

Risk Management Policy

July 2022 - July 2024

CONTROL RECORD				
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			Team Corporate Assurance	
Title	Risk Management Policy			
Amendments	Review Date amended to July 2024			
Purpose	The purpose of this policy is to ensure that robust arrangements for risk management are embedded across the ICB and to ensure an agreed risk appetite and approach to risk tolerance.			
Associated Documents	Nottingham and Nottinghamshire ICB's Board Assurance Framework; Nottingham and Nottinghamshire ICB's Operational Risk Register; Nottingham and Nottinghamshire ICB's Fraud Risk Register.			
Superseded Documents	Risk Management Policy v1.2			
Audience	All employees and appointees of the Nottingham and Nottinghamshire ICB and any individuals working within the ICB in a temporary capacity.			
Equality Impact Assessment	Complete (see Appendix E)			
Approving Body	ICB Board	Date approved	July 2022	
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1. Introduction

- 1.1. This policy applies to NHS Nottingham and Nottinghamshire Integrated Care Board, hereafter referred to as 'the ICB'.
- 1.2. The ICB is a statutory organisation which forms part of the wider Nottingham and Nottinghamshire Integrated Care System (ICS). Whilst this policy outlines risk management arrangements for the statutory ICB, it is important that these arrangements work in partnership with other key parts of the ICS family.



- 1.3. The management of risk across organisational boundaries is complex and, even more so, during any period of transition. Governance models should allow sovereign organisations to manage their own risks independently, whilst enabling a strong and holistic partnership approach to risk management to support the delivery of system objectives.
- 1.4. Risk should be an important feature within the different parts of the system architecture e.g. Integrated Care Partnership (ICP), Place Based Partnerships (PBPs), Provider Collaboratives, health and care providers and Primary Care Networks (PCNs). Partnership working can often lead to risks regarding risk ownership and accountability. As such, it is important that there are clear inter-relationships regarding the management and ownership of risks between these different elements.
- 1.5. The ICB recognises risk management as an essential business activity that underpins the achievement of its objectives. A proactive and robust approach to risk management can:
 - Reduce risk exposure through the development of a 'lessons learnt' environment and more effective targeting of resources.
 - Support informed decision-making to allow for innovation and opportunity.

- Enhance compliance with applicable laws, regulations and national guidance.
 - Increase stakeholder confidence in corporate governance and ability to deliver.
- 1.6. Risk is accepted as an inherent part of health care. Likewise, uncertainty and change in the evolving healthcare landscape may require innovative approaches that bring with them more risk. Therefore, it is not practical to aim for a risk-free or risk-averse environment; rather one where risks are considered as a matter of course and identified and managed appropriately.
- 1.7. This policy has been developed to ensure that risk management is fundamental to all of the ICB's activities and understood as the business of everyone. The policy has adopted the following principles of risk management as set out in the ISO 31000: 2018 standard¹.

Principle	Description
Integrated	Risk management is an integral part of all organisational activities.
Inclusive	Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
Structured and comprehensive	A structured and comprehensive approach to risk management contributes to consistent and comparable results.
Customised	The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
Dynamic	Risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
Best available information	The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.

¹ ISO 31000 helps organisations develop a risk management strategy to effectively identify and mitigate risks, thereby enhancing the likelihood of achieving their objectives and increasing the protection of their assets.

<https://www.iso.org/iso-31000-risk-management.html>

Principle	Description
Human and cultural factors	Human behaviour and culture significantly influence all aspects of risk management.
Continual improvement	Risk management is continually improved through learning and experience.

- 1.8. This policy demonstrates the ICB's commitment to its total risk management function. It sets out the ICB's risk architecture (roles, responsibilities, communication and reporting arrangements) and describes how risk management is integrated into governance arrangements, key business activities and culture.

2. Purpose

- 2.1. This policy describes the ICB's approach to the management of strategic and operational risks across the statutory organisation. It also references how risk arrangements within the ICB will interface with other key parts of the system and with system partners.
- 2.2. The purpose of this guidance is to encourage a culture where risk management is viewed as an essential process of the ICB's activities. It provides assurance to the public, patients and partner organisations that the ICB is committed to managing risk appropriately.

3. Scope

- 3.1 This policy applies to all employees and appointees of the ICB and any individuals working within the ICB in a temporary capacity (hereafter referred to as 'individuals').

4. Definition of Risk Management Terms

- 4.1 The following terms are used throughout this document:

Term	Definition
Assurance	Evidence that controls are working effectively. Assurance can be internal (e.g. committee oversight) or external (e.g. internal audit reports).

Term	Definition
Assurance Framework	<p>A (Board) Assurance Framework is a structured means of identifying and mapping the main sources of assurance in an organisation, and co-ordinating them to best effect.</p> <p>The Assurance Framework document is the key source of evidence that links the organisation's strategic objectives to risk, controls and assurances and the main tool a Board should use in discharging its responsibility for internal control.²</p>
Controls	<p>The measures in place to control risks and reduce the impact or likelihood of them occurring.</p>
Integrated Care Board (ICB)	<p>The ICB is the statutory NHS organisation within the ICS which holds responsibility for NHS functions and budgets.</p>
Integrated Care Partnership (ICP)	<p>The ICP is a statutory committee which brings together all ICS system partners to produce a health and care strategy.</p>
Integrated Care System (ICS)	<p>The ICS is a partnership that brings together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of the population.</p>
Initial risk score	<p>The numerical assessment of the risk (impact vs. likelihood) <u>prior</u> to considering any additional mitigating controls and/or actions.</p>
Current (or Residual) risk score	<p>The numerical assessment of the risk (impact vs. likelihood) <u>after</u> taking into consideration any mitigating controls and/or actions.</p>
Operational Risk Register	<p>A tool for recording identified 'live' operational risks and monitoring actions against them.</p>
Operational risk management	<p>Risk management processes which focus on 'live' operational risks which the organisation is potentially facing. It relies upon the identification of risks, which are 'dynamic' in nature and are managed via additional mitigations.</p> <p>Operational risk management processes are centred around the Operational Risk Register.</p>

² NHS Governance, Fourth Edition 2017 (HfMA)

Term	Definition
Operational risks	<p>These risks are by-products of day-to-day business delivery. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives.</p> <p>ICB operational risks include corporate risks (those which directly relate to the ICB's objectives/duties) and system risks (those ICB risks which relate to the delivery of system priorities).</p>
Place-based Partnerships (PBPs)	<p>Place-based partnerships are collaborative arrangements formed by the organisations responsible for arranging and delivering health and care services in a locality or community.</p>
Risk	<p>There are many definitions of risk, but this policy has adopted the definition set out in ISO 31000 in that a risk is the '<i>effect of uncertainty on objectives</i>'. The effects can be negative, positive or both. It is measured in terms of impact and likelihood.</p>
Risk assessment	<p>An examination of the possible risks that could occur during an activity.</p>
Risk culture	<p>The values, beliefs, knowledge and understanding of risk, shared by a group of people with a common intended purpose.</p>
Risk logs	<p>Risk logs are a tool for capturing operational level risks at team/directorate/place/project-level which may impact on the delivery of local objectives. Examples of risk logs may include:</p> <ul style="list-style-type: none"> • Place-based Partnership Risk Logs; • Directorate/Team specific Risk Logs; • Project Risk Logs; • Transformation Programme Risk Logs.
Risk management	<p>The arrangements and activities in place that direct and control the organisation with regard to risk.</p>
Risk mitigation	<p>How risks are going to be controlled in order to reduce the impact on the organisation and/or likelihood of their occurrence.</p>
Risk profile	<p>The nature and level of the threats faced by an organisation.</p>
Risk treatment	<p>The process of selecting and implementing suitable measures to modify the risk.</p>

Term	Definition
Strategic objectives	Strategic objectives describe a set of clear organisational goals that help establish priority areas of focus. Whilst broad and directional in nature, they need to be specific enough that their achievement can be assured and progress measured. They should have direct alignment with the (Board) Assurance Framework and the ICB's performance management processes.
Strategic risk management	Risk management processes which support the achievement of the organisation's strategic objectives. It focuses on the proactive identification of 'high level' risks which are managed by an established control framework and planned assurances. Strategic risk management processes are centred around the (Board) Assurance Framework.
Strategic risks	Potential, significant risks that are proactively identified and threaten the achievement of strategic objectives.

The diagram below summarises the differences between strategic and operational risks. Further detail is provided at **Appendix A**.

Diagram 1



5. Roles and Responsibilities

Roles	Responsibilities
Integrated Care Board	<p>The Board has overall accountability for risk management and, as such, needs to be satisfied that appropriate arrangements are in place and that internal control systems are functioning effectively.</p> <p>The Board determines the ICB's risk appetite and risk tolerance levels and is also responsible for establishing the risk culture.</p>
Audit and Risk Committee	<p>The Audit and Risk Committee provides the Board with assurance on the effectiveness of the Board Assurance Framework and the robustness of the ICB's operational risk management processes.</p> <p>The Committee's role is not to 'manage risks' but to ensure that the approach to risks is effective and meaningful. In particular, the Committee supports the Board by obtaining assurances that controls are working as they should, seeking assurance about the underlying data upon which assurances are based and challenging relevant managers when controls are not working or data is unreliable.</p>
All Committees (including Place Based Partnership Committees)	<p>All committees are responsible for monitoring operational risks related to their delegated duties*. This will include monitoring the progress of actions, robustness of controls and timeliness of mitigations.</p> <p>They are also responsible for identifying risks that arise during meeting discussions and ensuring that these are captured on the Operational Risk Register.</p>
Operational / Delivery Groups / Transformation Boards (including the Executive Leadership Group)	<p>All operational groups are responsible for working with System Partners and monitoring risks associated to the delivery of their duties and/or objectives.</p> <p>This will include ensuring risk logs are in place and risks are escalated to the ICB's Operational Risk Register as and when it is appropriate to do so.</p>
Chief Executive	<p>The Chief Executive has responsibility for maintaining a sound system of internal control that supports the achievement of the ICB's policies, aims and objectives, whilst safeguarding public funds and assets.</p>

Roles	Responsibilities
Director of Nursing	<p>The Director of Nursing is the executive lead for corporate governance and risk and assurance systems across the ICB. This includes promoting the ICB's risk culture within the Executive Team, wider directorates and across system partners.</p>
ICB Non-Executive and Partner Members	<p>As members of the Board and committees, Non-Executive Members will ensure an impartial approach to the ICB's risk management activities and should satisfy themselves that systems of risk management are robust and defensible.</p>
Associate Director of Governance (supported by the Corporate Assurance Team)	<p>The Associate Director of Governance leads on the implementation of corporate governance and risk and assurance systems across the ICB. This includes the development, implementation and co-ordination of the ICB's risk management activities and provision of training and advice in relation to all aspects of this policy.</p>
Executive Directors	<p>Executive Directors are responsible for ensuring effective systems of risk management are in place, and commensurate with this policy, within their respective Directorates. This includes promoting the ICB's risk culture and ensuring all senior leaders, within their respective Directorates, have a robust understanding of the organisation's risk management arrangements.</p>
Senior Leadership Team (including Associate/Deputy Directors)	<p>Members of the Senior Leadership Team are responsible for leading risk management arrangements within their Teams, which includes, but is not limited to, ensuring that:</p> <ul style="list-style-type: none"> • Risk Logs are in place to support delivery of team, place and project/programme objectives; • Operational risks are appropriately escalated from Risk Logs to the ICB Operational Risk Register; • Mitigating actions are in place to manage risks in line with the ICB's risk appetite statement; and that • Staff are suitably trained in relation to risk management.
Senior Information Risk Owner (SIRO)	<p>The SIRO takes ownership of the ICB's information risks and acts as advocate for information risk on the Integrated Care Board.</p>

Roles	Responsibilities
Risk Owners	Risk owners are responsible for ensuring robust mitigating actions are identified and implemented for their assigned risks.
Individuals	All individuals are responsible for complying with the arrangements set out within this policy and are expected to: <ul style="list-style-type: none"> • Routinely consider risks when developing business cases, commencing procurements or any other activity which could be impacted by unexpected events (undertaking specific risk assessments as necessary). • Ensure that any operational risks they are aware of are captured on the Operational Risk Register or Directorate/Team Risk Logs as appropriate.

** Risks cannot always be addressed in isolation from each other. Risks may have different facets (e.g. finance and quality) and management actions may impact on different areas of the ICB. Where this is the case, a pragmatic approach will be taken and risks may be scrutinised by more than one committee.*

6. Risk Appetite

- 6.1. Good risk management is not about being risk averse, it is also about recognising the potential for events and outcomes that may result in opportunities for improvement, as well as threats to success.
- 6.2. A 'risk aware' organisation encourages innovation in order to achieve its objectives and exploit opportunities and can do so in confidence that risks are being identified and controlled by senior managers.
- 6.3. With this in mind, the Board has agreed to the following risk appetite statement:

Nottingham and Nottinghamshire ICB's Risk Appetite Statement

The Board of NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) recognises that long-term sustainability and the ability to improve quality and health outcomes for our population, depends on the achievement of our strategic objectives and that this will involve a willingness to take and accept risks. It may also involve taking risks with our strategic partners in order to ensure successful integration and better health services for the people of Nottingham and Nottinghamshire.

Nottingham and Nottinghamshire ICB's Risk Appetite Statement

The ICB will endeavour to adopt a **mature** approach to risk-taking where the long-term benefits could outweigh any short-term losses, in particular when working with strategic partners across the Nottingham and Nottinghamshire system. However, such risks will be considered in the context of the current environment in line with the ICB's risk tolerance and where assurance is provided that appropriate controls are in place and these are robust and defensible.

The ICB will seek to **minimise** risks that could impact negatively on the health outcomes and safety of patients or in meeting the legal requirements and statutory obligations of the ICB. We will also seek to **minimise** any undue risk of adverse publicity, risk of damage to the ICB's reputation and any risks that may impact on our ability to demonstrate high standards of probity and accountability.

In view of the changing landscape, in particular over the next nine months, the ICB's risk appetite will not necessarily remain static. The ICB's Board will have the freedom to vary the amount of risk it is prepared to take, depending on the circumstances at the time. It is expected that the levels of risk the ICB is willing to accept are subject to regular review.

1 Good Governance Institute Risk Appetite for NHS Organisations – definition of ‘mature’ is confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust.

2 Good Governance Institute Risk Appetite for NHS Organisations – definition of ‘minimise’ is preference for ultra-safe delivery options that have a low degree of inherent risk.

7. Risk Tolerance

- 7.1. Whilst risk appetite is about the pursuit of risk, risk tolerance is concerned with the level of risk that can be accepted (e.g. it is the minimum and maximum level of risk the ICB is willing to accept reflective of the risk appetite statement above).
- 7.2. For operational risks rated lower than 12 (**medium**), the responsible committee may agree that they can be tolerated. However, this is subject to the committee being satisfied that no other actions can be undertaken and that robust management and monitoring controls are in place.
- 7.3. Some risks are unavoidable and will be out of the ICB's ability to mitigate to a tolerable level. Where this is the case, the focus will move to the controls in place to manage the risks and the contingencies planned should the risks materialise.

8. Strategic Risk Management

- 8.1. Strategic risks are high-level risks that are pro-actively identified and threaten the achievement of the ICB's strategic objectives and key statutory duties. Strategic

risks are owned by members of the Executive Management Team and are outlined within the ICB's **Board Assurance Framework (BAF)**.

- 8.2. The Assurance Framework provides the Board with confidence that the ICB has identified its strategic risks and has robust systems, policies and processes in place (*controls*) that are effective and driving the delivery of their objectives (*assurances*). It provides confidence and evidence to management that '*what needs to be happening is actually happening in practice*'.
- 8.3. The Assurance Framework plays an important role in informing the production of the Annual Governance Statement and is the main tool that the Board should use in discharging overall responsibility for ensuring that an effective system of internal control is in place.
- 8.4. The Board approves the strategic risks (opening position) during the first quarter of the financial year, following agreement of the strategic objectives. The Board reviews the fully populated Assurance Framework bi-annually (mid-year and year-end) to affirm that sufficient levels of controls and assurances are in place in relation to the organisation's strategic risks.
- 8.5. The Assurance Framework is reviewed and updated by Executive Directors and the Head of Corporate Assurance Team throughout the year. This involves a review of the effectiveness of controls and what evidence (internal or external) is available to demonstrate that they are working as they should (*assurances*). Any gaps in controls or assurances will be highlighted at this point and actions identified.
- 8.6. The Audit and Risk Committee receive a rolling programme of targeted assurance reports which, over a 12 month period, covers all of the ICB's strategic objectives (the full Assurance Framework). This enables a focussed review on specific sections of the Assurance Framework and allows for robust discussions on the actions in place to remedy any identified gaps in controls and assurances.

9. Operational Risk Management

- 9.1. Operational risks are 'live' risks the organisation is currently facing which are by-products of day-to-day business delivery. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives.
- 9.2. Operational risk management relies upon reactive identification of risks, which are 'dynamic' in nature. Operational risks are managed via additional mitigations and are captured on the ICB's **Operational Risk Register**.

- 9.3. The Operational Risk Register is the central repository for all of the ICB's operational risks. Whilst risks will feature across a number of the ICB's processes, it is important that these are captured centrally to provide a comprehensive log of prioritised risks that accurately reflects the ICB's risk profile.
- 9.4. The Operational Risk Register reflects both operational risks relevant to the ICB as a corporate body (operational risks associated with delivery of the ICB's statutory duties) and operational risks associated with the delivery of system objectives/priorities (operational risks associated with the delivery of transformation programmes, for example).
- 9.5. The ICB's Operational Risk Register will not capture operational risks which are owned by ICS System Partners that they are accountable for via their individual statutory organisations.
- 9.6. The Operational Risk Register contains details of the risk, the current controls in place and an overview of the actions required to mitigate the risk to the desired level. A named individual (risk owner) is given responsibility for ensuring the action is carried out by the chosen due date. Members of the Senior Leadership Team are assigned 'risk owners' for risks within the Operational Risk Register.

10. Risk Logs

- 10.1. Risk logs are used to record operational risks at **individual team, Place and programme/project-level**.
- 10.2. Risk logs should be used to record operational risks at team, Place and project-level which are not considered significant enough to be captured on the ICB's Operational Risk Register. Such risks are identified in line with the Place/programme/team/Directorate-level objectives which have been set. A Risk Log template is in place and accessible from the Corporate Assurance Team by email: notts.corporateassurance@nhs.net
- 10.3. Whilst a fundamental part of the ICB's risk management arrangements (ensuring and demonstrating that project-level and/or team-level risks are being actively identified and managed), risk logs do not require the same level of management as the Operational Risk Register or Assurance Framework and, therefore, the oversight and scrutiny for team level risk logs is the responsibility of the relevant senior manager(s) (e.g. member of the Senior Leadership Team) to establish this. It may, for example include routine consideration of Risk Logs at project and/or team meetings.
- 10.4. When identified risks are considered as needing to be escalated (e.g. may directly impact the achievement of ICB objectives), these must be escalated to the

Operational Risk Register. The Head of Corporate Assurance can offer support and guidance regarding risk escalation.



11. Risk Management Processes

Risk Assessments

- 11.1. Risk assessments can be undertaken at the start of any activity and provide a helpful means of anticipating ‘what could go wrong’ and deciding on preventative actions. For specific risk assessments relating to workplace safety (e.g. use of display screen equipment, lone working, maternity, etc.), please refer to the ICB’s health and safety policies.

Risk

Risk Identification

- 11.2. Operational risks (those which require adding to the Operational Risk Register) may be identified through an assortment of means, for example by risk assessments, external assessments, audits, complaints, during meetings and through horizon-scanning. For example, any medium (or higher) risks identified within internal or external audit reports are captured within the Operational Risk Register.
- 11.3. The ICB, and its Committees, have a key role in the identification of risks in response to information presented to, and discussions held, at each meeting. A standing agenda item is included for every meeting to determine if there are any new risks that need to be considered for the Operational Risk Register.
- 11.4. Regular meetings are held with Executive Directors and members of the Senior Leadership Team to discuss new or evolving risks within their respective portfolios/teams. This may include corporate or system risks.

Interface with System Partner Risks

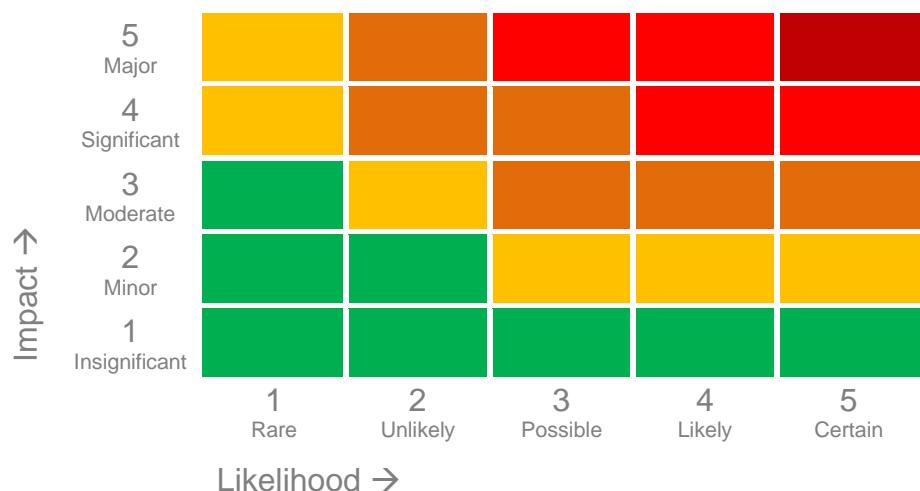
- 11.5. ICB risk management arrangements should consider risks identified by system partners, however, it is important to note that system partner risks should not be ‘escalated’ to the ICB for management. It is also recognised that the scoring of risks by system partners may not necessarily reflect the risk score for the ICB; as

individual sovereign organisations will be assessing risks against their own objectives.

- 11.6. System risk management is about the collective accountability and mitigation of risks; it is not the formal escalation of risks from ICS System Partners to the ICB.

Risk Evaluation

- 11.7. Risks are evaluated by defining qualitative measures of impact and likelihood, as shown in the risk scoring matrix, shown in **Appendix D**, to determine the risk's RAG rating. Risk scores can be subjective, therefore, the scores will be subject to review and agreement by senior managers and/or the responsible committee. The Head of Corporate Assurance can also offer support and guidance regarding risk evaluation.



11.8. Risk Treatment

Risk treatment (also known as risk control) is the process of selecting and implementing measures to mitigate the risk to an acceptable level. Once risks have been evaluated, a decision should be made as to whether they need to be mitigated or managed through the application of controls (as described using the 'four T' risk treatment model below).

Treatment	Description
Terminate	Opt not to take the risk by terminating the activities that will cause it (more applicable to project risks).
Treat	Take mitigating actions that will minimise the impact of the risk prior to its occurrence and/or reduce the likelihood of the risk occurring.

Treatment	Description
Transfer	Transfer the risk, or part of the risk, to a third party.
Tolerate	<p>Accept the risk and take no further actions. This may be due to the cost of risk mitigation activity not being cost effective or the impact is so low it is deemed acceptable to the organisation.</p> <p><i>Risks which are tolerated should continue to be monitored as future changes may make the risk no longer tolerable.</i></p>

- 11.9. The majority of operational risks should have the ability to reduce in impact and/or likelihood and the relevant risk treatment must be performed to mitigate risks to an acceptable level. High and extreme operational risks (those scoring 15 or above) which are not deemed to be treatable will be highlighted to the Board as part of routine risk reporting.
- 11.10. For operational risks rated lower than 12, the responsible committee may agree that they can be tolerated. However, this is subject to the committee being satisfied that no other actions can be undertaken and that robust management and monitoring controls are in place.
- 11.11. Such risks will show as 'inactive' on the Operational Risk Register (therefore remaining within the risk profile) but will not be subject to ongoing committee scrutiny. The relevant risk lead will be responsible for highlighting any relevant changes to 'tolerated' risks (e.g. whether they can be archived or need to be reactivated). Any 'inactive' risks will be reviewed on an annual basis.

Management and Reporting of Risks

- 11.12. The following categories of risk grading provide a high-level view of management and reporting requirements. Expected management of risks at each grading has been designed in consideration of the ICB's risk appetite.
- The **ICB** will oversee all risks with an overall score of 15+ (e.g. any high and/or extreme operational risks from the Operational Risk Register) at each of its meetings.
 - **Committees** will oversee all risks relevant to their remit with an overall score of 6+ (e.g. medium rating and upwards) from the Operational Risk Register at each of their meetings.
 - The **Audit and Risk Committee** will receive bi-annual risk management updates, including the full Operational Risk Register, which will enable any risk themes and trends to be reviewed; ensuring any multiple, similar risks of a low impact and likelihood are not ignored. This will support their duty to provide

the Board with assurance on the robustness and effectiveness of the ICB's risk management processes.

	Very Low (1-5)	Low (4-10)*	Medium (8-15)*	High (15-20)	Extreme (25)
Level of risk	An acceptable level of risk that can be managed at directorate / team / project level (recorded in Risk Logs)	An acceptable level of risk that can be managed at directorate / team / project level (recorded in Risk Logs). <i>*A risk could score 8-10 and be 'Low' if the 'Impact' score is low.</i>	A generally acceptable level of risk but corrective action needs to be taken (e.g. new risk at score 6+ or escalated from Risk Log(s) to ICB Operational Risk Register). <i>*A risk could score 8-10 and be 'Medium' if the 'Impact' score is high.</i>	An unacceptable level of risk which requires senior management attention and corrective action	An unacceptable level of risk which requires urgent Executive and senior management attention and immediate corrective action
Add to ICB Operational Risk Register?	No	No	Yes, with quarterly progress updates (as a minimum)	Yes, with bi-monthly progress updates (as a minimum)	Yes, with monthly progress updates (as a minimum)
Oversight and scrutiny	Risk Logs to be reviewed in relevant Team/Directorates Meetings or Place Based or System Transformation Groups	Risk Logs to be reviewed in relevant Team/Directorates Meetings or Place Based or System Transformation Groups	ICB Risk Register (full or relevant extracts) to be reviewed by the relevant committee(s) at each meeting	ICB Risk Register (full or relevant extracts) to be reviewed by the relevant committee(s) at each meeting	All red/high risks on the ICB Operational Risk Register to be highlighted to the ICS Board

12. Performance Risks

- 12.1. The ICB monitors the system performance against key delivery priorities via a separate, but parallel, process to the ICB's risk management arrangements.

- 12.2. In order to minimise duplication, failures to achieve performance standards are not routinely identified as specific risks on the ICB's Operational Risk Register. This should not indicate its absence from the organisation's overall risk profile and poor performance from a risk perspective will be referenced as necessary when reporting externally on risks (e.g. in the Annual Governance Statement).

- 12.3. The consistent non-delivery of performance standards will be assessed to ensure that any specific risks this poses to the ICB's functions (e.g. a detrimental impact on health outcomes, patient safety or patient experience) are identified and captured on the Operational Risk Register.

13. Management of Issues

- 13.1 Issues are not routinely recorded on the ICB's Operational Risk Register as they are managed via the organisation's performance management framework. However, discretion may be used by senior leads/managers as to whether local issues are captured on individual risk logs.
- 13.2 Known issues are an important mechanism to determine if there are any new risks needed to be identified, and captured, within the ICB's risk management arrangements. The Head of Corporate Assurance can provide further support and guidance on the management of issues.

14. Fraud Risk Assessment

- 14.1. The Government Functional Standard 013: Counter Fraud *Management of counter fraud, bribery and corruption activity* has applied to NHS organisations since April 2021. The standard is part of a suite of standards that promotes consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement.
- 14.2. The NHS Counter Fraud Authority (NHSCFA) is a health authority charged with identifying, investigating and preventing fraud and other economic crime within the NHS. The NHSCFA requires the organisation to undertake a local risk assessment to identify fraud, bribery and corruption risks and to ensure these are recorded and managed in line with its risk management policy.
- 14.3. A separate fraud risk register will be maintained by the ICB and reported to the Audit and Risk Committee once a year (as a minimum), to coincide with the Counter Fraud annual planning process.

15. Confidentiality

- 15.1. Where risks are not deemed to be in the public interest, they will be clearly marked as confidential on the Operational Risk Register and reported to the ICB during its closed session. This should be for a time-limited period only and risk owners and committees are responsible for agreeing when confidentiality no longer applies.

16. Communication, Monitoring and Review

- 16.1. The policy will be published and maintained in line with the ICB's Policy Management Framework.
- 16.2. The policy will be highlighted to new staff as part of the local induction process and made available to all staff through the ICB's internal communication procedures (and internet/intranet sites).
- 16.3. The ICB's Audit and Risk Committee will review the effectiveness of this policy, and its implementation, via bi-annual risk management update reports and monthly targeted assurance reports.
- 16.4. The ICB will review the risk appetite on an annual basis.
- 16.5. Internal Audit will report on the implementation of this policy as part of the annual Head of Internal Audit Opinion work programme.

17. Staff Training

- 17.1. The Corporate Assurance Team will proactively raise awareness of the policy across the ICB and provide ongoing support to committees and individuals to enable them to discharge their responsibilities. Members of the Corporate Assurance Team can be contacted for formal training at team meetings (or other forums) by email: notts.corporateassurance@nhs.net
- 17.2. Any individual who has queries regarding the content of the policy, or has difficulty understanding how this relates to their role, should contact the ICB's Corporate Assurance Team by email: notts.corporateassurance@nhs.net

18. Equality and Diversity Statement

- 18.1 NHS Nottingham and Nottinghamshire ICB pays due regard to the requirements of the Public Sector Equality Duty (PSED) of the Equality Act 2010 in policy development and implementation, as a commissioner and provider of services, as well as an employer.
- 18.2 The ICB is committed to ensuring that, the way we provide services to the public and the experiences of our staff does not discriminate against any individuals or groups on the basis of their age, disability, gender identity (trans, non-binary) marriage or civil partnership status, pregnancy or maternity, race, religion or belief, gender or sexual orientation.
- 18.3 We are committed to ensuring that our activities also consider the disadvantages that some people in our diverse population experience when accessing health

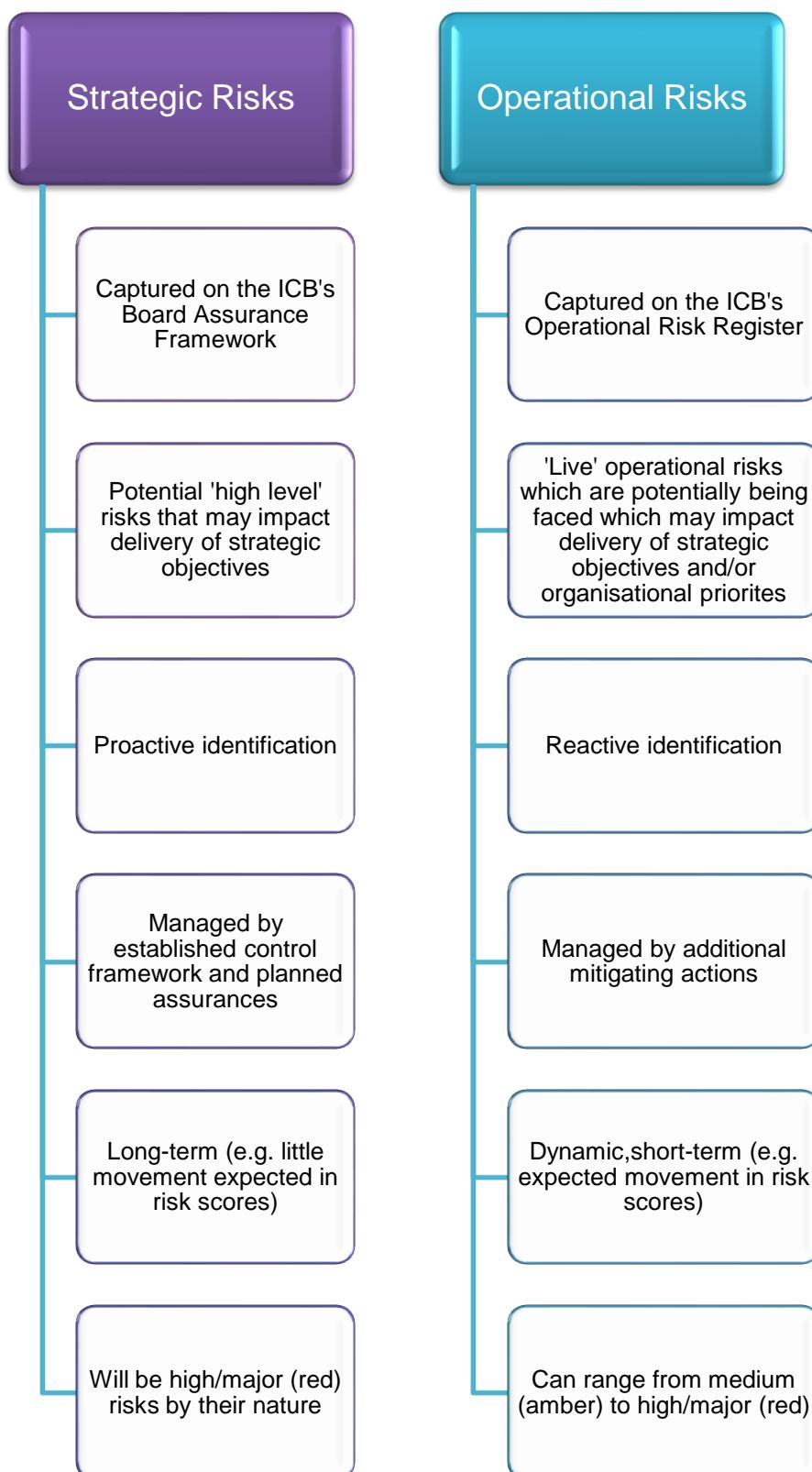
services. Such disadvantaged groups include people experiencing economic and social deprivation, carers, refugees and asylum seekers, people who are homeless, workers in stigmatised occupations, people who are geographically isolated, gypsies, roma and travellers.

- 18.4 As an employer, we are committed to promoting equality of opportunity in recruitment, training and career progression and to valuing and increasing diversity within our workforce.
- 18.5 To help ensure that these commitments are embedded in our day-to-day working practices, an Equality Impact Assessment has been completed for, and is attached to, this policy.

19. References

- Assurance Frameworks, (2012). HM Treasury.
- A Risk Practitioners Guide to ISO 31000:2018, (2018). The Institute of Risk Management.
- Board Assurance: A toolkit for health sector organisations, (2015). NHS Providers.
- The Orange Book: Management of Risk – Principles and Concepts, (2020).
- Risk Appetite & Tolerance, (2011). The Institute of Risk Management.
- NHS Audit Committee Handbook, (2018). Healthcare Financial Management Association
- NHS Governance Handbook, (2017). Healthcare Financial Management Association
- Risk Appetite for NHS Organisations: A matrix to support better risk sensitivity in decision taking. (2012). The Good Governance Institute.
- Good Governance Institute (GGI)

Appendix A: Characteristics of Strategic and Operational Risks



Appendix B

Risk Identification Guidance

The purpose of this guidance is to support staff in identifying operational risks that may require entry on to their local risk logs and/or for escalation to the ICB's Operational Risk Register. Further guidance on identifying risks can be provided by contacting the Corporate Assurance Team by email: notts.corporateassurance@nhs.net

The general definition of a risk is "*the effect of uncertainty on objectives*" and it is the responsibility of all staff to:

- Identify risks at the conceptual stage of projects, as well as throughout the life of the project.
- Routinely consider risk within any planning, procurement or other ICB business and system activities.
- Ensure that any **operational** risks they become aware of are captured on local risk logs and/or the ICB's Operational Risk Register (dependent on score).

Operational risks are defined as by-products of the day-to-day running of an organisation. They arise from definite events or circumstances and have the potential to impact negatively on the organisation and its objectives. The objective which may not be achieved needs to be considered in the risk wording.

Good practice for articulating risks is as follows:

- a) [Event that has an effect on objectives] **[due to]** caused by **[cause/s]** resulting in **[consequence/s]**; or
- b) [Event that has an effect on objectives] **[due to]** caused by **[cause/s]**. This may result in **[consequence/s]**.

Training on writing risk statements can be requested from the Head of Corporate Assurance. Risk Log templates are also available.

Categorise the risk using the categories in **Appendix C** and use the risk scoring matrix in **Appendix D** to calculate what the risk is at the moment (before any actions have been implemented). You then need to consider the controls you have in place to manage this (e.g. contract monitoring arrangements) and any additional actions that may be needed to mitigate the risk to an acceptable level.

Appendix C

Categories of Risk

ICB Function	Description	Responsible Committee
Finance	Risks to all areas pertaining to finance and financial control. This also includes risks related to contractual enforcement issues.	Finance and Performance Committee
Quality	Risks in maintaining and improving quality; including the safety and effectiveness of treatment and care and patient experience.	Quality and People Committee
Transformation	Risk of failure to deliver required transformation programmes.	Strategic Planning and Integration Committee
Commissioning	Risks associated with failure to commissioning appropriate services to meet the needs of the citizens of Nottingham and Nottinghamshire.	Strategic Planning and Integration Committee
Planning / Delivery	Risks relating to the inability to robustly plan and/or deliver agreed system plans/priorities.	Strategic Planning and Integration Committee
Health outcomes / inequalities	Risk of failure to ensure better outcomes for the citizens of Nottingham and Nottinghamshire.	Quality and People Committee
Safeguarding	Risks relating the ICB's statutory duties for safeguarding children and vulnerable adults.	Quality and People Committee
Primary Care	Risks relating to delegated commissioning responsibilities for primary care services.	Strategic Planning and Integration Committee
Compliance	Risk of failure to comply with statutory duties and other regulatory and legal requirements; for example the Public Sector Equality Duty, information governance requirements, procurement regulations and employment law.	Various, depending on the nature of non-compliance.
Information Governance	Risk of failure to comply with information governance regulatory and legal requirements.	Audit and Risk Committee

Appendix C

ICB Function	Description	Responsible Committee
Governance / Probity	Risk of failure to comply or to demonstrate compliance with standards of business conduct. This includes transparency in decision-making, the robust management of conflicts of interest and adherence with the ICB's policy on gifts, hospitality and sponsorship.	Audit and Risk Committee
Workforce	Risk of failure to ensure a skilled and effective workforce, incorporating issues related to staff recruitment and retention, training and development (including succession planning) and organisational morale and culture.	Quality and People Committee
Engagement and Partnership working	Risk of failure to engage effectively with patients, carers, the public, clinicians and all other stakeholders. Risk of failure to work in partnership with wider ICS partners.	Quality and People Committee Strategic Planning and Integration Committee

Appendix D

Risk Scoring Matrix

Table 1: Impact Score (I)

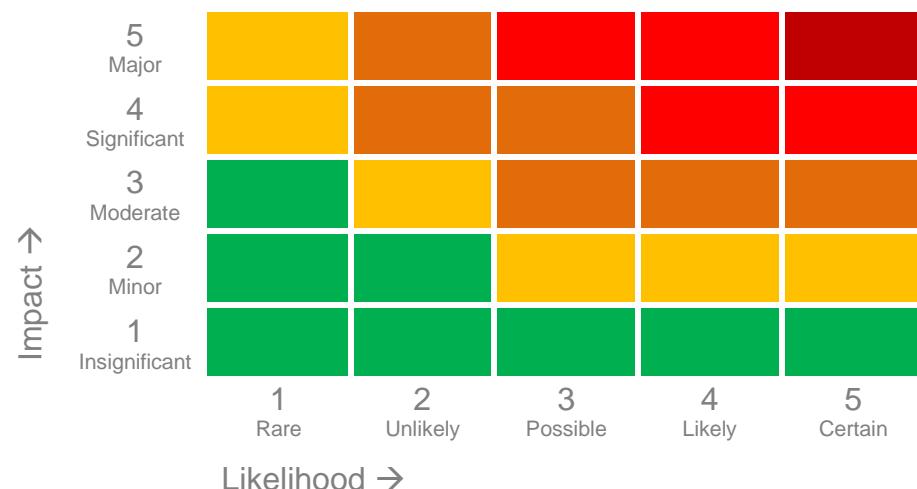
Category	Impact Scoring				
Impact score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Significant	Major
Operational / Quality	<ul style="list-style-type: none"> Minor reduction in quality of treatment or service No or minimal effect for patients 	<ul style="list-style-type: none"> Single failure to meet national standards of quality of treatment or service Low effect for a small number of patients if unresolved 	<ul style="list-style-type: none"> Repeated failure to meet national standards of quality of treatment or service Moderate effect for multiple patients if unresolved 	<ul style="list-style-type: none"> Ongoing non-compliance with national standards of quality of treatment or service Significant effect for numerous patients if unresolved 	<ul style="list-style-type: none"> Gross failure to meet national standards with totally unacceptable levels of quality of treatment or service Very significant effect for a large number of patients if unresolved
Reputational	<ul style="list-style-type: none"> Not relevant to mandate priorities No adverse media coverage No negative recognition from the public 	<ul style="list-style-type: none"> Minor impact on achieving mandate priorities Low level of adverse media coverage Small amount of negative public interest 	<ul style="list-style-type: none"> Moderate impact on achieving mandate priorities Moderate amount of adverse media coverage Moderate amount of negative public interest 	<ul style="list-style-type: none"> High impact on achieving mandate priorities High level of adverse media coverage Negative impact on public confidence 	<ul style="list-style-type: none"> Mandate priorities will not be achieved National adverse media coverage Total loss of public confidence
Financial	TBD in line with ICB agreed budgets	TBD in line with ICB agreed budgets	TBD in line with ICB agreed budgets	TBD in line with ICB agreed budgets	TBD in line with ICB agreed budgets

Appendix D

Table 2: Likelihood Score (L)

Category	Likelihood Scoring				
Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Certain
Frequency / How likely is it to happen?	This probably will never happen/recur	Do not expect it to happen/recur, but it is possible it may do so	Might happen or recur occasionally	Will likely happen/recur, but is not a persisting issue or circumstance	Very likely to happen/recur; possibly frequently

Table 3: Impact (I) x Likelihood (L) Risk Matrix



Appendix E

Equality Impact Assessment

Date of assessment:	June 2022			
For the policy, and its implementation, please answer the questions against each of the protected characteristic and inclusion health groups:	Has the risk of any potential adverse impact on people in this protected characteristic group been identified, such as barriers to access or inequality of opportunity?	If yes, are there any mechanisms already in place to mitigate the adverse impacts identified?	Are there any remaining adverse impacts that need to be addressed? If so, please state any mitigating actions planned.	Are there any positive impacts identified for people within this protected characteristic group? If yes, please briefly describe.
Age³	No	N/A	N/A	N/A
Disability⁴	Yes	Mechanisms are in place via the Communications and Engagement Team to provide this policy in a range of languages, large print, Braille, audio, electronic and other accessible formats.	N/A	N/A
Gender identity (trans, non-binary)⁵	No	N/A	N/A	N/A
Marriage or civil partnership status⁶	No	N/A	N/A	N/A

³ A person belonging to a particular age (for example 32 year olds) or range of ages (for example 18 to 30 year olds).

⁴ A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

⁵ The process of transitioning from one gender to another.

⁶ Marriage is a union between a man and a woman or between a same-sex couple.

Same-sex couples can also have their relationships legally recognised as 'civil partnerships'.

Appendix E

Date of assessment:	June 2022			
For the policy, and its implementation, please answer the questions against each of the protected characteristic and inclusion health groups:	Has the risk of any potential adverse impact on people in this protected characteristic group been identified, such as barriers to access or inequality of opportunity?	If yes, are there any mechanisms already in place to mitigate the adverse impacts identified?	Are there any remaining adverse impacts that need to be addressed? If so, please state any mitigating actions planned.	Are there any positive impacts identified for people within this protected characteristic group? If yes, please briefly describe.
Pregnancy or maternity ⁷	No	N/A	N/A	N/A
Race ⁸	No	N/A	N/A	N/A
Religion or belief ⁹	No	N/A	N/A	N/A
Gender ¹⁰	No	N/A	N/A	N/A
Sexual orientation ¹¹	No	N/A	N/A	N/A
Carers ¹²	No	N/A	N/A	N/A

⁷ Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

⁸ Refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

⁹ Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

¹⁰ A man or a woman.

¹¹ Whether a person's sexual attraction is towards their own sex, the opposite sex, to both sexes or none. <https://www.equalityhumanrights.com/en/equality-act/protected-characteristics>

¹² Individuals within the ICB which may have carer responsibilities.