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Mersey Care
NHS Foundation Trust

TRUST-WIDE STRATEGY DOCUMENT

RISK MANAGEMENT STRATEGY

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TRUST-WIDE STRATEGY DOCUMENT

Version 11

Striving for perfect care and a just culture

NHS
Mersey Care
NHS Foundation Trust

RISK MANAGEMENT STRATEGY

Further information about this document:

Document name	**Risk Management Strategy, 2020 - 2021 (SA02)**
Document summary	**This Risk Management Strategy outlines the responsibilities for overseeing risk management activities across the Trust, ensuring that these meet the Trust's requirements and national standards**
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This document can be made available in a range of alternative formats including various languages, large print and braille etc	
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Version 1	Approved by the Trust Board	December 2012
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Version 11	Approved at March 2020's Board of Directors (Item G1)	March 2020

SUPPORTING STATEMENTS – this document should be read in conjunction with the following statements:

SAFEGUARDING IS EVERYBODY'S BUSINESS

All Mersey Care NHS Foundation Trust employees have a statutory duty to safeguard and promote the welfare of children and adults, including:

- being alert to the possibility of child / adult abuse and neglect through their observation of abuse, or by professional judgement made as a result of information gathered about the child / adult;
- knowing how to deal with a disclosure or allegation of child /adult abuse;
- undertaking training as appropriate for their role and keeping themselves updated;
- being aware of and following the local policies and procedures they need to follow if they have a child / adult concern;
- ensuring appropriate advice and support is accessed either from managers, *Safeguarding Ambassadors* or the trust's safeguarding team;
- participating in multi-agency working to safeguard the child or adult (if appropriate to your role);
- ensuring contemporaneous records are kept at all times and record keeping is in strict adherence to Mersey Care NHS Foundation Trust policy and procedures and professional guidelines. Roles, responsibilities and accountabilities, will differ depending on the post you hold within the organisation;
- ensuring that all staff and their managers discuss and record any safeguarding issues that arise at each supervision session

EQUALITY AND HUMAN RIGHTS

Mersey Care NHS Foundation Trust recognises that some sections of society experience prejudice and discrimination. The Equality Act 2010 specifically recognises the *protected characteristics* of age, disability, sex, race, religion and belief (or lack thereof), sexual orientation, gender reassignment, pregnancy and maternity and marital and civil partnership status. The Equality Act also requires regard to socio-economic factors.

The trust is committed to promoting and advancing equality and removing and reducing discrimination and harassment and fostering good relations between people that hold a protected characteristic and those that do not both in the provision of services and in our role as a major employer. The trust believes that all people have the right to be treated with dignity and respect and is committed to the elimination of unfair and unlawful discriminatory practices.

Mersey Care NHS Foundation Trust also is aware of its legal duties under the Human Rights Act 1998. Section 6 of the Human Rights Act requires all public authorities to uphold and promote Human Rights in everything they do. It is unlawful for a public authority to perform any act which contravenes the Human Rights Act.

Mersey Care NHS Foundation Trust is committed to carrying out its functions and service delivery in line the with a Human Rights based approach and the FREDA principles of **F**airness, **R**espect, **E**quality **D**ignity, and **A**utonomy

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1 INTRODUCTION

1.1 The Board of Directors acknowledges that:

(a) the services it provides, and the way it provides these services, carries with it unavoidable and inherent risk;

(b) the identification and recognition of these risks - together with the proactive management, mitigation, acceptance (if appropriate within its strategy) and (where possible) elimination of these risks - is essential for the efficient and effective delivery of safe and high quality services;

(c) effective risk management is not an end in itself, but an integral part of the trust's quality, governance and performance management processes;

(d) all staff have a role in considering risk and helping to ensure it does not prevent the delivery of safe and high quality service; and finally that

(e) the Board of Directors, with the support of its committees, has a key role:
  (i) in ensuring a robust risk management system is maintained and effectively resourced,
  (ii) in encouraging a culture whereby risk management is embedded across the trust, and
  (iii) through its plans, in setting out its appetite and priorities in respect of the mitigation of risk when delivering a safe and high quality service.

2 TRUST STRATEGY AND RISK

2.1 Mersey Care is ***striving to provide perfect care for the people that we serve.*** The trust is an organisation that does not accept compromises in the quality of care or minimum targets set by others, but supports learning and improvement in our services so that we strive to get the basics of care right every time, for every service user. A key challenge facing the trust is improving the quality and safety of our services whilst safely reducing costs (see **Figure 1**).

Figure 1: Mersey Care's Strategy

2.2 The Board of Directors ***is committed to delivering high quality services which are safe, provide the opportunity for recovery and promote the wellbeing of service users, their relatives and carers, staff and other stakeholders, supported by a risk management system which is open and transparent and continually seeks to improve the quality and safety of the services provided by the trust***.

3 OBJECTIVE OF THIS STRATEGY

3.1 The purpose of this strategy is to set out how the trust's risk management system will support the delivery of the trust's overarching strategy and how it will continue to be developed from 2020 to 2021. As such it outlines the key responsibilities for the management, reporting and escalation of risk within the trust.

3.2 In developing, improving and embedding its risk management system the trust will take account of the appropriate statutory requirements, national guidance and the requirements of its regulators.

4 PLAN TO ACHIEVE THIS OBJECTIVE

4.1 From April 2020 to March 2021 the following tasks will be undertaken to support the delivery of this strategy:

No	Tasks	Timeframe
1	Align BAF and risk registers to the Trust Risk Strategy and Operational Plan.	March 2020
2	Develop a refreshed shorter risk report in line with recommendations from the Committee's and the Institute of Good Governance.	May 2020
3	Standardise Part A risk assessment at Safety Huddles across the Clinical Divisions	June 2020
4	Set up Corporate Safety Huddles to give better oversight of Corporate Risks	Feb/March 2020
5	Standardise incident risk assessment around the 5x5 risk framework	September 2020
6	MIAA to finalise audit report for the risk management process across the Trust	April 2020
7	MIAA to undertake annual review of Board Assurance Framework and supportive processes	April 2020
8	Board to approve Board Assurance Framework	March 2020
9	Develop incident and risk training roles within the Datix Risk Team	June 2020
10	Board to agree framework for its risk appetite for 2020/2021	Date to be agreed
11	Review and refresh Trust Risk Policy	December 2020
12	Board Development Sessions every six months to review risks /risk appetite	Ongoing

5 DEFINITIONS

5.1 Definitions about the terminology used in risk management, and throughout this document, can be found in **Appendix A**.

6 SCOPE

6.1 This strategy applies equally to all members of staff, either permanent or temporary and to those working within, or for, the trust under contracted services.

7 RISK MANAGEMENT SYSTEM

7.1 Definition

7.1.1 As **Figure 2** below shows, risk management involves the identification, analysis, evaluation and treatment of risks – or more specifically recognising which events (hazards) may lead to harm and therefore minimising the likelihood (how often) and consequences (how bad) of these risks occurring.

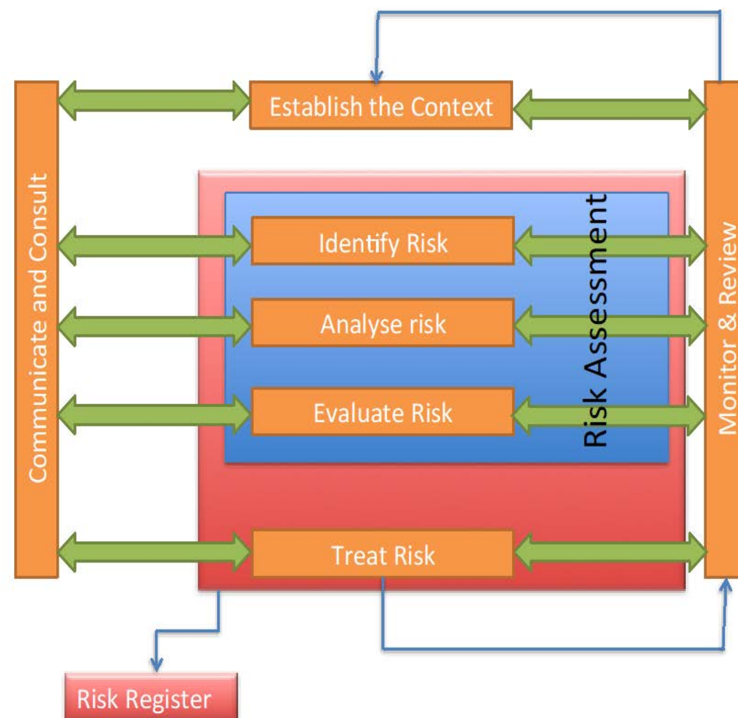


Figure 2 – Risk Management Process

7.2 Risk Categories

7.2.1 Mersey Care is exposed to a range of risks relating to the clinical and non-clinical activities undertaken by the trust. These risks can be grouped in various different ways, Mersey Care has adopted a process for categorising risk produced by the Good Governance Institute:

Type of Risk	Definition
Compliance / Regulatory	Risks which may impact on the ability of the trust to deliver high quality of care in accordance with the requirements of regulators and national standards
Financial	The risk that a weakness in financial controls could result in a failure to safeguard assets, impacting adversely on the trust's financial viability and capability for providing services
Innovation / Quality / Outcomes	Risks that threaten the day to day delivery of clinical care and services
Reputation	Risks that the organisation receives negative publicity which impacts on service user and public confidence in the trust

7.3 Root Cause Analysis

7.3.1 The Trust will undertake to identify the root cause of a risk to better understand trends and themes and any underlying concerns identified in the risk register. A root cause analyses of the risks will be included in the appropriate committee risk reports on a quarterly basis. The analysis will group the risks into the categories outlines below on a percentage and an aggregated current risk score.

Root Cause	Definition
Estates	The estate or surrounding environmental issues such as temperature, water ingress, layout etc., which create a risk to the quality of care provided.
Financial	Financial concerns and constraints impact on the Trust.
IM&T	Electronic systems, data and infrastructure concerns.
Staffing	Risks associated with staffing including training, competency and staffing levels.
Interdependence with Third Parties	Actions and mitigations are owned or influenced by individuals or organisations outside of the Trust.
Service User	Risks identified through service user behaviour
Limited Resources / Operational	Increased demand outstripping supply and or operational procedures not being fit for purpose
Major Incident	Risk associated with a Major incident such as a power outage, extreme weather, pandemic etc.

7.4 Alignment of Risks to Operational Plan

7.4.1 Alignment of risks to the Trust risk strategy (See Figure 1) and operational plan to better identify the level of risk in achieving the objectives outlined in the strategy.

(i) Our Service
(ii) Our People
(iii) Our Future
(iv) Our Resources

7.5 Assessing and Scoring Risks

7.5.1 Risks are scored using a *risk scoring matrix* which has been adopted by many NHS organisations based on an Australian / New Zealand standard (see **Appendix C**), with the risk scores taking account of the *consequence* and *likelihood* of a risk occurring (further details can be found in the trust's Risk Management Policy).

7.5.2 The table below outlines how a risk will be managed and escalated from ward to Board dependent upon the risk score

Risk Rating	Management
LOW - between 1 and 3	Managed at a service level by the *Action Lead* via the trust-wide Risk Register. Assurance will be provided to the *Accountable Manager* on the management of this risk (Note - not normally escalated to Board level)
MEDIUM – between 4 and 6	Managed at a service level by the *Action Lead* via the trust-wide Risk Register. The *Accountable Manager* will monitor the deliver of any actions (Note - not normally escalated to Board level)
HIGH – between 8 and 12	Managed by the *Accountable Manager*. Actions prioritised and agreed with the *Executive Owner*. (Note – not normally included in the Board Assurance Framework)
EXTREME – between 15 and 25 ***(Strategically significant risks)***	Managed on a day-to-day basis by the *Accountable Manager* and reviewed as a minimum on a monthly basis with the *Executive Owner*. Actions prioritised / agreed on a monthly basis and subject to scrutiny by the appropriate Board Committee / Board of Directors (Note – included in the Board Assurance Framework)

Note – for a description of *Risk Owners* please see paragraph 8.9 below

7.5.3 Those risks which normally score between ***15 and 25*** will be regarded as ***strategically significant risks*** and will be included in the Board Assurance Framework which is considered by the Board of Directors and its Committees. However other risks with an *impact (consequence)* score of 3, 4 or 5 may be recommended by a Board Committee (with advice from the Risk Management Group) or proposed by the Board of Directors for inclusion on the Board Assurance Framework.

7.5.4 Each risk will be assigned 3 risk scores:

(a) ***Opening Risk Score*** – the initial risk score, prior to any assessment of the effectiveness of the controls / mitigating actions proposed;

(b) ***Current Risk Score*** – the latest risk score, which will include a partial / complete assessment of the effectiveness of the controls / mitigating actions;

(c) ***Target Risk Score*** – the risk score which should be the objective of the trust's controls / mitigating actions (taking account of the Board's *risk appetite*).

7.6 Risk Appetite (Risk Tolerance)

7.6.1 *Risk Appetite* is the level at which the Board of Directors determines whether an individual risk, or a specific category of risks, is deemed acceptable or unacceptable based upon the circumstances / situation facing the trust. This determination may well impact on the prioritisation of resources necessary to mitigate or reduce the impact of a particular risk and / or the time the timeframe required to mitigate a risk.

Risk Appetite Statement

Mersey Care NHS Foundation Trust recognises that its long term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, staff the public and strategic partners. As such, Mersey Care will not accept risks that materially provide a negative impact on patient safety.

However Mersey Care has a greater appetite to take considered risks in terms of their impact on organisational issues. Mersey Care has greatest appetite to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

Further detail on the statement is provided below. The *risk appetite* is shown in **BOLD** text

Compliance and Regulatory	• There is a **LOW** risk appetite for risk, which may compromise the Trust's compliance with its statutory duties and regulatory requirements.
Financial	• Mersey Care has a **LOW** risk appetite to financial risk in respect of meeting its statutory duties. • Mersey Care has a **MODERATE** appetite for risk to support investments for return and minimise the possibility of financial loss by managing associated risks to a tolerable level. • Mersey Care has a **MODERATE** appetite for investments which may grow the size of the organisation
Quality, Innovation and	• Mersey Care has **NO** appetite for risk that compromises patient safety.

Outcomes	• Mersey Care has a **LOW** risk appetite for risk that may compromise the delivery of outcomes, that does not comprise the quality of care • Mersey Care has a **SIGNIFICANT** risk appetite to innovation that does not compromise the quality of care.
Reputation	• Mersey Care has a **LOW** risk appetite for actions and decisions that whilst taken in the interest of ensuring quality and sustainability of the patient in our care may affect the reputation of the organisation.

7.7 Assurance

7.7.1 A key component of the trust's risk management system is providing assurance, not only about the overall risk management system (which is the domain of the Audit Committee) but as importantly on the effectiveness of the controls and their application (action plans) being put in place to mitigate the impact of any risk. (which will be consider by the Board of Directors and its committees). As **Figure 3** below shows three lines of assurance are proposed in respect of the application of controls.

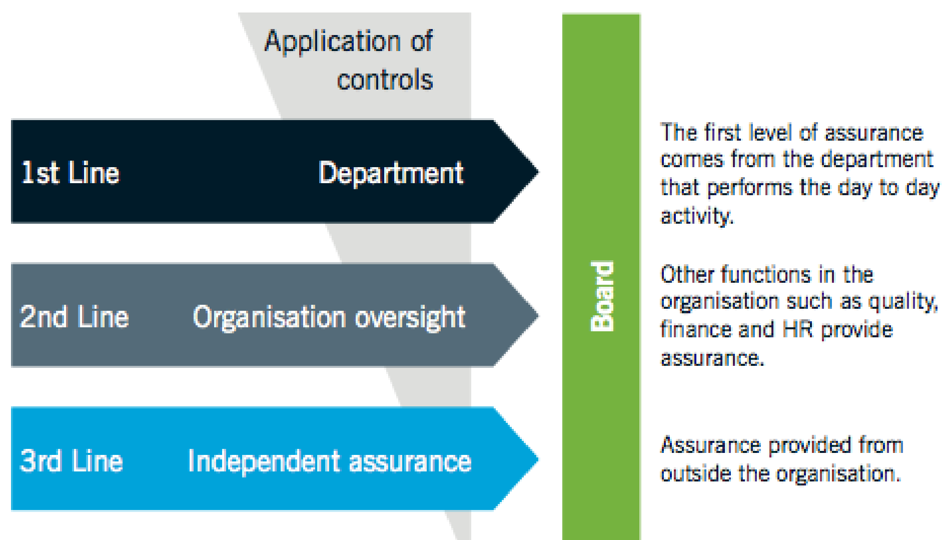


Figure 3 – 3 lines of assurance
(Source: NHS Providers / Baker Tilly – Board Assurance: A toolkit for health sector organisations)

7.7.2 The table below outlines the types of assurance that will be that will be applied for each of these 3 levels.

Line of Assurance	Examples of Assurance
Level 1 – Department	• 1-1 meetings between an *Action Lead* and a *Accountable Manager* Peer review of a piece of work (facilitated by the Risk Management Group) • Self assessment return
Level 2 – Organisation Oversight	• 1-1 meetings between a *Accountable Manager* and an *Executive Owner* • Reports to a Board Committee (i.e., Executive Performance Report, Quality Report, Financial Report) • Recommendation to a Board Committee from the Risk Management Group • Recommendation to the Board of Directors, from a Board Committee, and incorporated into the Board Assurance Framework) • Review and recommendations by the weekly Executive Safety Huddle
Level 3 – Independent assurance	• MIAA internal audit report • Benchmarking with another organisation • Independent well-led governance framework review • External audit report

7.7.3 The Risk Management Group will pay a key role in working with the Board of Directors and its committees to identify the appropriate types of assurance and, particularly in respect of Levels 1 and 2, standardising and moderating their application across the trust, making recommendations to the relevant Board Committees and cascading out good practice to divisions, teams and service across the trust.

7.8 Trust-wide Risk Register

7.8.1 The trust has in place a trust-wide Risk Register which is populated from the risk assessments carried out at all levels and across all divisions with the trust. The trust has only one risk register, although divisions / teams / services will be able to access information only relevant to them should they choose to do so.

7.9 Board Assurance Framework

7.9.1 The Board Assurance Framework will include those ***strategically significant*** risks which either:

(a) have a risk score of 15 and over; or

(b) have a consequence risk score of 3,4 or 5 and have been judged by the Board to be strategically significant.

7.9.2 The Board Assurance Framework will be presented to each of the Board of Directors' public meetings. It will take account of the recommendations from the

Audit Committee, the People Committee, the Quality Committee and the Resources Committee as to what should be included, amended or removed as these committees of the Board of Directors undertake the detailed scrutiny and receive assurance to inform their recommendations.

7.9.3 **Figure 4** below outlines how risks will be escalated to the Board of Directors via its committees, outlining the key role the Risk Management Group will play in coordinating between the Board of Directors and it committees and the rest of the trust.

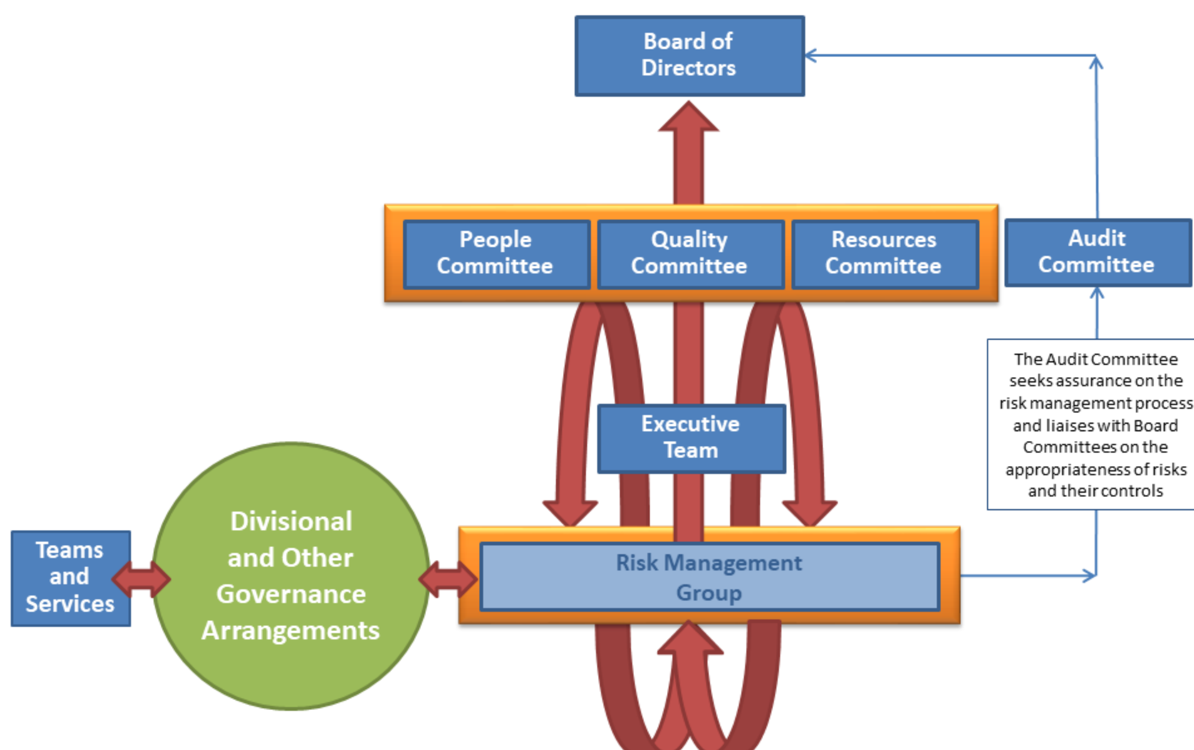


Figure 4 – Risk Escalation Process

8 ROLES AND RESPONSIBILITIES

8.1 **Board of Directors** – has overall responsibility for:

(a) ensuring robust systems of internal control are in place and appropriately resourced;

(b) encouraging a culture whereby risk management is embedded across the trust;

(c) routinely considering risks and collectively being assured that risks are being effectively managed; and

(d) through its plans, in setting out its appetite and priorities in respect of the mitigation of risk when delivering a safe and high quality service.

8.2 **Board and Other Committees** – the following committees have the key risk responsibilities:

(a) *People Committee, Quality Committee and Resources Committee* – on behalf of the Board of Directors undertaking the detailed scrutiny of those *strategically significant* risks that fall within their terms of reference, as well as recommending the inclusion of new or revised risks (and action plans) for matters were further assurance is required;

(b) *Audit Committee* – on behalf of the Board of Directors, being assured on the robustness of the trust's risk management system and the adequacy of the underlying assurance processes and controls used to inform the Board of Directors and its committees about the management of risk;

(c) *Risk Management Group* – although accountable to the Executive Committee, this group:

(i) oversees the trust's *Risk Register* (advising on the completeness and standardisation of risks, their controls, mitigation, action plans and assurance through the trust's governance systems) and ensures the risks recorded take account of the Board of Directors' risk appetite,

(ii) taking account of the *Risk Register*, advises the Board of Directors (via the Audit Committee, the People Committee, the Quality Committee and the Resources Committee) on the *strategically significant* risks for inclusion or review in the trust's Board Assurance Framework (taking account of the risk appetite);

(d) *Operational Management Group(s) and Other Sub-Committees* – responsible for the identification and collation of risks relating to their terms of reference for inclusion in the trust's *Risk Register*.

(e) *Weekly Executive Safety Huddle* – Reviews risks with a common underlying theme with the associated action lead and the responsible executive. Risks are brought back to the group on a cyclical basis, based on the potential impact of the risks. The group can recommend risks are amended, or new risks are added to the trust's Risk Register.

(f) *Divisional Safety Huddle(s)* - Responsible for the identification, collation and approval of risks relating to a division under their terms of reference.

8.2.2 A diagram of the trust's governance arrangements and quality surveillance process can be found in **Appendix B**.

8.3 **Chief Executive** – as the trust's Accountable Officer, has overall responsibility for the risk management process and this strategy, ensuring that it meets statutory and regulatory requirements (including necessary regulatory submissions) and meets the needs of the trust. Liaising with stakeholders and regulators where the management of issues / risks has a wider impact.

8.4 **Executive Medical Director** – delegated by the Chief Executive with responsibility for the delivery of this strategy and the trust's risk management system.

8.5 **Executive Team** – accountable to the Chief Executive, they are responsibility for:

(a) ensuring that all risks related to their portfolios (see **Figure 5** below) are identified, assessed, recorded and reported, and that appropriate measures are in place to manage any risks and provide assurance on their effectiveness;

(b) understanding, championing and adhering to the risk management system;

(c) with their management teams, for identifying a **Risk Owner** for each risk.

Chief Executive

Executive Director of Communications & Corporate Governance	Executive Director of Finance (Deputy Chief Executive)	Executive Medical Director (Interim)	Executive Director of Nursing & Operations	Executive Director of Workforce	Director of Strategy	Director of Corporate Transformation (1)
• Communications • Commercial Development • Corporate Governance • Estates & Facilities Management • Freedom to Speak Up (Exec Lead) • Service User / Carer Participation and Wider Engagement • Strategic Capital • ZSA (Exec Lead)	• Financial & Performance Management • IM&T and Information Governance • Procurement	• Clinical Leadership & Standards • High Secure Hospital Services (Exec Lead) • Quality & Information Systems Innovation • Patient Safety, Complaints & Patient Experience • Quality Impact / Governance & Risk Management	• Delivery of Clinical Services • CQC Registration & Professional Standards • Clinical Engagement & Integrated Care • Safeguarding & Social Care	• Equality & Inclusion • Human resources, Operational Effectiveness, Learning & Development • Just & Learning Culture • Occupational Health & Staff Support	• Contracting & Commissioning (including Lead Provider Collaborative) • Corporate Strategy & Planning • Provider Alliances (Liverpool and Sefton)	• Corporate Services Transformation • Mergers & Acquisitions

Figure 5 – Executive Team's Responsibilities (Update)

8.6 **All Senior Managers / Managers** – accountable to a member of the Executive Team, are responsible:

(a) through the relevant governance process, for ensuring that all risks related to their areas of responsibility are identified, assessed, recorded and reported, and that appropriate measures are in place to manage any risks and provide assurance on their effectiveness;

(b) understanding, championing and adhering to the risk management system;

(c) with their Executive Lead, for identifying a **Risk Owner** for each risk.

8.7 **Director of Patient Safety** – in addition to paragraph 8.6, the Director of Patient Safety will be directly responsible to the Executive Medical Director and is accountable for the operational and strategic management of the risk management process. The Director of Patient Safety will liaise with the Executive Medical Director and the Head of Risk & Resilience on risk management issues.

8.8 **Associate Director of Patient Safety** – works with the Director of Patients Safety and the Head of Risk and EPRR to deliver a risk and patient safety agenda across the Trust and ensure that the Board and its sub committees understand and are aware of the risks in the organization and the mitigations being put in place.

8.9 **Head of Risk and EPRR** – Supports the Executive Medical Director and the Executive Team and is responsible for leading and coordinating all aspects of the Trust's risk management function and activities and supporting risk management functions at Board of Director level and across the clinical divisions and corporate services.

8.10 **Risk Owner**

(a) ***Action Lead*** – identified by a senior manager or manager, this is the officer within a particular team who, on a day-to-day basis, will take lead responsibility for the documentation and assessment of a risk that has been identified and added to the trust's Risk Register (as defined in the trust's Risk Management Policy).

(b) ***Accountable Manager*** – the officer, normally a senior manager, who supports the *Team Risk Owner* and is responsible for overseeing the management of a risk on behalf of an Executive Director and for providing assurance on the effective management of this risk (and action plan) through the relevant line management / trust governance arrangement.

(c) ***Executive Owner*** – the Director with lead responsibility for the management of this risk; for seeking assurance from the *Management Risk Owner* on the effectiveness on the controls and management of a risk; for ensuring that the appropriate assurance on the effective management of this risk is provided to the trust's Board of Directors / Board Committee(s) as appropriate.

8.11 **All staff and contractors (including Locums, Temporary Staff and Bank Staff)** – are expected to be familiar with the trust's risk management system and take responsibility when conducting their duties in accordance with the principles laid out in trust's policies and procedures. Everyone has the responsibility – and indeed is encouraged – to report concerns / incidents.

9 RISK MANAGEMENT TRAINING AND SUPPORT

9.1 Members of the Risk Management Group will be supported in their development by identified dedicated training. Mangers will also be made aware of their responsibilities and receive training through essential skills for manager's package and dedicated workshops. All staff receives risk management awareness as part of the induction process.

9.2 The risk management system will also take account of the development opportunities resulting from Mersey Care being part of the Collaborative for Evidence Based Risk Management, which is being coordinated by The Risk Authority at Stanford.

10 MONITORING, REVIEWING AND AUDITING

10.1.1 The Risk Management Group will seek to continually review and monitor the trust's risk management system, playing a key role in standardising and moderating risks that are added to the trust-wide Risk Register.

10.1.2 Mersey Internal Audit Agency provides an audit opinion annually of the trust's Board Assurance Framework.

Definitions for Risk Management Terminology

The following table provides definitions for some of the most frequently used terminology within risk management.

Term	Definition
Adverse Incident	Any event or circumstance leading to unintended harm and/or suffering which results in admission to hospital, prolonged hospital stay, or significantly disability at discharge or death
Action	A response to control or mitigate risk.
Action Plan	A collection of actions that are: specific, measurable, achievable, realistic and targeted.
Assessment	A review of evidence leading to the formulation of an opinion.
Assurance	Confidence based on sufficient evidence, that internal controls are in place, operating effectively and objectives are being achieved (Building the Assurance Framework: A Practical Guide for NHS Boards (2003), Department of Health. Taking it on Trust, Audit Commission (2009), Care Quality Commission, Judgement Framework, (2009).
Board Assurance Framework (BAF)	A matrix setting out the organisation's strategic objectives, the risks to achieving them, the controls in place to manage them and the assurance that is available.
Complaint	Action taken by a patient/client of a healthcare facility, or his or her agent, to communicate dissatisfaction or concern about any aspect of care/treatment or experience during a stay or visit
Compliance	Act in accordance with requirements.
Contingency plan	The action(s) to be taken if the risk occurs.
Control	Action taken to reduce likelihood and or impact of a risk.
Corporate Governance	The system by which Boards of Directors direct and control Organisations in order to achieve their objectives.
Cost	Activities, both direct and indirect, which result in a negative outcome or impact for an individual or the organisation – cost includes money, time, labour, disruption, goodwill, political and in tangible losses
Cumulative Risk	The risk involved in several related activities that may have low impact or be unlikely to happen individually, but which taken together may have significant impact and or be more likely to happen; for example the cumulative impact of cost improvement programmes.
Escalation	Referring an issue to the next appropriate management level for resolution, action, or attention.
Evidence	Information that allows a conclusion to be reached.
External Audit	An organisation appointed to fulfil the statutory functions in relation to providing an opinion on the annual accounts of the Trust.
Gap in Assurance	Failure to gain sufficient evidence that policies, procedures, practices or organisational structures on which reliance is placed are operating effectively.

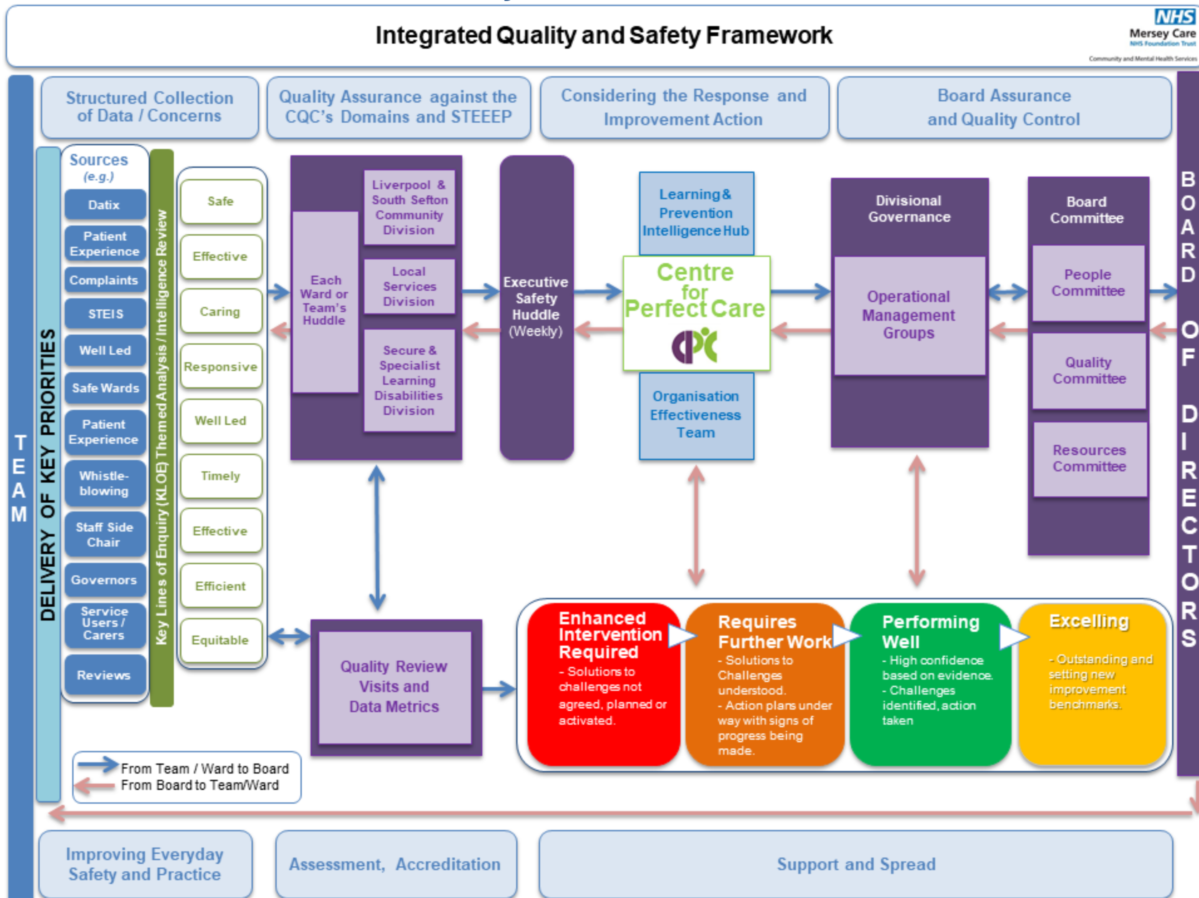
Term	Definition
Gap in Control	Failure to put in place sufficient effective policies, procedures, practices or organisational structures to manage risk and achieve objectives.
Frequency	A measure of the rate of occurrence of an event expressed as the number of occurrences of an event in a given time
Hazard	A source of potential harm or a situation with the potential to cause loss
Impact (consequence)	The result of a threat or an opportunity.
Incident	Any unplanned event or circumstance resulting in, or having a potential to cause loss
Information	Knowledge that is gathered as a result of processing data.
Internal Audit	The team responsible for evaluating and forming an opinion of the robustness of the system of internal control.
Internal Control	A scheme of checks used to ensure that systems and processes operate as intended and in doing so mitigate risks to the organisation.
Inherent Risk	The level of risk involved in an activity before controls are applied.
Integrated Risk Management	a process through which organisations identify, assess, analyse and manage all risk and incidents for every level of the organisation and aggregate the results at a corporate level e.g. patient safety, health and safety, complaints, litigation and other risks.
Key Risk/Key Control	Risks and controls relating to strategic objectives.
Likelihood	A qualitative measure/description of probability or frequency. Any negative impact, financial or otherwise
Mitigation/ treatment of risk	Actions taken to reduce the risk or the negative impact of the risk.
Near Miss	A situation in which an event or omission, or a sequence of events or omissions, arising during clinical care fails to develop further, whether or not as the result of compensating action, thus preventing injury to patient
Policy	A document setting out the corporate plans for achieving a strategy
Probability	The likelihood of a specific event or outcome occurring. This is measured by the ratio of specific events or outcomes to the total number of possible events outcomes to the total number of possible events or outcomes. Probability is expressed along a scale ranging from impossible to certain
Quality	Treatment and care that is safe, effective and provides a positive patient experience.
Reassurance	The process of telling others that risks are controlled without providing reliable evidence in support of this assertion.
Residual Risk	The risk that is still present after controls, actions or contingency plans have been put in place.
Risk	The chance of something happening that will have an impact upon objectives. It is measured in terms of impact and likelihood
Risk Appetite	An informed decision taken by the Trust Board to accept the identified impact and likelihood of a particular risk or group of risks

Term	Definition
Risk Analysis	A systematic use of available information to determine how often specified events might occur and the magnitude of their impact
Risk Capacity	The maximum level of risk to which the organisation should be exposed, having regard to the financial and other resources available.
Risk Control	That part of risk management, which involves the development and implementation of policies, standards, procedures and/or physical changes to eliminate or minimise adverse events or risks
Risk Evaluation	The process used to determine risk management priorities by comparing the level of risk against predetermined standards, target risk levels and other criteria
Risk Identification	The process of determining what can happen, why and how
Risk Management	The culture, processes and structures that are directed towards the effective management of potential opportunities and/or adverse effects
Risk Management System	Systematic application of management policies, procedures and practices to the tasks of establishing the context of risk and then, identifying, analysing, evaluation, treating monitoring and communicating risk
Risk Matrix	A grid that cross references impact against likelihood to assist in assessing risk.
Risk Maturity	The quality of the risk management framework.
Risk Owner	The person/group responsible for the management and control of all aspects of individual risks. This is not necessarily the same as the action owner, as actions may be delegated.
Risk Profile	The overall exposure of the organisation or part of the organisational to risk.
Risk Rating	The total risk score worked out by multiplying the impact and likelihood scores on the risk matrix.
Risk Register	The tool for recording identified risks and monitoring actions and plans against them. Risk Tolerance: the boundaries
Risk Reduction	The application of appropriate techniques and management principles to reduce either the likelihood of an occurrence or its impact or both
Risk Tolerance	The boundaries of risk-taking outside that the organisation is not prepared to go beyond.
Risk Transfer	Shifting the responsibility of burden for loss to another party through legislation, contract, insurance or other means. Risk transfers can also refer to shifting a physical risk or part thereof elsewhere
Risk Treatment	Selection and implementation of appropriate options and action plans for dealing with risk
Stakeholders	Those people and organisations who may affect, be affected by or perceive themselves to be affected by, a decision, action or activity
System Failure	A non-conformance with, malfunction of or deviation from a defined management system. A system failure may also be defined as inadequate performance, non-participation in or non-application of a defined management system of process

Mersey Care's Governance Arrangements

Trust Governance Structure

Trust Surveillance for Quality Process



Risk Matrix

The Risk Matrix used by Mersey Care is based on the Australian / New Zealand standard (AS/NZS 4360:1999 – Risk Management), which was the system recommended for the NHS to use by the Department of Health.

To calculate the Risk Score the following calculation is used

Impact x Likelihood = Risk Score

Further guidance on the use of this Risk Matrix is provided in Mersey Care's *Risk Management Policy.*

LIKELIHOOD of the risk occuring (score subject to controls in place)	IMPACT should a risk occur →	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
	Almost certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5

RISK

Colour	Level
Green	Low (1-3)
Yellow	Moderate (4-6)
Orange	High (8-12)
Red	Extreme (15-25)