either because of the cost of controlling them, or to deliver innovation or use resources creatively when this may achieve substantial benefit.

As a general principle NIBTS has a low tolerance for, and will therefore seek to control, all risks which have the potential to:

- Expose donor/patients, staff, visitors and other stakeholders to harm
- Compromise NIBTS's ability to deliver operational services
- Adversely impact the reputation of NIBTS
- Have severe financial consequences which may impact on the NIBTS's future viability
- Cause non-compliance with law and regulation

In assessing risks, the NIBTS takes cognisance of the risk appetite relevant to each identified risk and the extent to which the NIBTS is willing to accept, take on or reduce the risk. In doing so, the NIBTS recognises that the ALARP principle (As Low As Reasonably Practical) can be used to define some risks i.e. not all risks can be reduced to zero.

### 7.3. Control the Risk

When risks are flagged irrespective of the level of risk the following questions should be asked:

- Can we reduce the probability of occurrence?
- Can we reduce the magnitude of loss?
- Can we change the consequences of the risk?

There are basically four approaches to controlling risk:

- **Avoid** – stop doing the activity or find a different way of doing it, introduce alternative systems/practices
- **Reduce** – put procedures and controls in place to reduce the chance of a loss happening, or the frequency of a loss, or the severity of the incident; or formulating a contingency plan to reduce interruption to services, new internal systems and practices, staff training, physical risk improvements, continued assessment & monitoring
- **Accept**– decide to bear losses out of normal operating costs, informed decision to retain risk, monitor situation
- **Transfer** – place indemnity clauses in a contract, insurance cover, outsource services

Some measures will be relatively easy to implement; others may have serious budgetary/resource implications and may need a phased approach. Also, you may have identified risk treatment measures that fall outside your immediate area of influence (e.g. another department). In such circumstances you should contact the Risk Management Sub-group, who will help co-ordinate control measures between departments. There may be a number of different possible risk reduction actions to take (the alternative measures could also be risk scored to identify the most effective).

New tasks or action plans should be recorded on the FORM:DD:666 'Risk Register Form' including **Names** and **Dates** of who is responsible for implementing the measures and the timescales for implementation. Your identified risk improvements should be fed into any development/improvement plans as appropriate - they are there to support your business objectives after all.

### 7.4. Scoring Your Risk Improvements

You also need to know what the risks will look like after the risk improvements have been implemented – to see how effective they will be. This should take account of measures/actions and estimate a target risk score. So, you should repeat the risk scoring exercise and record the results on the FORM:DD:666 'Risk Register Form'. In most cases the impact score will remain the same.

## **7.5. Monitor, Control and Review**

NIBTS will need to monitor the status of **Red Risks** and the actions taken to mitigate them. This risk tracking is essential to effectively implementing your action plan.

Circumstances and business priorities can change and so it is important that risk assessment is a continuous process that feeds into decision-making. Some risks may leave the **Red Risk** category as circumstances change, to be replaced by new risks. The Risk Management process is a continuous cycle for supporting your objectives and department risk registers should therefore be reviewed at departmental meetings.

NIBTS also need to look at the entire process afresh when drawing up annual business plans – or whenever entering into a new area of service.

## **8. Reporting Arrangements**

As noted in section 4 the Business Continuity and Risk Manager and the Head of HR and CS will provide regular updates to the Governance and Risk Management Committee and the Board. The Chair of the Governance and Risk Management Committee will liaise with the Board Chair as appropriate. These will serve to inform the collation of each annual Governance Statement.

## **9. Conclusion**

The NIBTS Risk Management Strategy is designed to meet the requirements of sound governance and ensure that clear and effective systems are in place for the identification and assessment and management of risk. In this way NIBTS seeks to assure its staff, partners and stakeholders that the services it provides are safe, effective and efficient.

NIBTS is committed to:

1. Improving the quality of services provided to partners and stakeholders through the application of a considered and structured approach to the management of risk.
2. To having an open and honest approach to risk management.
3. To provide help and support staff to achieve improvement, rather than to criticise and blame;

**Risk Appetite Statement by Areas of Strategic Risk**

	<b>Risk Appetite</b>
<b>Safety and Quality</b>	<b>MINIMAL</b>
<p>NIBTS has a risk averse appetite for risk which compromises the delivery of high quality and safe services and jeopardises compliance with our statutory duties for quality and safety.</p> <p>We have adopted a minimal stance when it comes to compliance and regulatory requirements and the Board will be provided with assurances that compliance regimes are in place.</p> <p>Where the laws, regulations and standards are about the delivery of safe, high quality care, or the health and safety of the staff and public, we will make every effort to meet regulator expectations and comply with laws, regulations and standards that those regulators have set, unless there is strong evidence or argument to challenge them.</p>	
<b>Partnerships and Engagement</b>	<b>MINIMAL</b>
<p>We will accept risks to donor/patient and service user experience if they are consistent with the achievement of donor/patient safety and quality improvements.</p> <p>We will only accept service redesign and divestment risks in the services we are commissioned to deliver if donor/patient safety, quality care and service improvements are maintained.</p> <p>Tolerance for risk taking is limited to those events where there is little chance of any significant repercussions for the NIBTS's reputation should there be failure, with mitigation in place for any undue interest</p>	
<b>People / Culture</b>	<b>CAUTIOUS</b>
<p>There are few circumstances where we would accept risks that would impact on the achievement of our Strategic Aim to employ and develop staff and provide a safe working environment for all staff.</p> <p>We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and donors/patients, or contradict HSC Values, or contravene or be counter to employment law.</p>	
<b>Resources</b>	<b>MINIMAL</b>
<p>NIBTS has a statutory obligation to deliver a break-even position and we will strive to achieve it by delivering our services within the budgets set out in our financial plans and will only consider accepting or taking financial risks where this is required to mitigate risks to donor/patient safety or quality of care.</p> <p>We will ensure that all such financial responses deliver optimal value for money.</p>	
<b>Continuous Improvement</b>	<b>OPEN</b>
<p>NIBTS has a risk tolerant appetite to risk where benefits, improvement and value for money are demonstrated.</p> <p>NIBTS will not, however, compromise donor/patient safety while innovating service delivery.</p>	

**Risk Appetite scale**

Risk Appetite	Description
<b>AVERSE</b>	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
<b>MINIMAL</b>	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
<b>CAUTIOUS</b>	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
<b>OPEN</b>	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
<b>EAGER</b>	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Appetite levels defined by risk categories

Risk Appetite level definitions					
	Averse	Minimal	Cautious	Open	Eager
Strategy	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs
Operations	Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority	Innovations largely avoided unless essential. Decision making authority held by senior management	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control
Legal	Play safe and avoid anything which could be challenged, even unsuccessfully	Want to be very sure we would win any challenge	Want to be reasonably sure we would win any challenge	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact	Chances of losing are high but exceptional benefits could be realised

Property	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements
Financial	Avoidance of any financial impact or loss, is a key objective	Only prepared to accept the possibility of very limited financial impact if essential to delivery	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place)
Commercial	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control
People	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices	Seek safe and standard people policy. Decision making authority generally held by senior management	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control
Technology	General avoidance of systems / technology developments	Only essential systems / technology developments to protect current operations	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced
Date and info management	Lock down data & information. Access tightly controlled, high levels of monitoring	Lock down data & information. Access tightly controlled, high levels of monitoring	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing	Level of controls minimised with data and information openly shared.

Security	<p>No tolerance for security risks causing loss or damage to HMG property, assets, information or people. Stringent measures in place, including:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• Staff vetting maintained at highest appropriate level.</li> <li>• Controls limiting staff and visitor access to information, assets and estate.</li> <li>• Access to staff personal devices restricted in official sites</li> </ul>	<p>Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• All staff vetted levels defined by role requirements.</li> <li>• Controls limiting staff and visitor access to information, assets and estate.</li> <li>• Staff personal devices permitted, but may not be used for official tasks.</li> </ul>	<p>Limited security risks accepted to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• Adherence to FCDO travel restrictions</li> <li>• Vetting levels may flex within teams, as required</li> <li>• Controls managing staff and limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices may be used for limited official tasks with appropriate permissions</li> </ul>	<p>Considered security risk accepted to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• New starters may commence employment at risk, following partial completion of vetting processes</li> <li>• Permission may be sought for travel within FCDO restricted areas.</li> <li>• Controls limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices may be used for official tasks with appropriate permissions</li> </ul>	<p>Organisational willing to accept security risk to support business need, with appropriate checks and balances in place:</p> <ul style="list-style-type: none"> <li>• New starters may commence employment at risk, following partial completion of vetting processes</li> <li>• Travel permitted within FCDO restricted areas.</li> <li>• Controls limiting visitor access to information, assets and estate.</li> <li>• Staff personal devices permitted for official tasks</li> </ul>
Project/programme	<p>Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards</p>	<p>Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards</p>	<p>Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.</p>	<p>Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance</p>	<p>Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance</p>
Reputational	<p>Zero appetite for any decisions with high chance of repercussion for organisations’ reputation</p>	<p>Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.</p>	<p>Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation</p>	<p>Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.</p>	<p>Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks</p>

<sup>1</sup> Appetite levels defined by Risk Category has been taken from Government Finance Function - Risk Appetite Guidance Note – August 2021 v2.0

**Risk Appetite boundaries**

<b>Risk Level</b>	<b>Action</b>	<b>Timescale for Action</b>	<b>Timescale for Review</b>	<b>Risk Register Level</b>
<b>Red-Extreme</b>	Must be addressed immediately by the Senior Manager of the department the risk stems from and an action plan agreed. This risk will be assessed by the Risk Management Sub Group for inclusion on the Corporate Risk Register. The risk should also be recorded on the Departmental Risk Register.	Action immediately	3 months.	Corporate
<b>Amber-High</b>	The Department Manager must advise their Senior Manager of any High risks on their Departmental Risk Registers and agree an appropriate action plan.	Action within in 1 month.	6 months	Corporate/ Operational
<b>Yellow-Moderate</b>	The Department Manager must specify an action plan on their departmental risk register.	Action within 3 months.	9 months	Departmental
<b>Green-Low</b>	It is likely that nothing can be done to reduce/control these risks further. They should however continue to be recorded on Departmental Risk Registers.	Action within 12 months/ accept risk.	12 months	Departmental

**Written By:** Jenny Calvert, Business Continuity & Risk Manager  
**Signature:** Jenny Calvert, Business Continuity & Risk Manager **Date:** 03.03.2022

**Approved By:** Karin Jackson, Chief Executive  
**Signature:** Karin Jackson, Chief Executive **Date:** 21.03.2022

## 10. Risk Management Process - One Page Summary

Risk Management - is a modern management discipline and is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other.

Identify your risks	Assess your risks	Control your risks	Monitor & Review																																				
<p>Best done in groups – by those responsible for delivering the objectives</p> <p><b>Risk:</b> it's the chance of something happening that will have an <b>impact</b> on <b>objectives</b></p> <p><b>Event ⇒ Consequence ⇒ Impact</b></p> <p><b>Threats &amp; Opportunities</b></p> <p>When:                      Setting strategic aims                      Setting business objectives                      Early stages of project planning &amp; key stages                      Options appraisals                      Service improvement plans</p> <p>Categories can help:                      Strategic/Operational                      Internal/External</p>	<p>Combination of the probability of an event and its consequences</p> <p style="text-align: center;">Impact x Likelihood</p> <table border="1" data-bbox="590 565 1266 878"> <thead> <tr> <th></th> <th>Insignifi- cant</th> <th>Minor</th> <th>Moderate</th> <th>Major</th> <th>Catastro- phic</th> </tr> </thead> <tbody> <tr> <td>Almost Certain</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> <tr> <td>Likely</td> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>Possible</td> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>Unlikely</td> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>Rare</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• <b>15- 25 Extreme Risk (Red)</b></li> <li>• <b>8-12 High Risk (Orange)</b></li> <li>• <b>4 - 6 Moderate (Amber)</b></li> <li>• <b>1 - 3 Low (Green)</b></li> </ul> <p>Inherent In the absence of controls</p> <p>residual Taking into account mitigation + existing controls</p> <p>target Take account of additional measures/actions and estimate a target</p>		Insignifi- cant	Minor	Moderate	Major	Catastro- phic	Almost Certain	5	10	15	20	25	Likely	4	8	12	16	20	Possible	3	6	9	12	15	Unlikely	2	4	6	8	10	Rare	1	2	3	4	5	<p>Concentrate on Extreme Risks- 15-25</p> <p>Can we reduce the likelihood?</p> <p>Can we reduce the impact?</p> <p>Can we change the consequences?</p> <p>Avoid                      Reduce                      Retain                      Transfer</p> <p>Devise Contingencies                      - Business Continuity Planning</p>	<p>Risk Registers: Baseline data to be prepared and monitored regularly. These should clearly indicate consequences, countermeasures and contingencies as well as the risk owner</p> <p>Review Top Risks regularly as agenda item.</p> <p>Report progress to senior management</p>
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