



**Humber and North Yorkshire**  
Health and Care Partnership



**Humber and  
North Yorkshire**  
Integrated Care Board (ICB)

## **Risk Management Policy**

**May 2023**

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**The on-line version is the only version that is maintained. Any printed copies should, therefore, be viewed as ‘uncontrolled’ and as such may not necessarily contain the latest updates and amendments.**

## POLICY AMENDMENTS

Amendments to the Policy will be issued from time to time. A new amendment history will be issued with each change.

<b>New Version Number</b>	<b>Issued by</b>	<b>Nature of Amendment</b>	<b>Approved by &amp; Date</b>	<b>Date on Website</b>
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## **1. INTRODUCTION**

- 1.1. Risk is an inherent part of the strategic and day-to-day activities of Humber and North Yorkshire Integrated Care Board (the ICB) as a large and complex NHS body. The ICB's Risk Management Policy and Framework sets out the systematic means through which such risks are proactively identified, assessed and mitigated in order to ensure that it achieves its strategic priorities and maintains the safety of its staff, patients and members of the public.
- 1.2. The Policy supports the effective delivery of the ICB's strategic and operational priorities whilst fostering a culture that maximizes the opportunity for flexibility, innovation and best practice. It also forms an important element of the ICB's robust internal control framework which ensures that the highest standards of good governance, transparency and accountability are met.
- 1.3. Effective risk management processes are central to providing the ICB with assurance that all required activities are taking place to ensure the delivery of the ICB's strategic priorities and compliance with all legislation, regulatory frameworks and risk management standards.
- 1.4. The ICB maintains a system of internal control which is designed to manage risk to a reasonable level rather than to eliminate it completely; the system of internal control can therefore only ever provide reasonable and not absolute assurance of effectiveness.
- 1.5. The process designed to:
  - 1.5.1. Identify and prioritise the risks to the achievement of the ICB's policies, aims and objectives.
  - 1.5.2. Systematically evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## **2. SCOPE**

- 2.1. This Policy applies to all employees of the ICB and all the constituent parts of the organisation; six health and care partnerships (Places), five sector collaboratives, and ICB Committees as well as those involved in a partnership capacity in delivery of the ICB's business.

## **3. POLICY PURPOSE & PRINCIPLES OF RISK MANAGEMENT**

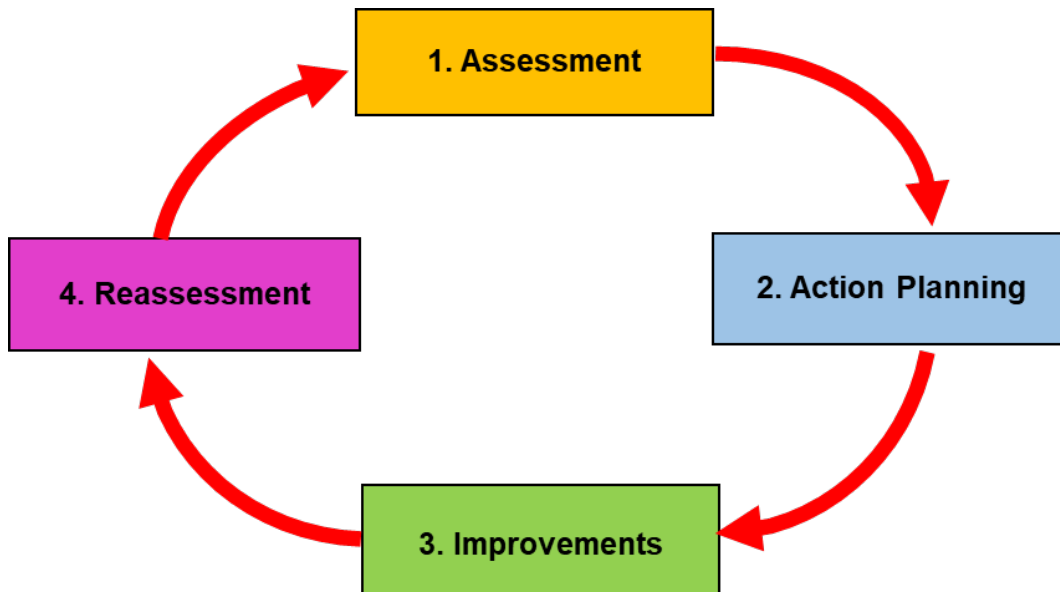
- 3.1. The ICB has adopted a dynamic approach to risk management, enabling it to be sighted on the highest-level risks at Board level while being assured that appropriate mechanisms of control are in place across the organisation and the Humber and North Yorkshire Integrated Care System (ICS) for shared risks.
- 3.2. The ICB Board supports the following principles for risk management:
  - i. The primary building blocks for risk identification and management within the ICB are the six health and care partnerships (Places) and five sector collaboratives, supported by ICB directorates, committees, the ICB Board and the Integrated Care Partnership (ICP).

- ii. The promotion of variable risk appetite, which balances the ICB's tolerance to risk against the nature of the risk and delivery of the ICB's vision and ambitions.
- iii. The management and oversight of risks should be carried out as close to the source of the risk as possible, unless it is agreed that a risk needs to be managed centrally.
- iv. Additional confirm and challenge will be undertaken for assurance purposes by as many other levels as necessary and in accordance with the Board defined out of appetite risk thresholds. Risk registers will be regularly reviewed to identify common risks across the ICB.
- v. The adoption of a single ICB methodology to enable the consistent recording and appraisal of risk, irrespective of its source or nature.
- vi. The adoption of a shared responsibility risk model within the Humber and North Yorkshire ICS which distinguishes between those risks that are directly within the control of the ICB and those that are shared, the latter being managed between system partners.
- vii. Effective risk management is not an end in itself but an integral part of the ICB's quality, governance and performance management processes.

#### 4. DEFINITIONS

- 4.1. **Risk** - is the chance that something will happen that will have an impact on the ICB's ability to achieve its objectives and to deliver its strategic objectives, programs or service delivery successfully. It is measured in terms of *likelihood* (frequency or probability of the risk occurring) and *severity* (impact or magnitude of the effect of the risk occurring). The ICB uses a 5x5 matrix scoring system, which produces a score of 1 – 25. Risks may have a positive or negative effect. See Appendix 1.
- 4.2. **Risk Management** - is "*the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.*" Australian / New Zealand Risk Standards 4360:1999
- 4.3. **The Risk Management Process** - is "*the systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.*" Australian / New Zealand Risk Standards 4360:1999

The ICB risk management process can be summarised as follows:



## 5. RISK MANAGEMENT PROCESSES

5.1. **Risk identification** - The identification of risk involves examining all sources of potential risk that the ICB may be exposed to from the perspective of all stakeholders throughout the organisation. When identifying potential risk, there are two key approaches: the top-down and the bottom-up approach.

**Top Down (Identifying Strategic Risk)** – Strategic Risk Management is undertaken through Executive Management and Committee structures and enables the identification, assessment and recording of strategic risks which threaten the achievement of the ICB’s strategic priorities (Strategic Risks may also be identified through the reporting and escalation of Operational Risks.) The ICB Board will take an active interest in the management of strategic risks through the Board Assurance Framework (BAF) which is maintained for ongoing assurance. The BAF is updated bi-monthly and considered at each meeting of the ICB Board.

**Bottom Up (Identifying Operational Risk)** – Operational Risk Management activity is supported by staff working in adherence to organisation’s policies and procedures. Operational Risks may present themselves, via incidents, complaints, claims, patient feedback, safety inspections, external reviews, ad hoc assessments etc. which may impact on the organisation’s ability to meet its objectives and targets.

5.2. **Risk Prioritisation and Treatment** - Once a risk has been identified and assessed, the next step is to decide how to treat the risk. Options for treating the risk include:

- i) Mitigate the risk by taking action to reduce its likelihood and / or impact.
- ii) Accept the risk by an informed decision.
- iii) Avoid the risk, e.g., by discontinuing a specific activity.
- iv) Transfer or share the risk, e.g., with a service provider or system partners, and accountability for the risk will be shared amongst partners.
- v) Take or increase the risk to pursue an opportunity, consistent with Board defined risk appetites.

The risk score and appetite level determine the prioritisation and allocation of resource.

5.3. **The Board Assurance Framework (BAF)** - The BAF summarises how the Board knows that the controls it has in place are effectively managing the principal risks to the achievement of its strategic objectives, together with references to documentary evidence/assurances and current mitigation plans. It also provides a structure for the evidence to support the Annual Governance Statement. This simplifies board reporting and the prioritisation of action plans, which, in turn, allow for more effective performance management. The ICB has adopted a board assurance framework in line with the Good Governance Institute's Guiding Principles.

The Board will consider the BAF at the start of each meeting to determine how the agenda items offer further assurance or otherwise impact on the strategic risks and controls set out within the BAF. The BAF will be updated formally on a bi-monthly basis.

5.4. **Assurance** – this is a holistic concept based on best governance practice. It is a process designed to provide evidence that the ICB is doing its “reasonable best” to manage itself so as to meet its objectives, protect patients, staff, and the public and other stakeholders against risks of all kinds. It is a fundamental process of governance that will assist the ICB in identifying risks, determining unacceptable levels of risk and deciding where best to direct the limited resources to eliminate or reduce those risks. It exists to inform the ICB Board about significant risks within the organisation and for which they are responsible.

5.5. **Managing and Oversight of Risk** - the ICB has determined that all risks will be managed according to the organisation's pre-determined Risk Appetite scores. Those risks identified as out of the pre-determined Risk Appetite score will be escalated to the corporate risk register. And those risks which are identified as threatening the delivery of the ICB's strategic objectives will be reflected on the BAF. Risks may still be monitored on the respective registers if they are within risk appetite as long as the justification is recorded.

Management responsibility is primarily dependent on the distance from risk appetite level. The impact of some risks, or the actions needed to mitigate them, can be such however that it is necessary to escalate the risk to a higher management level, for example from service or operational level to Place leadership team level, or Place leadership team / collaborative level to ICB committee or executive committee level.

An integral part of effective risk management is ensuring that risks are escalated and de-escalated through the organisation in line with robust confirm and challenge procedures and relevant governance committee structures.

5.6. **Risk Responsibility and Appetite** - The ICB recognises that it is impossible and indeed not always desirable to eliminate all risks and that systems of control should not be so rigid that they stifle innovation and effective use of limited resources in order to achieve the ICB's objectives. In order to establish a consistent framework for the assessment and management of risk, the ICB has adopted a risk assessment tool (Appendix 1).

However, as a general principle the ICB will seek to eliminate or reduce all identifiable risk to the lowest practicable level and control all risks which have the potential to:

- i) Harm patients, staff, visitors and other stakeholders.
- ii) Have a high potential for incidents to occur.

- iii) Results in loss of public confidence in the ICB and/or its partner agencies.
- iv) Have severe financial consequences which would prevent the ICB from carrying out its functions on behalf of its residents.

Risk appetite is the amount of risk the ICB is willing to tolerate in the pursuit of its objectives. The ICB Board has determined the Organisational risk appetite by risk type, as follows:

Domains	Strategic Lead	Risk Appetite (defined by the Board December 2022)	Threshold Score
1: Clinical Quality & Safety	Executive Director of Nursing & Quality / Executive Director of Clinical & Professional Services	CAUTIOUS (to be kept under review)	6
2: Patient Experience	Executive Director of Communication, Marketing & PR	BALANCED	8
3: Workforce	Executive Director of People	OPEN	12
4: Financial / Value for Money	Executive Director of Finance & Investment	BALANCED	8
5: Compliance / Regulatory	Executive Director of Corporate Affairs	BALANCED	8
6: Reputation	Executive Director of Communication, Marketing & Public Relations	BALANCED	8
7: Transformation Delivery	Deputy Chief Executive / Chief Operating Officer	OPEN	12
8: Partnership	Executive Director of Corporate Affairs	OPEN	12

**5.7. Corporate Risk Register (CRR)** - The CRR comprises all out of appetite risks, as defined by the Board's risk appetite thresholds. The executive committee (team) review the CRR to determine the most significant risks that are reported and reviewed by the Board.

Such risks may have been identified by the executive committee as being common to more than one Place, having the potential to impact multiple Places or otherwise require significant or substantial mitigation by the ICB.

Risks on the CRR will continue to be managed as close to the source of the risk as possible, unless it is agreed by the executive committee, or individual executive director, that a risk needs alternative management and oversight.

**5.8. Risk Reporting Cycle** - The ICB operates a continuous risk review process, via risk owners, supported by a monthly reporting cycle.

Risk review is undertaken by risk owners to:

- i) Confirm whether the risk remains extant.
- ii) If so, review progress on the actions and mitigations.
- iii) Assess whether the likelihood of a risk occurring has increased or decreased.
- iv) Assess whether the impact has increased or decreased.
- v) Identify any new risks.

Committees and other constituent elements of the ICB will review the risks relevant to their remit at a frequency determined by themselves, however this typically will align to the frequency of their



meetings.

## 6. GOVERNANCE STRUCTURE WITH RESPECT TO RISK MANAGEMENT

6.1. The ICB maintains a robust governance structure to ensure that the organisation's risk management activity is subject to appropriate levels of oversight and scrutiny. The governance structure described below supports the accountability arrangements for risk management and ensures that all risks are properly considered and escalated within the organisation, as required.

Through this structure, the Board ensures that adequate resources and support systems are in place to enable the organisation to effectively manage threats to its business objectives.

6.2. The **ICB Board** - is accountable for the oversight of all risks across the ICB. The Chief Executive, supported by the Board Members, has responsibility for this Risk Management Policy and for ensuring adequate systems of internal control are in place which support the achievement of the ICB's strategic priorities. This includes establishing the BAF and CRR and seeking assurance that they are managed effectively across the organisation.

The Board also reviews and approves the risk management Policy on an annual basis.

6.3. The **Audit Committee** – seeks assurance on behalf of the board that the ICB has established and maintained an effective system of integrated governance, risk management and internal control across all of the organisation's activities that support the achievement of ICB's objectives. This includes appraising the assurance available from the ICB's internal audit programme.

6.4. The **Executive Committee** (team) provides executive oversight of the out of appetite risks contained in the CRR. It confirms and challenges the mitigations in place and makes judgements as to the most significant risks to report to the Board.

6.5. The **Quality Committee** - supports the ICB in delivering its statutory quality functions so as to secure continuous improvement in the quality of services. It will review and monitor those risks on the Board Assurance Framework and Corporate Risk Register which relate to quality, and high-risk operational risks which could impact on patient safety or care. It will ensure that the ICB is kept informed of significant risks and mitigation plans, in a timely manner, via the standing quality items in the ICB Board agendas.

6.6. The **Finance, Performance and Delivery Committee** - supports the ICB in delivering its strategic objectives by providing oversight and assurance on the management of risks relating to finance, performance and delivery of national targets.

6.7. **Other committees of the ICB** - ensure that the ICB is kept informed of significant risks and mitigation plans as relevant to their areas of responsibility.

6.8. **Health and Care Partnerships (Places)** – will uphold governance arrangements and systems of control so as to support the ICB's requirements with regards to risk management and internal control. This will include the maintenance and management of a Health and Care Partnership risk register.

6.9. **Sector Collaboratives** - will similarly uphold governance arrangements and systems of control so as to support the ICB's requirements with regards to risk management and internal control. This will

include the maintenance and management of a collaborative risk register.

## 7. OTHER ROLES AND RESPONSIBILITIES

- 7.1. The **Chief Executive** - has overall accountability for risk management and is responsible for ensuring that the required systems and processes are in place to support a positive risk culture and the effective identification and management of risk throughout the organisation.
- 7.2. The **Executive Director of Corporate Affairs** – has executive responsibility, on behalf of the Chief Executive, for the implementation of the Risk Management Policy. They are also the ICB's Senior Information Risk Officer (SIRO) and in this capacity is responsible for information risk and advises the Board on the effectiveness of information risk management across the ICB.
- 7.3. The **Executive Director of Finance and Investment** – holds executive fiscal responsibility for the ICB and is responsible for ensuring a sound system of internal financial control, establishing effective financial systems and management of financial risk for the ICB.
- 7.4. The **Executive Director of Nursing and Quality** - is the executive lead for the management and oversight of risks in relation to quality and safety within the ICB and those that relate to the commissioning of clinical services). They work closely with the Chief Executive, other executive directors and executive clinical leads in system partners to ensure a whole systems approach to the management of clinical risk.
- 7.5. The **Executive Director of Clinical and Professional Services** – is the ICB's Caldicot Guardian and is responsible for ensuring that the personal information about those who use the organisation's services is used legally, ethically and appropriately, and that confidentiality is maintained.
- 7.6. Other **executive directors** - are accountable to the Chief Executive for risks relating to their portfolios of responsibility and, together with the executive directors listed above, have collective accountability for the identification and oversight of significant risks on the CRR at the executive committee (team) and their reporting to the Board.
- 7.7. The **Director of Governance and Board Secretary** – is accountable to the Executive Director of Corporate Affairs for the design and maintenance of the ICB risk management framework. They are also the ICB Data Protection Officer (DPO) with responsibility to provide senior advice and guidance on the processing of personal data by the ICB.
- 7.8. **Head of Governance and Development** – Supports on the establishment and maintenance of the ICB Board Assurance Framework (BAF), facilitating the timely identification and quantification of the principal risks to the achievement of the ICB's Strategic Objectives. They also support the executive director lead in their regular review of the effectiveness of the controls, mitigations and assurances available with respect to the BAF's risks.
- 7.9. **Risk Assurance and Safety Lead** - To lead on and provide specialist and professional guidance of matters of risk for the ICB including Place, the assurance of the ICB's risk agenda, risk management system and risk-related regulatory and contractual compliance to facilitate the ICB wide programme of work which systematically recognises, reports, analyses, evaluates and minimises risk.
- 7.10. **All staff and others associated with the business of the ICB** – are responsible for:

- i) Take action to protect themselves and others from risks.
- ii) Identifying and reporting risks to their line manager using the ICB's risk processes and documentation.
- iii) Co-operating with others in the management of the ICB's risks.
- iv) Being aware of the ICB's Risk Management Policy and complying with the procedures.

## **8.0 POLICY REVIEW**

- 8.1 This Policy will be reviewed annually. Earlier review may be required in response to exceptional circumstances, organisational change or relevant changes in legislation or guidance as instructed by the Executive Director of corporate affairs responsible for this policy.

## **9.0 ARCHIVING**

- 9.1 The ICB will ensure that archived copies of superseded policy documents are retained in accordance with Records Management: A guide to the management of health and care records 2021.

## **10 ASSOCIATED DOCUMENTATION**

- HNY Risk Management Framework (setting out operational guidance for risk management)
- Health and Safety Policy
- Display Screen Equipment Policy
- Fire Safety Policy
- Major Incident Plan
- Business Continuity Policy
- Serious Incident Policy
- Incident Reporting Guidance
- Constitution and Standing Orders
- Governance Handbook
- Information Security Policy and associated procedures
- Relevant Human Resources Policies