

<b>To:</b>	<b>Trust Board</b>
<b>From:</b>	Medical Director
<b>Date:</b>	July 2018

<b>Title:</b>	<b>Corporate Risk Report</b>				
<b>Responsible Director:</b> Dr Neill Hepburn, Medical Director					
Author: Paul White, Risk Manager					
<b>Purpose of the Report:</b>					
<p>The purpose of this report is to provide the Trust Board with:</p> <ul style="list-style-type: none"> <li>• Details of the current level of risk exposure as recorded in the Trust Corporate Risk Register</li> <li>• An update on progress with implementation of the full rebuild of corporate and operational risk registers throughout the Trust</li> </ul>					
<b>The Report is provided to the Board for:</b>					
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Decision</td> <td style="width: 50%;"></td> </tr> </table>	Decision		<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Discussion</td> <td style="width: 50%; text-align: center;">✓</td> </tr> </table>	Discussion	✓
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Discussion	✓				
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Assurance</td> <td style="width: 50%; text-align: center;">✓</td> </tr> </table>	Assurance	✓	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Information</td> <td style="width: 50%;"></td> </tr> </table>	Information	
Assurance	✓				
Information					
<b>Summary/Key Points:</b>					
<ul style="list-style-type: none"> <li>• The Corporate Risk Register is being completely rebuilt in line with the new Risk Management Strategy and Policy, which have been widely consulted upon and are due to be presented to the Audit Committee for approval on 24<sup>th</sup> July</li> <li>• Based on the current corporate risk register, the areas of greatest risk within the Trust at present are:             <ul style="list-style-type: none"> <li>○ Management of emergency demand</li> <li>○ Nursing staff capacity &amp; capability</li> <li>○ Medical staff capacity &amp; capability</li> <li>○ Water safety</li> <li>○ Fire safety</li> <li>○ Security management</li> <li>○ Estates strategy &amp; transformational change</li> <li>○ Patient environment (estates &amp; facilities)</li> </ul> </li> <li>• Further work is in progress to define and assess corporate finance, procurement and workforce risks; the IG Committee has recently reviewed and updated the Corporate Information Risk Register</li> <li>• Good progress has been made with reviewing and rebuilding directorate risk registers; this is expected to be complete by the end of August</li> </ul>					
<b>Recommendations</b>					
That the Trust Board considers the content of the report and advises if any further action is required.					

<p><b>Strategic Risk Register</b></p> <p>Corporate and operational risk registers will be aligned with the Board Assurance Framework (BAF) to enable the Trust Board to evaluate the extent to which its strategic objectives are at risk..</p>	<p><b>Performance KPIs year to date</b></p> <p>Appropriate KPIs for risk management have been incorporated within the revised Risk Management Policy, which is due to be submitted to the Audit Committee for approval in July 2018.</p>
<p><b>Assurance Implications</b></p> <p>This report enables the Trust Board to review the effectiveness of corporate risk management in order to take assurance regarding the effectiveness of current risk mitigation plans and to consider the extent of risk exposure at this time.</p>	
<p><b>Patient and Public Involvement (PPI) Implications</b></p> <p>The effectiveness of the Trust's risk and corporate governance arrangements is reported through the Annual Governance Statement (AGS) and is included in the opinion of both internal and external audit. As such, it may influence the degree of confidence that patients and members of the public have in the Trust.</p>	
<p><b>Equality Impact</b></p> <p>The Trust's Risk Management Policy has been assessed for equality impact and no issues were identified.</p>	
<p><b>Information exempt from Disclosure – No</b></p>	
<p><b>Requirement for further review? No</b></p>	

## 1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Trust Board with:
- Details of the current level of risk exposure as recorded in the draft corporate risk register
  - An update on progress with implementation of the full refresh of corporate and operational risk registers throughout the Trust

## 2. Recommendations

- 2.1 That the Trust Board considers the content of the report and advises if any further action is required

## 3. Reasons for Recommendations

- 3.1 It is essential the Trust Board maintains an awareness of the extent of risk exposure within the Trust and that the Board has confidence in the effectiveness of the Trust's risk management arrangements.

## 4. Summary of Key Points

### Corporate risk register

- 4.1 The Trust's Corporate Risk Register is being completely rebuilt in line with a new Risk Management Strategy and Policy, which have been widely consulted upon and are due to be presented to the Audit Committee for approval on 24th July.
- 4.2 A corporate risk is defined as a risk that would have consequences for the objectives of more than one directorate, or for the whole Trust. All corporate risks have a Severity rating of 4 and are assigned to the lead executive as responsible manager and a senior operational manager as risk lead.
- 4.3 Wherever possible, corporate risks are also assigned to a lead management committee for regular review and oversight as well as upward reporting to the lead assurance committee.
- 4.4 A copy of the current Corporate Risk Register is attached as **Appendix I**.
- 4.5 The Finance, Procurement & Corporate Affairs directorate are currently working on the definition and assessment of the following risks (to be added to the Corporate Risk Register):
- Significant unplanned expenditure
  - Significant reduction in planned income
  - Non-delivery of planned financial recovery programme schemes
  - Non-delivery of planned capital investment schemes
  - Receipt of substantial financial penalties
- 4.6 Those corporate risks which fall within the remit of the Workforce and Organisational Development Committee are to be reviewed and redefined in line with the new terms of reference and work programme agreed by the chair of the committee, linked to the strategic objectives in the new Board Assurance Framework (BAF).
- 4.7 Those corporate risk that are managed by the Estates & Facilities directorate are in the process of being reviewed and updated following feedback from the Finance, Service Improvement & Delivery (FSID) Committee. This process will include clarity regarding the differing extent of safety and compliance risks in each area as well as their re-assessment in line with the new Risk Management Policy.
- 4.8 The Information Governance (IG) Committee reviewed the corporate IG risk register at its July meeting, at which it was agreed that there was sufficient evidence to provide assurance of a reduction in the following risks from High (12) to Medium (8):
- Non-compliance with IG regulations & standards
  - Critical ICT infrastructure failure
- 4.9 The IG Committee also agreed that the risk associated with the management of ICT devices was operational in scale rather than corporate and could therefore be closed, on the basis that local operational risks would be identified to directorates for inclusion in their own risk registers.
- 4.10 The risk of a major cyber security attack was increased in rating from Medium (8) to High (12) due to the acknowledged degree of uncertainty regarding the scale and complexity of the external threat. This re-prioritisation will support the IG Committee in maintaining a focus on the areas of greatest risk to the confidentiality, integrity and availability of the Trust's information.

- 4.11 Based on the current Corporate Risk Register (and taking account of those areas still in development as outlined above), the areas of greatest risk exposure (those risks scoring 20+) within the Trust at present are:

Risk title	Lead assurance committee	Current rating
Management of emergency demand	FSID	20 (Very high)
Nursing staff capacity & capability	Workforce & OD	20 (Very high)
Medical staff capacity & capability	Workforce & OD	20 (Very high)
Water safety	FSID	20 (Very high)
Fire safety	FSID	20 (Very high)
Security management	FSID	20 (Very high)
Estates strategy & transformational change	FSID	20 (Very high)
Patient environment (estates & facilities)	FSID	20 (Very high)

### Operational risk registers

- 4.12 An operational risk is defined as a risk that would have consequences for the objectives of services within a single directorate. All operational risks have a Severity rating of 3 and are assigned to the Clinical Director or Deputy / Associate Director as the manager responsible and a senior operational manager as risk lead. Standardised operational risk registers are being put in place for all directorates, as described in the new Risk Management Strategy. This approach still provides scope for exceptional risks to be added (and removed) from the risk register where the Trust considers it is appropriate and helpful to do so.
- 4.13 The standard directorate operational risk register includes the following risks (with only clinical directorates including the patient care risks):

Risk title	Risk type (consequence)
Safety & effectiveness of patient care	Harm
Delayed patient diagnosis or treatment	Harm
Delayed patient discharge or transfer of care	Harm
Health, safety & security of staff, patients and visitors	Harm
Confidentiality & integrity of personal information	Reputation
Quality of patient experience	Reputation
Compliance with regulations & standards	Reputation
Workforce capacity & capability	Service disruption
Access to essential areas of the estate	Service disruption
Availability of essential equipment	Service disruption
Availability of essential information	Service disruption
Exceeding annual budget	Finances

- 4.14 The table below summarises progress with rebuilding directorate risk registers:

Directorate	Status	Due by	BRAG
Urgent Care Lincoln	Reviewed – Datix update required	Complete	B
General Medicine Lincoln	Reviewed – Datix update required	Complete	B
Cardiology	Reviewed – Datix update required	Complete	B
Haematology & Oncology	Reviewed – Datix update required	Complete	B

Directorate	Status	Due by	BRAG
Pilgrim Medicine	Reviewed and Datix updated	Complete	B
Lincoln TACC	Reviewed and Datix updated	Complete	B
Lincoln Orthopaedics	Reviewed – Datix update required	Complete	B
Pilgrim Orthopaedics	Reviewed – Datix update required	Complete	B
General Surgery & Urology	Reviewed – Datix update required	Complete	B
Pilgrim Surgery	Reviewed – Datix update required	Complete	B
Head & Neck	Reviewed – Datix update required	Complete	B
Pilgrim Pain & TACC	Reviewed – Datix update required	Complete	B
Grantham Hospital	Reviewed and Datix updated	Complete	B
Women & Children	Being reviewed	End of August	A
Clinical Support Services – Diagnostics	Reviewed – Datix update required	End of July	G
Clinical Support Services – Therapies & Rehab	Reviewed and Datix updated	Complete	B
Clinical Support Services – Pharmacy	Reviewed and Datix updated	Complete	B
Clinical Support Services – Outpatient Services	Being reviewed	End of August	A
Finance, Procurement & Corporate Affairs	Being reviewed	Mid-August	A
Human Resources & Organisational Development	Being reviewed	Mid-August	A
Estates & Facilities	Being reviewed	End of August	A
ICT & Information Governance	Reviewed and Datix updated	Complete	B
Clinical Governance	Reviewed and Datix updated	Complete	B
Corporate Nursing	Reviewed and Datix updated	Complete	B
Communications	Being reviewed	Complete	B

#### **Closed risks**

- 4.15 The process of rebuilding all of the Trust's risk registers has involved closing down old entries and replacing them where necessary with new, standardised risk descriptions. Where risks have been replaced, the records have been linked in Datix to maintain an audit trail.

#### **Reporting and assurance**

- 4.16 Every risk on a corporate or operational risk register is aligned with the most appropriate assurance committee of the Trust Board, to ensure that regular oversight and scrutiny of risk exposure and mitigation plans is maintained.
- 4.17 Executive management committees also receive regular reports on areas of the corporate and operational risk registers that fall within their remit. Further work is in

progress to ensure that there is comprehensive coverage across all areas of risk within the Trust's governance arrangements.

- 4.18 Future reports to both management and assurance committees will provide analysis of the Trust's risk profile, highlighting common risk factors and areas of prolonged risk exposure as well as providing assurance where risks remain well managed.