

POL-CG-004

## DIGITAL HEALTH AND CARE WALES RISK MANAGEMENT POLICY

The purpose of this Policy is to provide a clear framework for the management of risk. The Policy outlines the way in which Digital Health and Care Wales will continue to embed risk management, taking note of the various requirements of external agencies and statutory bodies.

<b>Document Version</b>	2
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<b>Status</b>	Approved
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<b>Document author:</b>	Sophie Fuller, Head of Corporate Governance
<b>Approved by:</b>	Chris Darling, Board Secretary
<b>Date approved:</b>	01/04/2022
<b>Review date:</b>	31/03/2025

STRATEGIC OBJECTIVE	All Objectives apply
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WELL-BEING OF FUTURE GENERATIONS ACT	A healthier Wales
If more than one standard applies, please list below:	

DHCW QUALITY STANDARDS	N/A
If more than one standard applies, please list below:	

HEALTH CARE STANDARD	Governance, leadership and accountability
If more than one standard applies, please list below:	

EQUALITY IMPACT ASSESSMENT STATEMENT	Date of submission: 15.03.2022
Yes, applicable	Outcome: No impact
<p>Statement:</p> <p>We have assessed any possible or actual impact that this procedure may have on any groups in respect of gender (including maternity and pregnancy as well as marriage or civil partnership issues) race, disability, sexual orientation, Welsh language, religion or belief, transgender, age or other protected characteristics.</p> <p>The assessment found that there was <b>no impact</b> to the equality groups mentioned.</p>	

APPROVAL/SCRUTINY ROUTE:		
Person/Committee/Group who have received or considered this paper prior to this meeting		
COMMITTEE OR GROUP	DATE	OUTCOME
Local Partnership Forum	March 2021	Approved
SHA Board	1 April 2022	Approved

IMPACT ASSESSMENT	
QUALITY AND SAFETY IMPLICATIONS/IMPACT	Yes, please see detail below
	Guidance and process for managing risk has a direct impact on the quality and safety of the organisation. Ensuring risk governance is in place and widely communicated is important to increasing good practice.
LEGAL IMPLICATIONS/IMPACT	Yes, please see detail below
	Non-management of risks can have serious legal implications for the organisation. The risk management policy has a positive impact on the consistency of risk management across the organisation.
FINANCIAL IMPLICATION/IMPACT	Yes, please see detail below
	Non-management of risks can have serious financial implications for the organisations. The recognition of widely agreed systems has a positive impact on financial risk management.
WORKFORCE IMPLICATION/IMPACT	Yes, please see detail below
	Ensuring a risk management policy is in place ensures the staff and resources managing risk are aware of the organisations risk appetite and agreed approach to risk.
SOCIO ECONOMIC IMPLICATION/IMPACT	No. there are no specific socio-economic implications related to the activity outlined in this report

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# 1 DOCUMENT HISTORY

## 1.1 REVISION HISTORY

Date	Version	Author	Revision Summary
July 2014	1	Velindre Trust	Version 1.6
March 2022	2	Sophie Fuller	Initial review by DHCW

## 1.2 REVIEWERS

This document requires the following reviews:

Date	Version	Name	Position
17/02/2021	1	Velindre University NHS Trust	Host Organisation
March 2022	2	Chris Darling	Board Secretary

## 1.3 AUTHORISATION

Signing of this document indicates acceptance of its contents.

<b>Author's Name:</b>	Sophie Fuller
<b>Role:</b>	Head of Corporate Governance
<b>Signature:</b>	<p>07/06/2022</p> <p><b>X</b> Sophie Fuller</p> <p>Author</p> <p>Signed by: 22bf922d-2b7b-4838-9f05-8179e8615e33</p>

<b>Approver's Name:</b>	Chris Darling
<b>Role:</b>	Board Secretary
<b>Signature:</b>	<p>13/06/2022</p> <p><b>X</b> Chris Darling</p> <p>Approver</p> <p>Signed by: Chris Darling (Ch087783)</p>

## 1.4 DOCUMENT LOCATION

Type	Location
Electronic	Integrated Management System

## 2 INTRODUCTION

Digital Health and Care Wales is committed to achieving its statutory responsibility under the Health and Safety at Work etc. Act 1974, to ensure, so far as is reasonably practicable, the health, safety and welfare at work of its employees, and other persons who may be affected by the working activities.

The Special Health Authority (SHA) is also committed to ensuring a single robust risk management system is implemented that achieves compliance to the Management of Health and Safety at Work Regulations 1992(amended 1999) which specifically details the employer's responsibility.

The SHA also accepts its responsibilities set within 'Doing Well, Doing Better Standards for Health Services in Wales which came into force on 1st April 2010, as well as recommendations made by external agencies.

The SHA recognises that effective risk management is a key component of corporate and clinical governance and is critical to achieving the strategic objectives of the organisation.

The promotion of the risk management policy is essential to ensure that staff and managers at all levels of the SHA are aware of their responsibilities and continue to embed the principle that "risk management is everyone's business" and to ensure that risk management is an integral part of the culture and day to day activities.

All Directorates will support the overarching risk management principles and demonstrate that an effective risk management system is implemented locally.

The SHA will seek to ensure that risks, incidents, complaints and claims are identified and managed in a positive and constructive manner, so that lessons learned are shared across the SHA.

## 3 PURPOSE

The purpose of this overarching policy is to provide a clear, systematic approach to the management of risk across the SHA. The policy will define the way in which the SHA will continue to embed the risk management process across the whole organisation whilst taking note of the various requirements of external agencies and statutory bodies.

## 4 SCOPE

This overarching policy applies to ALL Digital Health and Care Wales staff across the Service Directorates. The policy requires active participation and support from all Managers at all levels across Directorates and promotes a consistent approach to proactive (risk assessment and risk registers) and reactive (incident and alerting reporting) risk management process and system.

## 5 AIM

The aim of the policy is to provide a framework and structured process for the identification, management, and control of risks across the SHA. The framework will facilitate informed decision making and improved quality and safety and will provide assurance to the SHA Board that effective risk management is in place.

## 6 OBJECTIVES

The SHA has identified specific objectives when jointly achieved the overall aim is accomplished.

The SHA will:

- continue to promote a single consistent approach to risk management across all service directorates
- ensure clear lines of accountability and responsibility for risk management exist
- ensure that adequate risk reporting structures are in place across the whole organisation that provide assurance to the board
- develop and promote the risk management escalation process
- promote the use of effective risk registers
- continue to embed the principle that *“risk management is everyone’s business”*
- ensure that effective risk management training is provided for all levels of staff
- encourage open and honest reporting of hazards, risks, incidents and near misses
- ensure that risks, incidents, complaints and claims identified are managed in a positive and constructive manner, so lessons learned are shared

The Management Board will monitor the objectives via the presentation of a flexible action plan which will provide assurance that an effective risk management system is in place. Any gaps identified by Internal and External Audit and other Legal and Statutory bodies will be included in the plan.

## 7 ROLES AND RESPONSIBILITIES

### 7.1 Chief Executive

The Chief Executive has overall accountability and responsibility for having an effective risk management system and committee structure in place within the SHA and for meeting all statutory requirements and adhering to guidance issued by the Department of Health in respect of governance. The Chief Executive sets clear measurable risk management objectives for the Executive Directors and divisional Directors with delegated responsibility for risk management and governance.

### 7.2 Board Secretary

The Board Secretary has lead responsibility to the Chief Executive and the Board for risk management. The role also includes promotion of the risk management policy and supporting policies across the SHA. Also working with the Executive Director of Finance has corporate responsibility for the management of risk systems and functions including Health & Safety, Fire Safety, Infection Control and reports to the SHA Board via the Audit and Assurance Committee.

### 7.3 Directorates

Each Director and Directorate is responsible for ensuring that an effective Risk Management System is in place locally, that supports the overarching system approved by the SHA Board. Directors are also responsible for ensuring that significant risks are reported and discussed at a local senior/risk management meeting. Where the risk is significant or is unable to be managed or controlled locally the Director/Directorate will escalate it onto the SHA Corporate Risk Register via a senior management meeting eg: SHA or Management Board.

### 7.4 Executive Director of Finance

The Executive Director of Finance has responsibility for ensuring that the SHA operates within financial constraints and balances competing financial demands and for coordinating the internal audit programme for the SHA.



## 7.5 Staff

All staff are responsible for undertaking their work in a safe manner and for following the safe systems of work in place.

Staff should:

- Report risks, incidents and hazards using the appropriate reporting procedure.
- Be aware of their legal duty to take care of their own health and safety and the safety of others affected by their work activities.
- Attend statutory and mandatory training in line with the legal and SHA requirements.
- Act in accordance with the training and instruction provided by the SHA
- Comply with the SHA Risk Management policy and supporting health and safety policies and procedures.
- Discuss any health-related issues
- Report any hazard or risk to their manager

## 7.6 Corporate Governance Team

The SHA Corporate Governance team is responsible for ensuring that the standard overarching SHA risk management framework and principles are disseminated and promoted across all areas of the SHA. Also responsible for ensuring competent risk management advice is available and upon request is provided across the SHA. With responsibility for ensuring adequate risk reports are developed for the SHA Board and its Committees, to demonstrate assurance is achieved and that risks are being managed, monitored and reported to the appropriate committee or group.

The SHA Corporate Governance Team will provide competent advice and guidance on risk management related functions across the SHA. The department will also support the development and implementation of a standard overarching risk management framework. This includes the coordination of risk assessments, risk registers and development and maintenance of the risk management system and its modules (Datix) and risk performance monitoring tools, frameworks and storyboards.

# 8 BOARD ASSURANCE FRAMEWORK

The SHA Board Assurance Framework is concerned with management of the high-level risks that may prevent the SHA from achieving its strategic objectives. Assurance is provided by a number of supporting committees, via summary, exception reporting and risk registers.

The organisational framework for Risk Management is controlled through the establishment of SHA Committees that provide the means for internal control and assurance to the SHA Board. The Committees are responsible for ensuring that risks that fall under their remit are reviewed and where significant risks are identified, escalating these to the Board.

All Directorates will ensure that their internal structure for managing and controlling risks supports the overarching principles identified within the framework and the SHA Risk Management Policy.

## 8.1 SHA Board

The SHA Board is accountable for Internal Control which is based on an ongoing process designed to identify and prioritise the risks of the organisation, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

SHA Board Assurance is informed by its Executive Directors, Directorates and formal committees and

processes, including internal and external audit. The SHA Board gains assurance from the detailed scrutiny given by the Audit & Assurance Committee, which is in turn advised by both internal and external audit.

The SHA Board receives the SHA Corporate Risk Register for approval and will continue to monitor its progress at each meeting.

## 8.2 The Audit & Assurance Committee

The Audit & Assurance Committee is a Committee of the SHA Board, chaired by an Independent Member, that reviews the adequacy of all risks and control related disclosure statements including the statement on Internal Control, together with an external audit opinion or other appropriate independent assurance, prior to endorsement by the SHA Board.

The Audit & Assurance Committee will provide the SHA Board with a means of independent assurance that the systems in place for the management of risk are operating efficiently and effectively. The Committee will also provide an objective review of the SHA's corporate governance responsibilities, financial systems, financial information used by the SHA and compliance with law, guidance and codes of conduct.

The Audit & Assurance Committee will receive copies of the risk register which will be reviewed, agreed and action plans closely monitored.

The Audit & Assurance Committee will progress health and safety issues on behalf of the Board. The Committee may also request other sub/working groups to progress specific pieces of work when required.

The Committee contributes towards informing and providing the Board with assurance on the effectiveness of the systems of internal control.

## 8.3 Digital Governance and Safety Committee

The Digital Governance and Safety Committee (DG&S) is chaired by an Independent Member, and ensures that risk management arrangements are in place, and provides assurance to the Board that appropriate and effective control systems are in place to identify and manage risks within the agreed scope of the committee. The DG&S Committee reviews the risks under their remit at its quarterly meetings and will provide assurance reports to the SHA Board.

## 8.4 Sub/working groups

A wide range of sub/working groups are in place across the SHA. These groups ensure that an objective and systematic approach to risk management is implemented.

All sub/working groups are required to have a formal Terms of Reference that identifies their role and remit and their reporting link into the defined Departmental, Directorate or Corporate risk management structure.

## 8.5 DHCW Risk Management Group

The Risk Management Group is chaired by Board Secretary. Each Directorate will ensure an appropriate representative attends this group to ensure that their risks and incidents are monitored and discussed and that the lessons learned are shared SHA wide.

## 9 RISK MANAGEMENT FRAMEWORK

### 9.1 Acceptable risk – Board and Committees

Within the framework risks are managed and controlled by the owners of the risks, and where appropriate significant risks are presented to the SHA Board, Committees and relevant Management Groups. During these meetings the risk, the further actions and progress will be monitored to ensure they are appropriate and effective. The Executive Lead for the risk and the Board or Committee will agree when a risk has reached an acceptable level or if it has reached the target set. It will be formally recorded in the minutes that the risk has achieved the target and is acceptable. The Executive Lead will feed this information to the risk handler who will remove the accepted risk from the risk register and de-escalate for management at a Directorate or department level.

### 9.2 Risk Assurance

Risk Assurance is achieved in a number of ways including:

- Proactive (risk assessment process) and Reactive (incidents, complaints and claims policies and process) risk management systems provide adequate information that is reported at the various committees and management teams across the SHA.
- By appropriate representation from the Directorates at SHA wide Committees and management meetings.
- Presentation of the corporate risk register at the SHA wide Committees for discussion, and to Board.

### 9.3 Risk Categorisation

There are a number of categories that can be identified to categorise the risks, Strategic, Clinical, Health & Safety, Financial, Business and Organisational and Information Management & Technology and in some instance, there may be a crossover of categories. For advice on categorisation please seek assistance from the Corporate Governance team. The risk domain and risk appetite of the organisation can be found at appendix B.

### 9.4 Risk Assessment Process

The information required to undertake a risk assessment is in the appendices. Appendix D contains the SHA Risk Assessment Form for SHA wide risk assessment that will be followed by all Directorates to ensure a single consistent approach to risk assessment is implemented across the SHA.

The basic steps within risk assessment process are:

- Identify the hazards.
- Analyse the risk - assess who and what might be harmed, and how.
- Evaluate and treat the risks and decide whether existing precautions are adequate or should more be done.
- Record the findings.
- Monitor and review the risks.
- Communicate and consult.

For queries or advice on the risk assessment process please refer to the Corporate Governance team.

As part of the risk assessment process the risk must be scored. Information on this can be found in Appendix A.

### 9.5 Datix Risk Management System

Datix is a repository system that holds risks, incidents, claims and complaints and is the SHA wide agreed reporting system. A formal risk assessment is required for all risk assessments that are held on the Datix system, and a number of nominated staff across the SHA have access to input data into the Datix risk

management system, staff are provided with access in line with the organisation's requirements.

The Datix System is managed and controlled via the SHA Corporate Governance Team. Any queries should be directed to [dhcw.riskmanagement@wales.nhs.uk](mailto:dhcw.riskmanagement@wales.nhs.uk).

## 9.6 Risk Registers

The Risk Register is a term for a detailed list of risk assessments, the format for the register itself is agreed. All risk registers presented to any SHA wide committee or sub group will follow this agreed format. All departments will ensure that this format is implemented at a local level this will ensure consistency is achieved across the SHA. The approved risk register is outlined in Appendix C.

## 9.7 SHA Corporate Risk Register

The SHA Corporate Risk Register is a formal documented risk log received by the SHA Board as part of its assurance framework for information and discussion. The SHA risk register contains the significant and critical risks from across the Organisation that have the potential to prevent the SHA from achieving its strategic aims and objectives. (Principal/strategic risks are presented in the Board Assurance Report separate to the Corporate Risk Register).

An Executive Lead is assigned to each risk on the risk register, their role will be to present the risk to the SHA Board and will be expected to facilitate discussion which may include a range of questions (not exhaustive):

- What is the actual risk to the SHA as a whole?
- Is the risk summary suitably narrated?
- Are the actions identified adequate to ensure that the risk has been reduced to a level considered reasonably practicable?
- Is the **current** risk rating correct considering the mitigating actions already in place? Consider the rating in line with risk matrix Appendix 2
- Is there any progress to report on the actions already identified?
- Is there any further action required that should be added?
- By what date should the further action be completed?

## 9.8 SHA Board options in relation to the Risk Register

There are several options available to the SHA Board, following the discussion of the risks on the risk register. These include:

- continue to monitor and review the risks on the risk register
- accept that the risk has reached its target risk rating, the risk is controlled and managed to a level that is deemed as acceptable
- de-escalate a risk, return it to the Directorate for local management
- return it to the Directorate as completed
- remove it from the register as no longer valid
- accept the risk, when there is no further reasonably practicable action that will reduce the risk
- seek additional resources from the Welsh Government or other relevant agencies

All activities relating to the SHA Risk Register including circulation, updating and amending are coordinated by SHA Risk and Regulation Officer.

### 9.8.1 Risk Assessments

There will be a formal risk assessment document that holds a detailed description of the risk its evaluation, current and target Risk ratings and actions required to reduce the risk. Risk assessments will be reviewed by the appropriate manager(owner) in line with the risk rating with 3 or 6 monthly review periods and as a minimum at least annually. The Risk Assessment form is at Appendix D.

## 10 RISK ESCALATION

The process of escalation is used where a risk is unmanageable or uncontrolled or where the risk exceeds the associated risk appetite domain tolerance. The purpose of the escalation process is to ensure that all managers at all levels across the SHA have the option to escalate a risk where they are not able to manage or control it within their area. Directorates must ensure that local process supports this principle and that risks have been escalated through their local Senior Management Teams and committees.

### 10.1 Department Level

Managers should ensure that all risks identified within their department are input into the Datix risk management system. Where significant and critical risk are unmanageable or uncontrolled, the manager will be responsible for escalating the risk up to the appropriate Directorate/Senior Management Team for discussion and review.

Where the risk is managed and controlled at department level no escalation is required. However, where risks are thought to affect other departments, the risks will be shared to ensure lessons learned are achieved.

### 10.2 Directorate level

Significant and critical or unmanageable and or uncontrolled risk escalated up to the second level will be incorporated into an appropriate Board approved risk register. This risk register will be discussed and monitored by the Directorate Management Team or Programme Board.

The Directorate Management Team or Programme Board will monitor and review these risk registers until:

- the actions are completed
- risks are reduced to a satisfactory level
- the risk is de-escalated back to the originating department
- or further escalation up is required

### 10.3 Corporate level

Significant and critical and unmanageable or uncontrolled risk will be escalated onto the SHA Risk Register. Prior to risks being placed on the SHA risk register the risk will have been discussed at an appropriate Programme Board or Directorate Management Meeting.

The Board Secretary will present the SHA Risk Register for discussion and review. Each risk on the risk register will have an identified Executive Lead who is responsible for updating the SHA Board with any progress or delays in the proposed actions.

The SHA Board will monitor and review the risk register on a regular basis until:

- the actions are completed
- risks are reduced to a satisfactory level
- the risk is de-escalated back to the Directorate/Programme or the originating department/project

For information on the escalation process please contact the [DHCW.RiskManagement@wales.nhs.uk](mailto:DHCW.RiskManagement@wales.nhs.uk).

## 11 RISK MANAGEMENT TRAINING AND AWARENESS

### 11.1 Risk Awareness

It is essential that all SHA staff receive basic risk management awareness as part of their statutory training. This training can be facilitated at induction or via eLearning or as a classroom taught session and should include:

- principles of risk management
- roles and responsibilities for management of risk within the SHA
- techniques for identification and evaluation of risk
- how to report hazards, incidents and near misses
- awareness that risk is everyone's business
- policies that cover risk management and assessment

### 11.2 Risk Assessment Training

Directors and Managers will ensure that all staff involved in the risk assessment process have sufficient knowledge, experience and understanding of risk and are provided with sufficient training to ensure competence is demonstrated.

Directorates will ensure that risk assessment training is included in local training programs.

### 11.3 Risk Management for SHA Board and Senior Management

To ensure a clear and consistent approach to risk management is established and promoted across the SHA, periodic workshops and timeout sessions relating to the risk management process, risk registers and risk assessment will be offered to Board members and Senior Management.

## 12 EQUALITY IMPACT ASSESSMENT

The SHA is committed to ensuring that, as far as is reasonably practicable, the way it provides services to the public and the way it treats its Employees reflects their individual needs and does not discriminate against individuals or groups.

The SHA has undertaken an Equality Impact Assessment and received feedback on this policy and the way it operates. The SHA assessed any possible or actual impact that this procedure may have on any groups in respect of gender (including maternity and pregnancy as well as marriage or civil partnership issues) race, disability, sexual orientation, Welsh language, religion or belief, transgender, age or other protected characteristics.

The assessment found that there was no impact to the equality groups mentioned.

## 13 REVIEW AND MONITORING

The Board Secretary will ensure that the Risk Management Action plan is reviewed and monitored at least annually at the Executive Management Board.

The SHA Head of Corporate Services and the Board Secretary will ensure that any gaps identified by internal or external audit are discussed at an appropriate committee and included in the Risk Management Action

plan.

The policy will be reviewed within a three-year period or when significant change or legislative changes take place. Progress on the Risk Management Action plans will inform the SHA Annual Report.

## 14 IMPLEMENTATION

This policy will be implemented following approval at the Audit and Assurance Committee.

## 15 DISTRIBUTION

The policy will be available via the SHA website.

## 16 FURTHER INFORMATION

For further information or any queries on the Digital Health and Care Wales Risk Management Policy please contact the Board Secretary or the Risk and Regulation Officer.

## 17 POLICY CONFORMANCE/NON-COMPLIANCE

If any SHA employee fails to comply with this policy, the matter may be dealt with in accordance with the SHA's Disciplinary Policy. The action taken will depend on the individual circumstances and will be in accordance with the appropriate disciplinary procedures. Under some circumstances failure to work in a safe manner and failing to follow the SHA policies and procedures may be considered gross misconduct.

## 18 DEFINITIONS

TERM	DEFINITION
Risk Management	The co-ordinated activities to direct and control the organisation with regard to risk.
Risk Management Process	A systematic application of risk management policies to the task of identifying, analysing, evaluating, controlling and the monitoring and review of risk across the SHA.
Risk Assessment (Pro-active)	A careful examination of the hazards in the workplace that may cause harm, to people the environment or the business and these include processes and tasks. The formal recording on a documented form.
Risk Assessment (Re-active)	A risk assessment that has been completed following an incident occurring, this may form part of the investigation process or may be a review of the original risk assessment in light of the incident and its severity.
Directorate	A Directorate is identified as an entity that forms part of Digital Health and Care Wales. The Directorate is responsible for the effective management of risk and its functions at their local level.
Risk Appetite	The level of risk the SHA Board is prepared to accept before action is deemed necessary to reduce it.
Risk Acceptance	The risk is managed to a level defined as reasonably practicable and where to implementation of any further controls will outweigh any benefit.
Residual Risk	The risk remaining following treatment or control.
Risk Register	The risk register is a term for a detailed list of risk assessments, the format for the register itself has been agreed at the SHA Board.
Risk Owner	Senior person best placed to oversee the associated actions to mitigate and manage

	the risk with decision making authority. This person is accountable for the Risk & should be aware of its current status.
Risk Handler	Risk Handlers are individuals that are identified as best place to support the risk owner in the management of the risk. They will likely have the most contact with the risk record and are responsible for ensuring the record is accurate and updated on a regular basis of at least once a month. They will support the risk owner in chasing mitigating actions.
Risk Inventory	A risk inventory or profile has no agreed format it may be a shortened version of the risk register or a more detailed profile. A risk inventory is normally less formal than a register and is managed at department level.
Risk Structure	A formal management structure that outlines the basic reporting and communication links and committees and groups that provides assurance to Board that risk is being effectively managed across all Directorates
Risk Matrix	This is a tool developed to quantify risk, by scoring the impact x the likelihood that the risk will probably be realised to establish a Risk Rating. This tool can be used by Managers to prioritise significant risks.
Risk Impact	Potential harm scored via an impact matrix rising from 1-5
Risk Likelihood	Potential for occurrence scored via a likelihood matrix from 1-5
Significant Risk	Risk that are scored 12 and above that require treatment and control within 6-month period.
Critical risk	Risk scored 15 and above requiring immediate Senior management control.



## Appendix A Risk Quantification – MATRIX

Simple risk quantification is identified by multiplying the Likelihood X Impact = Risk Rating. This risk impact matrix has been agreed by the DHCW SHA Board.

RISK SCORING – Likelihood x Impact/Consequence = Risk Score					
LIKELIHOOD – TAKES INTO ACCOUNT FREQUENCY AND PROBABILITY					
<b>Frequency – How often might it happen?</b>	<b>1 Rare</b> This will probably never happen/recur (except in very exceptional circumstances).	<b>2 Unlikely</b> Do not expect it to happen/recur but it is possible that it may do so.	<b>3 Possible</b> It might happen or recur occasionally	<b>4 Likely</b> It might happen or recur occasionally.	<b>5 Almost Certain</b> it will undoubtedly happen/recur, possibly frequently.
<b>Probability – will it happen?</b> (what is the chance the adverse consequence will occur in a given reference period?)	<b>(0-5%*)</b>	<b>(5-25%*)</b>	<b>(25-75%*)</b>	<b>(75-95%*)</b>	<b>(&gt;95%*)</b>

IMPACT – HOW WILL THIS RISK IMPACT THE ORGANISATION					
Domain	1 Negligible	2 Minor	3 Moderate	4 Major	5 Catastrophic
Financial	Unplanned financial impact under 0.1% of budget	Unplanned financial impact between 0.1% and 0.25% of budget	Unplanned financial impact between 0.25% and 0.5% of budget	Unplanned financial impact between 0.5% and 1% of budget	Unplanned financial impact > 1% of budget
Compliance	No or minimal impact or breach of guidance/ statutory duty	Minor non-conformity with statutory legislation / Reduced performance rating if unresolved	Single breach in statutory duty / Challenging external recommendations/ improvement notice	Enforcement action / Multiple breaches in statutory duty Improvement notices / Low performance rating / Critical report/ special measures/ replacements of management	Multiple breaches in statutory duty / Prosecution/ Complete systems change required / Zero performance rating/ Severely critical report

Patient/Citizen Safety	Minimal injury requiring no/minimal intervention or treatment No time off work /Informal complaint/inquiry / Peripheral element of treatment or service suboptimal / Informal complaint/inquiry	Minor injury or illness, requiring minor intervention / Formal complaint (stage 1) / Minor implications for patient safety if unresolved	Moderate injury requiring professional intervention/ An event which impacts on a small number of patients / Formal complaint (stage 2) complaint / Major patient safety implications if unresolved	Major injury leading to long-term incapacity/disability / Mismanagement of patient care with long-term effects / Multiple complaints/ independent review Low performance rating / Non-compliance with national standards with significant risk to patients if unresolved	Incident leading to death / Multiple permanent injuries or irreversible health effects / An event which impacts on a large number of patients / Gross failure of patient / Totally unacceptable level or quality of treatment/service
Safety and Wellbeing	Short-term low staffing level that temporarily reduces service quality (< 1 day)/ >80% appraisal compliance rate	Low staffing level that reduces the quality of services/ >75% appraisal compliance rate	Late delivery of key objective/ service due to lack of staff/RIDDOR/agency reportable incident / Unsafe staffing level or competence (>1 day)/ Low staff morale/ >70% appraisal compliance rate	Uncertain delivery of key objective/service due to lack of staff /Loss of key staff /Very low staff morale / >65% appraisal compliance rate	Non-delivery of key objective/service due to lack of staff /Ongoing unsafe staffing levels or competence Loss of several key staff / >60% appraisal compliance rate
Service Delivery	Recovered within the Service Level Agreement timeframe and is a non-recurrent event	Recovered slightly outside the Service Level Agreement timeframe and is a non-recurrent event	Recovered outside the Service Level Agreement timeframes/potential ongoing recurrent service disruption	Recovered outside the Service Level Agreement timeframes/Frequent service disruption	Permanent loss of service or facility
Development of Services	Insignificant cost increase/ project slippage slightly outside tolerance	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget / Schedule slippage	Key objectives not met / Non-compliance with national objectives 10–25 per cent over project budget Schedule slippage	Incident leading >25 per cent over project budget Schedule slippage / Key objectives not met
Reputational	Rumours / Potential for public concern/	Local media coverage – short-term reduction in public confidence / Elements of public expectation not being met / Local resolution / Single failure to meet	Local media coverage – long-term reduction in public confidence / Repeated failure to meet internal standards / Local resolution (with potential to go to	National media coverage with <3 days service well below reasonable public expectation / Critical report	National media coverage with >3 days service well below reasonable public expectation. MP/MS concerned (questions raised)/ Total loss of public confidence / safety if findings not acted on / Inquest/ombudsman inquiry / Gross

		internal standards/ Reduced performance rating if unresolved	independent review)		failure to meet national standards
Information – Storing and maintaining	Minimal or no loss of non-vital data/ minimal or no impact on reputation/ minimal or no failures in responsibilities	Insignificant loss of data causing minor reduction in service quality/ minor impact on reputation/ minor failures in responsibilities	Minimal loss of data causing moderate reduction in service quality/ moderate impact on reputation/ moderate failures in responsibilities	Retrievable loss of multiple data sets causing reduction in service quality/major impact on reputation/ major failures in responsibilities	Irretrievable loss of data/catastrophic impact to reputation/ gross failure in responsibilities
Information – Access and Sharing	Access interruption for <1 day/ negligible impact to reputation/ no failure in responsibilities	Access interruption for more than 1 days/minor impact to reputation/ no failure in responsibilities	Access interruption for more than 2 days/ /moderate impact to reputation/ gross failure in responsibilities	Access interruption for more than 3 days/ major impact to reputation/ gross failure in responsibilities	Access interruption for more than 4 days/ catastrophic impact to reputation/ gross failure in responsibilities
Corporate Social Responsibility	Minimal or no impact on the environment or decarbonisation objectives/Minimal non-compliance with Welsh Language Standards	Minor impact on environment or the decarbonisation objectives / Minor non-compliance with Welsh Language Standards	Moderate impact on environment or the decarbonisation objectives / Moderate non-compliance with Welsh Language Standards	Major impact on environment or the decarbonisation objectives / Major non-compliance with Welsh Language Standards/Investigation opened by the Welsh Language Commissioners office	Catastrophic impact on environment or the decarbonisation objectives / Catastrophic non-compliance with Welsh Language Standards/ Fine issued by the Welsh Language Commissioners office

### Risk Scoring = Likelihood vs Impact/Consequence

Consequence	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Moderate	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Negligible	1	2	3	4	5

## Consequence / severity scores (C)

Using table 1 choose the most appropriate domain for the identified risk from the left hand side of the table. Then work along the columns in same row with the examples of descriptors to assist in identifying a consequence / severity score, on the scale of 1 to 5, which is the number given at the top of the column.

A single risk area may have multiple potential consequences, and these may require separate assessment. It is also important to consider from whose perspective the risk is being assessed (organisation, member of staff, patient) because this may affect the assessment of the risk itself, its consequences and the subsequent action taken.

## Likelihood score (L)

Using table 2 assess the likelihood of the consequence occurring, which is also given a score of 1 to 5, the higher the number the more likely it is the consequence will occur.

## Risk score

Using table 3, calculate the risk score by multiplying the consequence by the likelihood:

## $L \text{ (likelihood)} \times C \text{ (consequence)} = R \text{ (risk score)}$

Identify the level at which the risk will be managed in DHCW, assign priorities for remedial action, and determine whether risks are to be accepted on the basis of the colour bandings and risk ratings, and the organisation's risk management system.

RISK RATING INDEX		
SCORE	Grade	Timescales for action
1 – 3 Low	Very low risk	Quick, easy measures implemented immediately, and further action planned for when resources permit. Review when appropriate.
4 – 6 Moderate	Low risk	Actions implemented as soon as possible but no later than a year. Review when appropriate.
8 – 12 Significant	Moderate risk	Actions implemented as soon as possible and no later than six months. Review no later than six months.

15 – 25 Critical	High risk	Requires urgent action by Senior Management
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## Appendix B DHCW Risk Appetite

Approach	Tolerance	Relevant Domains		
<b>Adverse</b>	Risks with rating 9 or above are reported to the Board	Compliance	Information – Storing and maintaining	Citizen Safety
<b>Cautious</b>	Risks with rating 12 or above are reported to the Board	Financial	Safety and Wellbeing	Service Delivery
		Reputational	Information – Access and Sharing	
<b>Moderate</b>	Risks with rating 15 or above are reported to the Board	Corporate Social Responsibility		
<b>Open</b>	Risks with rating 20 or above are reported to the Board	Development of Services		
<b>Hungry</b>	Risk with rating 25 or above are reported to the Board	None		

Domain	Definition	Appetite	Articulated Statement
Financial	Impacts upon the financial position and sustainability of the organisation	CAUTIOUS	DHCW will accept little risk accepted but in certain circumstances there may be a higher tolerance level to achieve specific goals that will help deliver substantial benefits to stakeholders and/or realise significant longer-term efficiencies for DHCW or the system.
Compliance	Impacts upon the organisation's conformance with legal obligations and statutory duties and its compliance with regulatory requirements	ADVERSE	DHCW must be averse to risks that could impact upon its compliance with law and regulation. It will ensure robust processes and systems are in place to ensure obligations are appropriately managed and risk reduced to the lowest practical level.
Patient/Citizen Safety	Impacts upon the safety and wellbeing of patients/citizens	ADVERSE	DHCW must be averse to risks that threaten the safety of service users, citizens, and the public. As a consequence, it will endeavour to eliminate such risks or reduce them to the lowest practical level.
Safety and Wellbeing	Impacts upon the safety and well-being of those who work for or with DHCW	CAUTIOUS	DHCW will endeavour to ensure the safety and wellbeing of those who work for or with DHCW.

Service Delivery	Impacts upon the intended/expected/contracted delivery of the organisation's services.	CAUTIOUS	Delivery of DHCW's core operational services must be protected from adverse impact from risks, while recognising that pursuing certain activities may result in some minor or short-term disruption to those services.
Development of Services	Impacts upon our ability to deliver innovative solutions for emerging service requirements	OPEN	DHCW will accept risks that appear the most likely to result in successful delivery, even if they have elevated levels of residual (mitigated) risk.
Reputational	Impacts upon the organisation's reputation amongst all or some of its stakeholders including the general public.	CAUTIOUS	Damage to the DHCW's reputation can undermine stakeholder confidence and be costly to remedy, so only risks with a low reputational impact will be acceptable.
Information – Storing and maintaining	Impacts upon the organisation's ability to safely store, maintain, and transform data.	ADVERSE	DHCW recognise the importance of an adverse approach to the safety of data stored and managed by the organisation and will accept little to no risk impact in this area.
Information – Access and Sharing	Impacts upon the organisation's ability to transform, access, share, and use data.	CAUTIOUS	Access and sharing of data will enable further benefit and value from data. DHCW will accept a small amount of risk to allow access and sharing of data for potential wide reaching and transformational benefits.
Corporate Social Responsibility	Impacts on the organisation's ability to deliver an inclusive, sustainable, and socially responsible contribution to Wales including in the economic and social recovery	MODERATE	DHCW will endeavour to be a leader in terms of their Corporate Social Responsibility, this means DHCW will accept a moderate impact on their Corporate Social Responsibility should longer term benefits be realised from short term impact.

## Appendix C Corporate Risk Register


The SHA Corporate Risk Register is a log of risks that affect the whole SHA. Each risk on the SHA Risk Register will have a formal risk assessment completed. Risks may be escalated onto the SHA Risk Register via an Executive Director or Director. The risks escalated will be unmanageable by a department or directorate. The SHA Risk Register contains: See example below:

- Risk Reference number- this will be generated from Datix
- A summary of the risk
- The initial date when the risk was identified
- The initial risk rating, impact x likelihood = risk rating. Initial risk rating is scored with no controls in place.
- The current risk rating, impact x likelihood = risk rating. Scored taking account of the controls in place.
- Action agreed at last risk assessment. Actions need to be Specific Measurable, Achievable, Repeatable and Timebound (SMART)
- Progress on Actions, the narrative should progress is to be concise and include stages, commenced, partial progress, completed. No progress, delayed, reviewed and revised, no longer relevant or appropriate.
- The target risk rating, is identified as the level that the SHA/Owner/Manager is willing to accept and the target will only be achieved when the actions are completed.
- Target date is the expected date when the target will be reached.
- Executive Lead – title of individual job role.
- Assuring Committee for Risk: Identify the appropriate Committee that will review and monitor the risk. E.g. SHA Board, Quality and Safety Committee, Executive Management Board, Planning and Performance Committee and Workforce & Organisational Development.

Datix Risk Ref	Risk Summary	Date Risk Identified	Initial Risk Rating	Current Risk Rating	Action agreed at last risk assessment	Progress of Actions	Action due date	Target Risk Rating	Exec Lead for Risk	Assuring Committee for Risk
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## Appendix D Risk Assessment Form

<b>DIGITAL HEALTH AND CARE WALES</b>  	Service Area:	<b>DATIX - REF NO:</b>
	<b>RISK ASSESSMENT</b>	Department: Location/Site:
Title of Assessment:		Date of Assessment:

**Tick the Type of Risk Assessment:**

Financial	<input type="checkbox"/>	Compliance	<input type="checkbox"/>	Patient/Citizen Safety	<input type="checkbox"/>	Safety & Wellbeing	<input type="checkbox"/>	Service Delivery	<input type="checkbox"/>
Development of Service	<input type="checkbox"/>	Reputational	<input type="checkbox"/>	Information – Storing and Maintaining	<input type="checkbox"/>	Information – Access and Sharing	<input type="checkbox"/>	Corporate Social Responsibility	<input type="checkbox"/>

**Describe the situation or the work activity or process being assessed – Summarise the specific risks to the SHA.**

**Please give a full range of Hazards:**

**Include any Materials, Biological, Chemical, Environment, Ergonomic and Psychological etc.**

EVALUATION TOOL - Risk Impact x Likelihood = Risk Rating

Impact	Description	IMPACT	Likelihood	Description	LIKELIHOOD	Risk Score	Risk Level	Risk Rating
1	Insignificant	No injury	5	Almost Certain	Will happen frequently		Score	Risk Rating
2	Minor	Minor injury	4	Likely	Probably will happen, not regularly		1-3	Low
3	Moderate	Moderate injury RIDDOR reportable	3	Possible	Might happen occasionally		4-6	Moderate
4	Major	Major Injury Severe	2	Unlikely	Not expected to happen		8-12	Significant
5	Catastrophic	Death	1	Rare	Never happened		15-25	Critical

Hazards identified:	Impact Severity	Likelihood	Risk Rating

Who is affected by the hazards and how many: Whole organisation, division, department, etc

**All, Many or One** - staff, visitors, contractors or service users etc. may be harmed.

Evaluate Overall **Initial** – Risk : I x L= Risk Rating

Impact	Likelihood	Rating

List control measures in place: Are they acceptable Y/N

Evaluate **Current** – Risk with controls: I x L= Risk Rating

Impact

Likelihood

Rating

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**Further action required - additional control measures - to reduce risk**

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**Actions Agreed by Manager:**

**Managers Name & Signature :**

Evaluate **Target** – Risk with actions completed: I x L= Risk Rating

**Impact**

**Likelihood**

**Rating**

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**Risk Assessment performed by:**

Print Name/s	Signature/s	Date

**Progress Report on further Actions: include review dates:**

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