NHS
University Hospitals Sussex
NHS Foundation Trust

RISK MANAGEMENT STRATEGY

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1.0	March 2021	Company Secretary	Retired	Transfer of former Trusts' risk mgmt strategy to UHSussex. Updates also to reflect revised Board Committee Governance structures
2.0	April 2023	Company Secretary	Live	Updated to reflect Patient Committee's expanded oversight role over Research and Innovation. Updated to reflect outcome of risk appetite discussion at the Board workshop in April

RISK MANAGEMENT STRATEGY

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1   Introduction

1.1   The Board of University Hospitals Sussex NHS Foundation Trust (UHSussex) is committed to ensuring that risks to the quality, safety, effectiveness and sustainability of it services are identified and managed so that they are reduced to an acceptable level or eliminated as far as reasonably practicable. This Risk Management Strategy sets out the Trust's intentions and approach to risk management. It should be read in conjunction with the Trust's Risk Management Policy which sets out the methods and responsibilities for delivering this strategy.

1.2   The successful management of risk in all aspects of the Trust's business and by all those working within the Trust is fundamental to delivering the Trust's strategic and operational objectives. It also ensures the Trust is resilient and able to deal with unanticipated exposure to risks that could threaten our success. Therefore, the Trust will ensure that effective risk management is an integral part of everyday working practice in all aspects of the Trust's business as part of its overarching strategy and approach to delivering its strategic objectives.

1.3   The Trust is committed to an integrated risk management system, which incorporates all aspects of risk including strategic, clinical, financial, workforce, infrastructure, health and safety, operational, compliance and reputational risk.

1.4   The Trust's governance framework relies on a robust system for managing risk. This strategy describes how the Trust's risk management structures, systems and processes will ensure that the Trust meets its strategic and operational objectives and delivers safe, sustainable, high quality care. This will involve maximising opportunities to achieve objectives, as well as reducing risks.

1.5   The strategy sets out the Trust's approach to risk management which will include the identification assessment, reporting and management of risk. It defines the contribution to be made by key parts of the Trust's governance structures. By managing risk effectively, the Trust aims to:

- ensure that risk management is an integral part of open culture
- identify risks to achieving the Trust's objectives requiring intervention, and
- drive a standardised, strategic, and accessible approach to risk management

1.6   In addition to this Risk Management Strategy there are a range of policies that support the identification and management of risk within the Trust. These include the following policies:

- Risk Management Policy
- Incident Management Policy
- Complaints Policy
- Health and Safety Policy

2   Scope

2.1   The risk management approach described in this strategy applies to all areas and activities of the Trust and to all individuals working within the Trust. The Trust will work in partnership with its staff, service users and stakeholders to ensure it takes a comprehensive approach to risk management and that all opportunities for the identification and management of risk are fully exploited including risk management approaches that can only be delivered in partnership with others.

3   Risk Management approach

3.1   Risk is inherent in all the Trust's activities: for example, treating patients, determining service priorities, project management, record-keeping, communication, staffing, service design, and setting strategy. Equally, there is also risk associated with not taking any action at all.

3.2   The Trust supports a dynamic and proactive approach to risk management, with the aim of identifying and managing potential threats and hazards before adverse events occur. The identification and assessment of risk should be seen as opportunities to improve care quality.

3.3   The Trust's strategy for the management of risk is to integrate the identification, assessment, and control of risk into all areas of the Trust's business so that risk is routinely identified by all staff and appropriate action is taken to reduce risks to acceptable levels. The Trust will support all staff to take an active role in the identification and management of risk and to take responsibility for the health, safety, and wellbeing of patients, visitors, staff and others accessing and using the Trust's facilities and services. This approach will also enable staff to make an active contribution to the management of risks associated with the delivery of services in line with the NHS Constitution, and with the delivery of the Trust's objectives.

3.4   While the Trust Board carries overall responsibility for risk management, the key to success is local leadership. The Trust's divisional structure is fundamental to the risk management system, and divisional leaders and their teams will work with colleagues holding specialist Trust-wide governance remits, and the Trust's Executive directors to ensure it is successfully implemented.

3.5   It is the responsibility of all staff to identify risk and report concerns that may affect the quality, safety and effectiveness of service provision. The Trust aims to work in partnership with staff and support them with their responsibilities by creating a culture of openness and willingness to admit mistakes. The Trust is committed to learning from mistakes, incidents, near misses, complaints and claims and using this learning to improve systems. The Trust is committed to a just culture where the reporting of incidents and concerns is encouraged and staff are supported in delivering their responsibilities for safe care.

3.6   This strategy sets the objectives for risk management within the Trust as follows:

- to take all reasonable and appropriate steps in the management of risk in order to protect patients, staff, the public, its assets and reputation
- to meet statutory, regulatory and legal obligations
- to develop and maintain an effective system to identify, assess, manage and review

    risks across the Trust
- to offer staff appropriate training and support in the principles and practice of risk assessment and management
- to provide assurance to the Board via the Audit Committee regarding the effectiveness and robust implementation of the Risk Management Policy and its associated systems and processes
- to manage risk within the risk appetite that has been agreed by the Trust Board

4   Risk Management System

4.1   The risk management system will be an integral part of the Trust's framework for assuring and delivering good governance. It will enable the Trust to identify and monitor risks to its strategic objectives, supports the appropriate management and escalation of these risks and informs the Board whether the systems and process in place are providing effective controls and assurances.

4.2   The key components of the Trust's risk management system will be the risk appetite statement, the Board Assurance Framework, the Highly Scored (Corporate) Risk Register and local risk registers. The production of these components is supported by the Trust's risk management processes

Risk Appetite Statement

4.3   Risk appetite can be defined as the amount of risk or the level of potential impact that an organisation is willing to accept in pursuit of the achievement of its strategic aims and objectives. Risk appetite therefore is at the heart of how an organisation does business and how it wishes to be perceived by key stakeholders including employees, regulators, rating agencies and the public.

4.4   The amount of risk an organisation is willing to accept can vary from one organisation to another and between one type of risk and another depending upon the specific organisational and risk circumstances. Factors such as the external environment, people, business systems and policies will all influence an organisation's risk appetite.

4.5   In order to transfer, treat, terminate, or tolerate risks those staff undertaking risk assessments and making decisions will need to understand what level of risk is acceptable to the Trust's Board

4.6   The risk appetite of the Trust will be defined by the Board. The Board will make a decision on the appropriate exposure to risk it will accept in order to deliver its strategy over a given time frame. In practice, the Trust's risk appetite will address several dimensions:

- The nature of the risks to be assumed.
- The amount of risk to be taken on.
- The desired balance of risk versus reward.

4.7   Risks throughout the organisation should be managed within the Trust's risk appetite, or where this is exceeded, action taken to reduce the risk. The Trust's risk appetite statement will be communicated to relevant staff involved in the management of risk and should be used to determine the target risk rating throughout the risk management process.

Risk Appetite

4.8 The following risk appetite levels, adapted from those developed by the Good Governance Institute (see Appendix 1), form the background to the Board's discussion and decision when defining the Trust's risk appetite. Using this model as guidance the Trust Board will agree an appetite statement that aligns to the Trust's strategic aims. The statement should be then be considered when assessing risk target and tolerances in the Board Assurance Framework, Corporate and Local (Divisional) Risk Registers.

Appetite Level	Description:
None	**Avoid**: There is a requirement to avoid risk and uncertainty to deliver an agreed organisational objective
Low	**Minimal**: There is a preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.
Moderate	**Cautious**: There is a preference for safe delivery options that have a low degree of inherent risk and an acceptance that these may only have limited potential for reward.
High	**Open**: There is a willingness to consider all potential delivery options and choose those which balance acceptable levels of risk with an acceptable level of reward in terms of improvement and/or value for money.
Significant	**Seek**: There is a preference to be innovative and to choose options offering potentially higher business rewards despite greater inherent risk and there is evidence that the organisation is Mature: There is confidence in accepting high levels of risk because we are assured that controls, forward scanning and responsiveness systems are robust.

Risk Appetite Statement

4.9 The Boards of NHS Trusts are accountable for ensuring the quality, safety and sustainability of the services they provide to patients. University Hospitals Sussex NHS Foundation Trust sets clear expectations for the Trust through strategic objectives.

4.10 The Trust operates in a high risk environment and the day to day management of risk is an expected and integral part of the business of any healthcare provider. Overall, the Board has a **moderate** appetite for risk in relation to the achievement of its objectives and takes active and ongoing actions as part of our daily operational management and strategic planning to reinforce our risk controls in order to minimise risk to a tolerable level.

4.11 Our Board Assurance Framework and risk registers will continue to reflect material risks that may prevent the Trust from fulfilling its role in delivering clinical services which meet regulatory and NHS Constitutional standards and the expectations of our stakeholders and patients. We have defined our appetite for risk in relation to our strategic objectives as follows:

4.12 **Patient Experience:** We make delivering an excellent care experience for our patients our highest priority. However, we will accept **moderate** risks to patient experience if this is

required to achieve patient safety and quality improvements.

4.13   We have a **moderate** risk appetite for actions and decisions that, whilst taken in the interests of ensuring quality, safety and sustainability, may affect the reputation of the Trust or of the wider NHS. Such actions and decisions would be subject to a rigorous risk assessment and be signed off by the Board.

4.14   **Quality**: We will deliver safe, high quality clinical services and demonstrate they achieve optimal clinical outcomes and deliver best practice for our patients whilst ensuring we meet regulatory standards. Overall, our risk appetite for safety is **low**.

4.15   We have a **low** appetite for risks that could result in poor quality care or unacceptable clinical risk, non-compliance with standards or poor clinical or professional practice.

4.16   We have a **low** appetite for risks that may jeopardise patient safety.

4.17   We recognise that we need to have a **moderate** appetite for risks relating to the length patients are wating to be seen. We however expect that the Trust's resources will be targeted based on clinical need and urgency and not only the duration of time on the waiting list.

4.18   We recognise that it can be in the best interests of patients to have a **moderate** appetite for some individual patient care and treatment risks in order to achieve the best outcomes. Therefore, we support our staff to work in collaboration with the people who use our services to develop appropriate and safe care and treatment plans based on assessment of need and clinical risk.

4.19   We will apply strict safety protocols for all of clinical and non-clinical activity, when and wherever possible. We will report, record and investigate our incidents and ensure that we continue to learn lessons to improve the safety and quality of our services.

4.20   **Sustainability**: We strive to use our resources efficiently and effectively for the benefit of our patients and their care and ensure our services are clinically, operationally, and financially sustainable. We will always aim to achieve this objective; however, overall we have a **moderate** appetite for risk in this area.

4.21   We have a **moderate** appetite for some financial risks where this is required to mitigate risks to patient safety or quality of care. We will ensure that all such financial responses deliver optimal value for money.

4.22   We are committed to providing patient care in a therapeutic environment and providing staff with an environment and supporting infrastructure in which to perform their duties. However, we have a **moderate** appetite for some risks related to our infrastructure and estate except where these adversely impact on patient safety, care quality and regulatory compliance

4.23   We will increase our appetite for financial risk to **significant** in some instances and consider all potential delivery options to ensure the delivery of our objectives. Our appetite for risk in this area recognises the financial environment in which NHS trusts are operating, and the requirement to maintain regulatory and constitutional standards. A decision to take this level of risk would be based on a rigorous risk assessment and a review of the robustness of the controls and would require sign off by the Board.

4.24   We are committed to the provision of environmentally sustainable services and in having a low carbon footprint therefore we have a **moderate** appetite in respect of service enhancements that may bring an improvement to the Trust's carbon footprint and allow the Trust to be a forefront of environmentally sustainable developments through the pursuit of new / novel actions.

4.25   **People:** We value and respect all our staff and volunteers equitably, involve them in decisions about the services they provide and offer the training and development they need to fulfil their roles. We will rarely accept risks that would limit our ability to achieve this objective and the Trust's overall risk appetite for workforce related risks is **low**.

4.26   We have a **low** appetite for risks related to the recruitment, retention and training of staff and volunteers to deliver safe, high quality services and good patient experience.

4.27   We have **no** appetite for risks associated with unprofessional conduct, bullying, or an individual's competence to perform roles or tasks safely nor any incidents which may compromise the safety or wellbeing of any staff members and patients or contradict our values.

4.28   We have a **moderate** appetite for risks associated with the implementation of non-NHS standard terms and conditions of employment, innovative resourcing, and staff development models where these enhance or improve patient safety, care quality, service delivery or financial sustainability.

4.29   We have **no** appetite for any risk that could result in staff or volunteers being non-compliant with legislation.

4.30   We have **no** appetite for any risk that could result in us being in breach of our contractual or statutory responsibilities in relation to our staff or in a breach of our staff's employment rights.

4.31   **Systems and Partnerships**: We will collaborate with commissioners, local authorities, our other partners and other care providers to prevent ill health, plan and deliver services that meet the needs of our local population and deliver operational and NHS operational planning standards having reference to the PLACEs we provide our services. Overall we have a **moderate** appetite for risks to the achievement of this objective.

4.32   We have a **moderate** appetite for risk where this results in improvements in the design or delivery of healthcare services for our patients or the population we serve. Our appetite for risk in this area recognises that the Trust operates in a complex environment and is subject to very challenging economic conditions and changing demographics with intense scrutiny. We consider the risks associated with innovation, creativity and clinical research to be an essential part of the Trust's risk profile. We increase our appetite for risk in this area to **significant** in order to maximise the opportunities to improve patient outcomes and the Trust's sustainability. A decision to take this level of risk would be based on a rigorous risk assessment and a review of the robustness of the controls and would require support of the Board.

4.33   We will collaborate with commissioners, local authorities, our other partners and other care providers to prevent ill health, plan and deliver services that meet the needs of our local population and deliver operational and NHS constitutional standards.

4.34   **Research and Innovation** We will collaborate with partners to deliver a wide ranging and dynamic portfolio of research studies across our services for the benefits of our patients and community and support the development of our staff. Overall we have a

moderate appetite for risks to the achievement of this objective.

4.35   We have a **moderate** appetite in the development of studies recognising however we through the application of the specific research protocols have a low risk for any quality impacts as a result of the studies.

Risk Tolerance

4.36   Risk 'tolerance' is the minimum and maximum risk the Trust is willing to accept as reflected in the risk appetite themes above. All risks with a total risk score of 12 and above and those with a consequence/impact score of 5 will be considered as Highly Scored (Corporate) Risks and as such require executive oversight by the Trust Management Committee (TMC). TMC will be responsible for ensuring that these highly scored risks are managed and controlled in accordance with the risk appetite defined by the Board and with the Risk Management Policy.

Board Assurance Framework

4.37   The Board Assurance Framework (BAF) will set out the strategic risks which may threaten the achievement of the Trust's strategic objectives. It will enable the Board to monitor progress in achieving the strategic objectives, attend to key accountability issues, ensure the right issues are debated and that remedial actions are taken to reduce risk, strengthen controls and assurances. All NHS bodies are required to sign a full Annual Governance Statement, and must have the evidence to support this. The BAF brings together a significant part of this evidence

4.38   The BAF will be designed to assess the strength of the internal control measures that are intended prevent these risks occurring and to identify and evaluate sources of assurance. It supports the identification of gaps in control and assurance and enables the Board to monitor progress on the actions being taken to address these gaps.

4.39   The BAF will also describe the assurances and sources of assurance the Board has agreed are necessary to assess the achievement of the Trust's strategic objectives, and will thus drive the cycle of Board and Board Committee work and reporting to the Board.

4.40   The BAF also describes the controls that the Trust's Executive must ensure are effective in order to manage strategic and operational risks and to assess that the adequacy and strength of these controls are aligned to the Board's risk appetite for individual strategic risks.

4.41   The BAF will be regularly review by the Board, Board Committees and TMC as determined by their roles and responsibilities set out in Section 8 tables 1 and 2.

4.42   The assurance alignment within the Trust is shown diagrammatically by Good Governance Institute, see Appendix 2.

Highly Scored (Corporate) Risk Register

4.43   The highly scored (corporate) risk register (CRR) will be comprised of all risks with a score of 12 or above or that has an impact score of 5, and will be compiled from divisional and corporate directorate risk registers. It will be the key tool for the management of risk and will be informed by the Trust's risk escalation process.

4.44   The CRR will be routinely reviewed by TMC and the relevant Management Groups as determined by their roles and responsibilities as set out in their Terms of Reference. This will ensure:

- the right risks are being reported and escalated
- actions are being taken to mitigate risk
- these actions have been effective in reducing the risk level
- risks to strategic objectives are identified
- gaps in control are identified and included in the BAF
- the ongoing integrity of the risk management system

4.45   In addition, the CRR will be routinely reviewed by the Audit Committee when considering the BAF in order to assess the adequacy and effectiveness of the Trust's risk management systems and processes so that the Committee can provide the relevant assurance to the Board.

4.46   The Audit Committee will also assess whether the linkages between the CRR and the BAF are robust and enable the Board to effectively identify gaps in control and assurance. Risks on the CRR may indicate a gap in control or identify that the Board is receiving inadequate, insufficient or incomplete assurances.

Corporate Project / Strategic Initiative (Corporate) Risk Register

4.47   For each Corporate Project and Strategic Initiative, a risk register will be formulated. For those risks scoring over 15 or with an impact score of 5 these will be added to highly scored risk register to formulate the overall corporate risk register.

Local Risk Registers

4.48   The local Risk Registers (RR) will be held at divisional and corporate directorate level and are the mechanism and management tool through which identified risks, controls and actions to mitigate or manage risks are recorded, monitored and managed. RR will follow the same format as the CRR.

4.49   Divisional RR will be routinely reviewed and monitored through the divisional governance structure. Corporate directorate RR will be routinely reviewed and monitored by Executive Directors and their teams.

4.50   In addition the CRR and RR will be reviewed as required by TMC and Management Groups to ensure consistency between all RR in the identification, assessment and rating of risks and to ensure effective management action is being taken to mitigate and control risks.

5   Risk management processes

5.1   The Trust's risk management processes will be described in the Risk Management Policy and will be determined in line with NHS and regulatory requirements and best practice. They will govern how risk is contextualised, identified, analysed for likelihood and impact, prioritised and managed and how risks will be communicated, reported, recorded, monitored and reviewed.

5.2   The Trust's risk management processes will ensure that risk is identified from a wide range of sources both proactively (for example through audit or assessment of provision against clinical guidelines) and reactively (for example through complaints, incidents and claims).

5.3   The Trust will manage identified risk through one of the following approaches:

- **Treat**: control or reduce by taking action
- **Terminate**: remove altogether by stopping practices, or
- **Tolerate**: accept where appropriate and in line with risk appetite
- **Transfer**: move to another organisation or service

6   Governance Structure

6.1   The Trust's governance structures will support the ward to Board management of risk throughout the organisation. The Trust's Governance structure is set out in Appendix 3.

6.2   The Board's is responsible for setting the objectives and strategy for risk management, setting the Trust's risk appetite and assessing the outputs and outcomes of the Trust's Risk Management Systems to ensure that they deliver appropriate levels of assurance and demonstrate that the risks to the Trust's strategic objectives are being effectively managed and controlled The Board delegates some of its responsibilities to its Committees as described below. The BAF is the key tool used by the Board in fulfilling its responsibilities.

6.3   The Trust's management structures will have the responsibility to ensure risk is managed and controlled in line with the Trust's Risk Management Strategy and Policy. Gaps in control will be identified through the management structures, and actions to strengthen controls or address gaps in control will be defined and monitored.

6.4   TMC will be the principal governance forum for the management of risk and will delegate some of its responsibilities to other management groups in order to ensure appropriate levels of scrutiny and action to manage risk. The Risk Management Policy CRR and RR will be the key tools used by the Executive and Trust managers in fulfilling their responsibilities.

6.5   Assurances on the effectiveness of the Trust's risk management system will be developed through the Trust's management systems and will be assessed and scrutinised by the Board and its Committees. The Board and TMC will agree the format and content of management and Board reporting that supports the provision of robust assurance.

Risk escalation

6.6   In order to successfully monitor and manage operational and strategic risk it is essential that high risks, areas of escalating risk, gaps in control and delays in implementing actions to strengthen controls or address control gaps are escalated through the risk management governance structure. The risk escalation process will be described in the Risk Management Policy. In addition to regular reporting to provide assurance it is expected that all component parts of the Trust's risk management governance structure will identify and escalate risks in a timely manner, reporting concerns to ensure awareness and the implementation of strengthened actions.

Learning from the management of risk

6.7   The Trust is committed to continuously developing as a learning organisation and ensuring that it can learn from the outcomes and processes of its risk management system. Learning will include the identification of improvement actions that will enable incremental improvement in the effectiveness of the risk management system, the implementation of effective controls and risk mitigations and the development and delivery of assurance. Learning opportunities will be identified throughout the Trust's risk management process and highlighted to the Board. Plan for risk management improvement will be incorporated into the Risk Management Strategy, Policy and practice.

7   Organisational responsibilities

7.1   In line with the governance structure illustrated in Section 8, Table 1 below describes the key responsibilities of the Board and its Committees. Table 2 describes the roles and responsibilities of the Trust's key management groups for the delivery of the Trust's risk management systems and processes and the development of assurances in relation to the management.

8   Strategy Implementation and monitoring

8.1   The Trust's Risk Management Strategy will be implemented through the mechanisms described in Sections 5 to 7 and through the Risk Management Policy. The Board will review the Risk Management Strategy periodically making any changes required to reflect national and regulatory standards, best practice and learning and improvement opportunities identified by the Trust including through internal or external reviews the of risk management systems.

Table 1: Responsibilities of the Board and Board committees

Board and Committee responsibilities
The **Trust Board** is accountable for • Agreeing the Trust's Risk Management Strategy • Agreeing the key risks to the achievement of the Trust's strategic objectives • Agreeing the Trust's risk appetite in relation to the strategic objectives and the types of risk the trust is managing • Agreeing the BAF; defining the controls, assurances and gaps in control and assurance for each of the key risks that will be the focus of the Board's assurance assessment activity • Ensuring the BAF informs the business of the Board and is taken into account with the determination of the Board agenda • Scrutinising and testing the assurances received on the effectiveness of controls and actions to address gaps in control through the annual cycle of business utilising the work of the Board Committees • Challenging through the Board Committee their review the risk controls and sources of assurance described within the BAF to ensure they are effective and robust • Considering the wider strategic implications of the risks identified, and making recommendations to improve management of risk by taking a strategic corporate approach
The Board delegates responsibility to the **Audit Committee** for**:** • Assessing the quality and strength of the assurances received on the Trust's risk management, quality and financial governance systems and processes and providing assurance to the Board that the Trust has established and maintains an effective integrated system of governance, risk management and internal controls, across the whole of the Trust's activities (both clinical and non-clinical) and that this supports the achievement of the Trust's objectives • Ensuring there is independent scrutiny of the Trust's risk management and governance systems and processes and of the strength and adequacy of related assurances through internal and external audit work programmes and where necessary testing the integrity and completeness of the risk management system through reviewing the strength of operational and strategic risk management and internal control. • Assessing the work of the respective Committees in relation to their testing of the accuracy, adequacy of the assurances provided on the effectiveness of controls and the actions being taken to address gaps in control processes that indicate the effectiveness of the management of principle risks. • Referring to the respective Committee significant control or assurance gaps identified by Internal Audit, Counter Fraud or External Audit seeking that the respective Committee challenge the impact of these on the BAF. • Reviewing and testing where there are identified gaps in the Trust's processes over the contents of the BAF, CRR, and local RRs. • Reviewing the application of the Trust's Risk Management Strategy, Risk Management Policy and associated policies and making recommendations to the Trust Board on the development and implementation of the Risk Management Strategy and Policy • Reviewing and testing all risk and control-related disclosure statements (e.g. the Annual Governance Statement) to provide assurance to the Board that they are accurate and adequate.

The Board delegates responsibility to the **Patient Committee** for

- Assessing the quality and strength of the assurances received on the delivery of the Trust's Patient True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.
- Assessing the quality and strength of the assurances received on the delivery of the Trust's Research and Innovation True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives
- Providing assurances to the Board that the Trust has established and maintains an effective system of internal control and risk management over the key risks impacting on the Patient True North and the Research and Innovation True North.
- Regularly reviewing and testing the contents of the BAF, CRR, and local RRs in pursuit of the Patient and escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board
- Making recommendations to the Trust Board on the development and implementation of the Trust's Patient Strategies.
- Reviewing any referred internal control and assurance gaps from the Audit Committee or any other Committee to challenge their impact on the stated current risk scores within the BAF.
- Reviewing the integrity and completeness of the patient reporting processes and all mandated patient related disclosure statements.
- Escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board

The Board delegates responsibility to the **Quality Committee** for

- Assessing the quality and strength of the assurances received on the delivery of the Trust's Quality True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.
- Providing assurances to the Board that the Trust has established and maintains an effective system of internal control and risk management over the key risks impacting on the Quality True North.
- Regularly reviewing and testing the contents of the BAF, CRR, and local RRs in pursuit of Quality and escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board
- Making recommendations to the Trust Board on the development and implementation of the Trust's Quality Strategies.
- Reviewing any referred internal control and assurance gaps from the Audit Committee or any other Committee to challenge their impact on the stated current risk scores within the BAF.
- Reviewing the integrity and completeness of the quality reporting processes and all mandated quality related disclosure statements, including the Trust's Quality Account.
- Escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board

The Board delegates responsibility to the **People Committee** for

- Assessing the quality and strength of the assurances received on the delivery of the Trust's People True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.
- Providing assurances to the Board that the Trust has established and maintains an effective system of internal control and risk management over the key risks impacting on the People True North.
- Regularly reviewing and testing the contents of the BAF, CRR, and local RRs in pursuit of People and escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board
- Making recommendations to the Trust Board on the development and implementation of the Trust's People Strategies.
- Reviewing any referred internal control and assurance gaps from the Audit Committee or any other Committee to challenge their impact on the stated current risk scores within the BAF.
- Reviewing the integrity and completeness of the quality reporting processes and all mandated people related disclosure statements, including WRES, WDES, Gender Pay Gap, Staff Survey etc.
- Escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board

The Board delegates responsibility to the **Sustainability Committee** for**:**

- Assessing the quality and strength of the assurances received on the delivery of the Trust's Sustainability True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.
- Providing assurances to the Board that the Trust has established and maintains an effective system of internal control and risk management over the key risks impacting on the Sustainability True North.
- Regularly reviewing and testing the contents of the BAF, CRR, and local RRs in pursuit of Sustainability and escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board
- Making recommendations to the Trust Board on the development and implementation of the Trust's Sustainability Strategies.
- Reviewing any referred internal control and assurance gaps from the Audit Committee or any other Committee to challenge their impact on the stated current risk scores within the BAF.
- Reviewing the integrity and completeness of the sustainability (financial and none financial) reporting processes and all mandated sustainability related disclosure statements including the Trust's financial plan, capital programme, environmental sustainability and use of resources
- Escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board

The Board delegates responsibility to the **Systems and Partnership Committee** for

- Assessing the quality and strength of the assurances received on the delivery of the Trust's Systems and Partnerships True North, Breakthrough Objectives, Corporate Projects and Strategic Initiatives.
- Providing assurances to the Board that the Trust has established and maintains an effective system of internal control and risk management over the key risks impacting on the System and Partnerships True North.
- Regularly reviewing and testing the contents of the BAF, CRR, and local RRs in pursuit of Sustainability and escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board
- Making recommendations to the Trust Board on the development and implementation of the Trust's Systems and Partnerships Strategies.
- Reviewing any referred internal control and assurance gaps from the Audit Committee or any other Committee to challenge their impact on the stated current risk scores within the BAF.
- Reviewing the integrity and completeness of the system and partnerships reporting processes and all mandated disclosure statements including Emergency Preparedness, Readiness and Resilience.
- Escalating concerns about areas of insufficient, incomplete or inadequate assurance to the Board

Table 2: Responsibilities of the Trust's management groups and divisions

The **Trust Management Committee** is responsible for**:**

- Ensuring the effective identification, evaluation and management of operational and strategic risk in all aspects of the Trust's business and providing effective and proactive leadership of risk management within the Trust by implementing the Trust's Risk Management Strategy and Policy and the associated framework of processes, procedures and controls that enable risks to be managed directly and through delegated powers and ensure the Trust meets its strategic objectives
- Ensuring the application of the Trust's Risk Management Strategy and Policy is consistently applied across the Trust
- Reviewing the local RR, CRR and Board Assurance Framework routinely to ensure risks and controls are described clearly and accurately, rated consistently, and managed appropriately to reduce risks to the agreed target level. Recommending the BAF to the Board for approval.
- Identifying gaps in assurance or control and ensuring actions to address these gaps are agreed and delivered in a timely fashion to make the necessary improvements, taking action as required to address delays and enable and support successful delivery
- Escalating risks, gaps in control or gaps in assurance to the Board
- Promoting continuous quality improvement with regard to the management of clinical and non-clinical risk and the control environment throughout the Trust by examining and challenging action plans developed to control risks, and assessing their wider impact.
- Assessing the quality and strengths of the assurances developed through the Trust's quality, financial and performance management systems and their sub-groups to provide evidence of the effectiveness of governance, risk management and systems of internal control within the Trust, taking action to strengthen assurances as required
- Considering the wider strategic implications of risks and themes arising, and opportunities to improve management of risk by taking a corporate approach
- Delegating powers for the management of risk to the appropriate management groups as set out in their approved Terms of Reference.

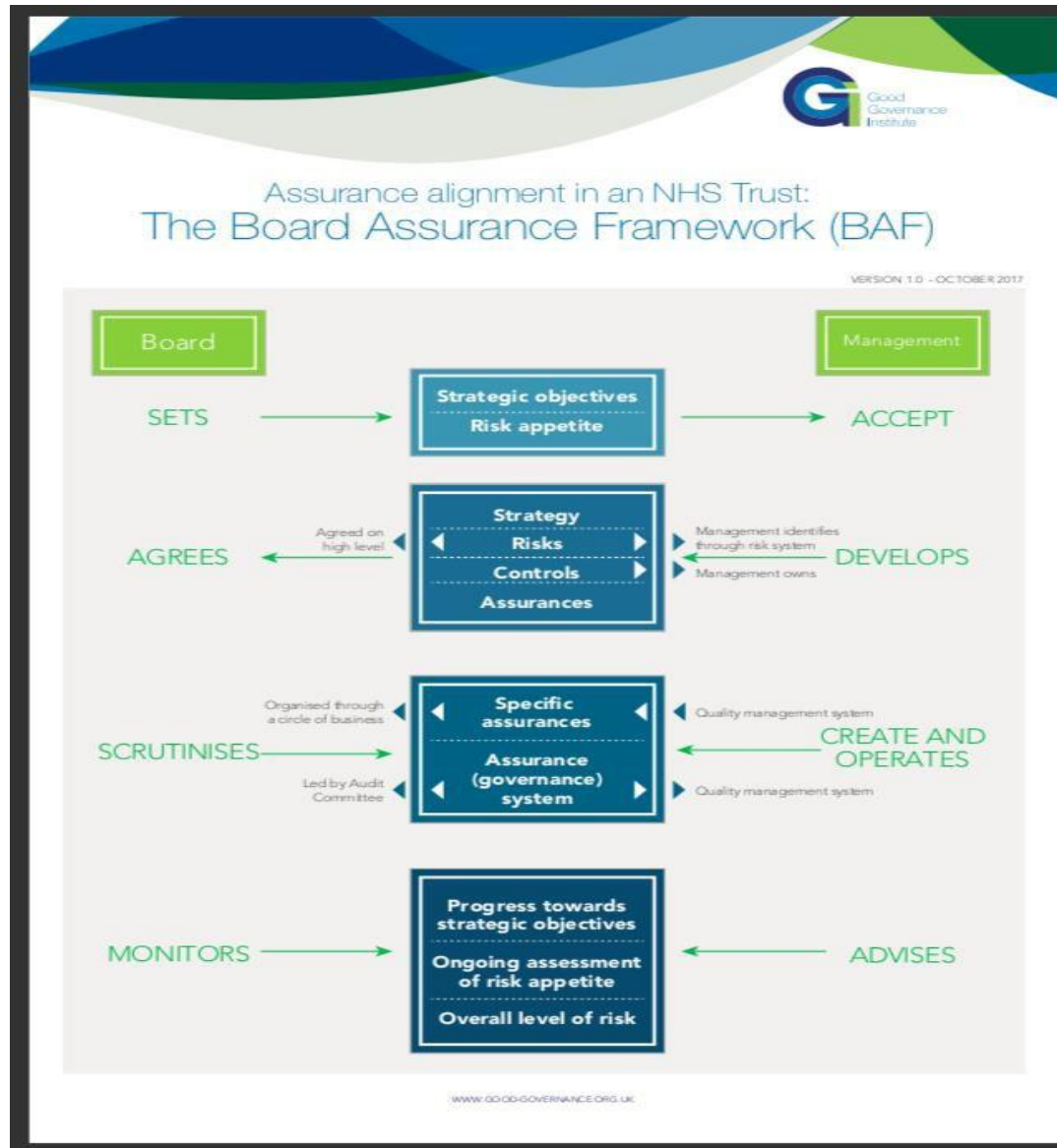## Appendix 1: Risk Appetite for NHS Organisations

Risk Appetite for NHS Organisations
A matrix to support better risk sensitivity in decision taking

Developed in partnership with the board of Southwark Pathfinder CCG and Southwark BSU – January 2012

Good Governance Institute

Risk levels ▶ Key elements ▼	0 Avoid Avoidance of risk and uncertainty is a Key Organisational objective	1 Minimal (ALARP) (as little as reasonably possible) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential	2 Cautious Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	3 Open Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	4 Seek Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	5 Mature Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
Financial/VFM	Avoidance of financial loss is a key objective. We are only willing to accept the low cost option as VfM is the primary concern.	Only prepared to accept the possibility of very limited financial loss if essential. VfM is the primary concern.	Prepared to accept possibility of some limited financial loss. VfM still the primary concern but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial loss (with controls may in place). Resources allocated without firm guarantee of return – 'investment capital' type approach.	Consistently focussed on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself.
Compliance/ regulatory	Play safe, avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge. Similar situations elsewhere have not breached compliances.	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.	Consistently pushing back on regulatory burden. Front foot approach informs better regulation.
Innovation/ Quality/Outcomes	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision taking authority. General avoidance of systems/ technology developments.	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
Reputation	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest. Prospective management of organisation's reputation.	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.
APPETITE	**NONE**	**LOW**	**MODERATE**	**HIGH**	**SIGNIFICANT**	

Appendix 2: Assurance Alignment in an NHS Trust – Board Assurance Framework

Appendix 3: Board Governance Structures