NHS Shetland

Meeting:	**Board**
Meeting date:	**26 April 2022**
Agenda reference:	**Board Paper 2022/23/05**
Title:	**Risk Management Summary Report**
Responsible Executive/Non-Executive:	**Kirsty Brightwell, Medical Director**
Report Author:	**Clinical Governance and Risk Team**

1   Purpose

The Board is asked to note the Risk Management Summary Report 2021/22 which is for presentation at the Joint Audit and Committee Chairs meeting in May 2022.

This is presented to the Audit Committee for:

- Awareness

This report relates to:

- Government policy/directive
- Legal requirement
- Local policy

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person Centred

2   Report summary

2.1   Situation

The summary report 2020/21 has been drafted for presentation to the Board as per requirement set out in the risk management strategy. The report includes a section setting out the priorities going forward for 2022/23 and any risks to the delivery of the risk management framework.

2.2 Background

The Board of NHS Shetland is corporately responsible for the Risk Management Strategy and for ensuring that significant risks are adequately controlled. The Risk Management Strategy sets out the principles and approaches to risk management which are to be followed throughout NHS Shetland. These are aligned to The Orange Book: Management of Risk – Principles and Concepts (23 August 2021), HM Government and the Scottish Public Finance Manual (SPFM) 'Risk Management – Good Practice in the Scottish Public Sector' 2018. Scottish Government.

The purpose of the Risk Management Strategy is to achieve a consistent and effective application of risk management, enabling it to be embedded into all core processes, forming part of the day-to-day management activity of the organisation.

The key objectives of this Risk Management Strategy are to:-
• Create a safety culture by embedding risk management throughout the organisation
• Provide organisational leadership of risk management
• Provide the tools and training to support risk management in order to promote reporting
• Ensure lessons are learned and changes in practice are implemented through the identification of risk

An annual Risk Management Summary Report is produced for the Board and Audit Committee Chairs meeting which includes any changes identified following the annual review of the risk management objectives by the Medical Director. To support implementation of the Risk Management Objectives a number of priorities, actions and Key Performance Indicators (KPIs) are identified and agreed as part of the review. These form the basis of the annual Risk Management Workplan, progress and performance is monitored via twice yearly updates to the RMG and the Audit Committee.

2.3 Assessment

The report describes:
• how risk management governance was re-instated following the pandemic
• progress made against the risk management objectives/priorities, Key Performance Indicators (KPIs)
• the risk management objectives, priorities and KPIs which have been reviewed with the Medical Director and set for 2022/23 to strengthen the risk management framework

2.3.1 Quality/ Patient Care
Effective risk management is a key component of ensuring patient safety by contributing to improving the reliability and safety of everyday health care systems and processes.

2.3.2 Workforce
Effective management of risk is key to ensuring staff work in a safe environment. Managing workforce risks is also key to maintaining service provision at this time.

2.3.3 Financial

There are no direct financial consequences of this paper. However, where improvements in practice, or to address gaps in controls, are required there may be associated financial costs. These are managed through the department/area either where the issue arose or by those responding to the issue e.g. health and safety, estates dept or would be escalated if it was a significant cost.

2.3.4 Risk Assessment/Management

The Executive Director reviews their strategic risks and the full strategic risk register is presented at each RMG meeting. A number of these strategic risks are then prioritised for review and discussed at each meeting. If new strategic risks are identified these are also included at RMG for review and agreement to include on the risk register. The RMG and Audit Committee receive bi-annual updates on the Risk Management Workplan which includes all the priorities and objectives.

2.3.5 Equality and Diversity, including health inequalities

The Equality and Diversity Impact Assessment Tool has been completed for the Risk Management Strategy.

2.3.6 Other impacts

There are no other impacts to note.

2.3.7 Communication, involvement, engagement and consultation

The RMG and Audit Committee received an update on the Risk Management Workplan in November 2021 which details each of the Risk Management Priorities and Objectives. In addition updates on Risk Management Strategy were provided via the Strategic Risk Register Report to Board, Audit Committee, Clinical Governance Committee and Staff Governance Committee.

2.3.8 Route to the Meeting

The Executive Management Team (EMT) have reviewed the draft report before presentation to the Board in April 2022. The report will then be presented at the Joint Audit and Committee Chairs meeting in May 2022.

2.4 Recommendation

The Board is asked to note the Risk Management Summary Report 2021/22 which is for presentation at the Joint Audit and Committee Chairs meeting in May 2022.

- **Awareness**

3 List of appendices

The following appendices are included with this report:
- Appendix No 1, Risk Management Summary Report 2021/22

Risk Management Summary Report 2021/22

Introduction

NHS Shetland Health Board is responsible for the management of risk. It delegates the detailed work to the Risk Management Group (RMG) which reports to the Board via the Audit Committee. In order that risks to which the Board, its staff and service users are exposed can be actively and systematically managed, the 3 year Risk Management Strategy has been developed to strengthen the Board's risk management capability.

This document describes progress against the risk priorities and a summary of how risk management governance has been reinstated following it's adaption during 2020/21 in response to the Pandemic.

Risk Management Objectives, Priorities and Progress 2021/22

The risk management objectives have been slightly reworded as part of the risk management strategy review, the amendments are reflected in the table below. The RMG and Audit Committee received an update on the objectives and priorities at the November 2021 meeting in line with the agreed strategy of twice yearly updates. This annual summary report provides the second update. Appendix A summarises the status of objectives and KPIs.

	Table 1: Risk Management Objectives, Priorities and Progress 2021/22	
1.	**Create a safety culture by embedding risk management throughout the organisation**	
a.	**Embed the risk management strategy & associated documents into practice**	**In Progress**
	Draft strategy includes risk hierarchy with 4 levels of risk and clearly defined escalation/de-escalation process, risk management governance structure and roles and responsibilities. Reviewed by RMG and shared with key groups and stakeholders. Attended key meetings to provide background to review, key changes and next steps. Positive comments received and only minor changes made. Strategy being presented to Audit Committee end March 2022 and then Board April 2022. Guidance document drafted and comments are being sought in order to ensure guidance is ready for roll out at time of strategy approval.	
b.	**Ensure knowledge & understanding of risk management is developed to create a consistent approach to assessing, recording & monitoring risks across Board services**	**In progress**
	Risk assessment form on datix updated to include a new 'date risk was reviewed' field to enable more accurate recording of when risks were reviewed in addition to when they require review. Proposed in risk management strategy to use severity score instead of level and agreed by RMG so directorate and strategic risk reports have been presented in this format. Risk template form in datix updated to reflect all the changes made in line with new strategy and used for reporting new/escalated risks to RMG.	
c.	**Work towards more aligned risk management systems for health and social care**	**Complete**
	Work completed on drafting IJB Risk Management Strategy which is based on risk management matrices from both NHS Shetland and Shetland Islands Council (SIC). The strategy has been approved.	

2.	**Provide organisational leadership of risk management**	
a.	**Roll out the new risk assessment form following testing by staff & using feedback to make improvements**	**Complete**
	Updates made to local form following examples shared by another Board of their revised form and new guidance. Form initially tested by senior manager using new strategic risk, no changes required. Evaluation questions included at end of form and reviewed accordingly. Further testing of the updated form conducted with new risks and existing directorate/departmental risks, minor changes required and are being finalised. The updated form includes all the new changes agreed as part of the risk management strategy review and will be rolled out via the planned training for managers.	
3.	**Provide the tools and training to support risk management in order to promote reporting**	
a.	**Delivery of training on risk management**	**In progress**
	Risk Management training session delivered to Audit Committee members in June 21. Met with other Boards to share what training they have been delivering. New training package in development for roll out following approval of the strategy. The training will be at 2 levels, initial awareness raising for all staff and a more in-depth comprehensive programme for managers.	
b.	**Develop & implement risk register reports and dashboards for groups/ managers/teams**	**In progress**
	Strategic risk register reports/dashboards developed for each Executive Director. Dashboard for performance management group being produced and then further risk register reports/dashboards will be developed in line with the strategy.	
4.	**Ensure lessons are learned and changes in practice are implemented through the identification of risk**	
a.	**Analyse and review any themes relating to adverse events and risks to highlight trends and areas requiring further investigation/action**	**In Progress**
	Data collated on laboratory requests, interim discharge and medical adverse events to highlight any trends. Discussed at local governance meetings and clinical governance afternoon to discuss trends and identify learning. Lessons learnt from a maternity event shared at JGG in November 2021. Joint meetings held with SIC to discuss potential DoC events, agree investigation and identify learning. Learning summaries being collated for a number of events and will be shared at a future JGG.	
b.	**Update the functionality of Datix to enable more effective sharing of lessons learnt from Datix within & across departments/ organisation**	**In Progress**
	Updated new template for learning summary following comments from testing. Guide for managers on new templates for lessons learned sent out. Further testing at clinical governance afternoons before being added to datix adverse events form. Reviewed national process for maternity and neonatal reviews to ensure national data set requirements are met. Updates made on datix to reflect these requirements. Additional sub-form added to adverse event report form to collect additional data on all occurrences which involve Scottish Ambulance Services. This is to help determine impact on local service provision. Whistleblowing form tested and a dashboard developed to enable reporting in line with national requirements. Alignment of sudden death reporting within datix.	
c.	**Implementation of the national guidance when a young person dies**	**Complete**
	Gap analysis for current governance/reporting pathways across NHS and SIC drafted. Flow of process to reflect national guidance drafted. Meeting held to test out using current event and paperwork adopted from Lothian. Dashboard for these events set up on datix to enable monitoring. Sudden death group ToR to include learning from these reviews.	

Progress of the Risk Management Strategy

The Board approved the reviewed corporate risks (now renamed to strategic risks) in April 2021 using new format of prioritisation against the 4 T's. These were realigned with the relevant committees and the new themes mapped to align with the recovery plan themes. Work has been undertaken with Directors to review all old risks, reassigned risks and actions as a result of the review of the corporate risks.

RMG recommenced their meetings in September 2021 and reviewed the strategic risks at the meetings in September and, November 2021 and March 2022. The strategic risks relevant to the Staff Governance Committee were presented at the meetings in May 2021 and November 2021 in line with the requirements to report twice yearly. The Clinical Governance Committee (CGC) reviewed their strategic risks at the first meeting of the new Committee in March 2022. The full strategic risk register report is now also presented to the Audit Committee for formal approval and onward reporting to the Board which started in November 2021. The strategic risk report was presented at the November 2021 and March 2022 meetings. The Board also received the strategic risk report in December 2021 and it is scheduled for the meeting in April 2022. This demonstrates compliance with the reporting requirements as set out in both the original and new strategies.

There have been 2 new risks agreed and approved during 2021/22:
•   SR17 (1515): Cyber
•   SR16 (1507): COVID Outbreak

To achieve the internal audit recommendation of risk management being formally considered at each Audit Committee meeting, the Audit Committee and RMG chairs' agreed alignment of these meetings. With the exception of the June meeting as the focus of this meeting is finance, all the meetings were aligned. The RMG action note is presented at each Audit Committee meeting and the RMG Terms of Reference were updated to reflect these changes with sign off at the November 2021 meeting.

The risk management workplan which was presented to RMG and Audit Committee included a table mapping the risk management objectives to the corporate objectives, and inclusion of the responsible officer and timescales. This addressed two of the internal audit recommendations.

As part of the review and update to the Risk Management Strategy a number of key changes have been agreed and have/are being implemented:-
• corporate risks renamed to strategic risks and strategic risks renumbered
• risk title will be used in reports and to identify the strategic risks more easily to a broader audience
• risk register report revised to include actions rather than a separate actions report
• use of the risk rating score in addition to the risk level
• adopted new risk description format in line with the orange book and to help ensure we have clear and consistent risk descriptions (the strategic risks are being updated to reflect this format):-
  o If…. (the cause of the risk)
  o Then…. (the event/incident)

o Resulting in…. (the consequence)
- added 'reason for change' field and this will be used in strategic risk reports to identify why changes have been made to the relevant groups, committees and Board
- 'date risk reviewed' added to risk form
- risk appetite will be used instead of the risk levels (see Appendix C)

Risk Management Objectives and Priorities 2022/23

In line with the Risk Management Strategy, the Risk Management Objectives and Key Performance Indicators (KPIs) have been reviewed with the Medical Director. The key objectives of the risk management strategy continue to be:-

- Create a safety culture by embedding risk management throughout the organisation
- Provide organisational leadership of risk management
- Provide the tools and training to support risk management in order to promote reporting
- Ensure lessons are learned and changes in practice are implemented through the identification of risk

Appendix B includes updated and new risk management objectives for 2022/23 including KPIs which form the basis of the risk management workplan for 2022/23. The following priorities have been agreed to strengthen the risk management arrangements:

- Provide training, development and support for implementation of the new strategy
- Embedding use of risk registers across directorates and departments
- Monitor use of new risk management strategy and associated documents to ensure it is embedded in practice
- Implement national standardised data sets to promote accurate reporting and support learning

The main risk to delivery of these objectives and priorities continues to be the impact of the Pandemic and reduced capacity across the organisation. The RMG and Audit Committee will review progress against these priorities via the risk management workplan twice yearly updates, with exception reporting in-between to highlight any additional risks to delivery.

Appendix A – Risk Management Objectives and KPIs for 2021/22

To monitor the effectiveness of the Risk Management processes and policies, strategic objectives are set and reviewed annually by the Medical Director and via this report to ensure that they remain valid and up-to-date. The strategic objectives form the basis of the annual Risk Management Work Plan 2021/22, which was drawn up by the Clinical Governance and Risk Team. Progress against the objectives and KPIs are as follows:-

Risk Management Objectives 2021/22	Status	KPI (Performance)
1. Create a safety culture by embedding risk management throughout the organisation		
Embed the risk management strategy and associated documents into practice	Continue during 2022/23	Sample audit to identify if risks are escalated in line with strategy (N/A)
Ensure knowledge and understanding of risk management is developed to create a consistent approach to assessing, recording and monitoring risks across Board services	Continue during 2022/23	Audit of risk review dates to ensure timely review (N/A)
Working towards more aligned risk management systems for health and social care	Complete	Joint risk report for health and social care (Achieved)
2. Provide organisational leadership of risk management		
Roll out new risk assessment form following testing by staff and using feedback to make improvements	Complete	Feedback included on new risk form and scores reviewed (Achieved)
3. Provide the tools and training to support risk management in order to promote reporting		
Delivery of training on risk management	Continue during 2022/23	Training programme developed and numbers of staff trained (N/A)
Develop and implement risk register reports and dashboards for groups/managers/teams	Continue during 2022/23	Number risk register reports/dashboards developed (N/A)
4. Ensure lessons are learned and changes in practice are implemented through the identification of risk		
Analyse and review any themes relating to adverse events and risks to highlight trends and areas requiring further investigation/action	Continue during 2022/23	Local learning from reviews is shared widely (N/A)
Update the functionality of Datix to enable more effective sharing of lessons learnt from Datix within and across departments/organisation	Continue during 2022/23	Audit of changes on Datix/updated dashboard reports (N/A)
Implementation of the national guidance when a child or young person dies	Complete - Business as usual	Lessons learned are shared and actions monitored at Sudden Death group (Achieved - learning being shared May/June 22)

Appendix B – Risk Management Objectives and KPIs for 2022/23

Risk Management Objectives 2022/23	KPI
1. Create a safety culture by embedding risk management throughout the organisation	
Monitor use of new risk management strategy and associated documents to ensure it is embedded in practice	Develop audit to include range of quantitative and qualitative measures across full scope of the strategy – audit of depts for compliance with new strategy requirements
2. Provide organisational leadership of risk management	
Monitor use of risk assessment form to ensure it is embedded and providing support where gaps are identified	Usage of new risk form: 75% of risks on new format in Year 1 90% in Year 2 100% in Year 3
Embedding risk registers across directorates and departments	Number of directorate and departmental risk registers developed and in active use
3. Provide the tools and training to support risk management in order to promote reporting	
Delivery of training on risk management	Training programme developed and numbers of staff trained 50% of Managers within first 6 months post implementation
Develop and implement risk register reports and dashboards for groups/managers/teams	Number risk register reports/dashboards developed Number of risk register reports/ dashboards actively in use
Implement national standardised data sets to promote reporting and support learning	Number of national data sets added to datix system
4. Ensure lessons are learned and changes in practice are implemented through the identification of risk	
Analyse and review any themes relating to adverse events and risks to highlight trends and areas requiring further investigation/action	Local learning from reviews is shared widely Increase number of local learning summaries shared by 10% from baseline
Update the functionality of Datix to enable more effective sharing of lessons learnt from Datix within and across departments/organisation	Audit of changes on Datix/updated dashboard reports made by request

Appendix C – Risk Appetite

Risk Appetite	Risk Levels (currently in use)
None	Avoid (avoidance of risk and uncertainty is a key organisational objective)
Low	Minimal (as little as reasonably possible - preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward)
Moderate	Cautious (preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward)
High	Open (willing to consider all options and choose the one that is most likely to result in success, while also providing an acceptable level of reward)
Very High	Mature (confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust)
	Seek (eager to be innovative and to choose options offering potentially bigger rewards despite greater inherent risk)