

Item 6.5a Action Plan against the Recommendations Made in the Review of Risk Management Arrangements by PM Governance, November 2014

Key:

PM Governance – Paul Moore, Risk Consultant

ADCA – Associate Director of Corporate Affairs

DRI – Director of Research & Informatics

HoG – Head of Governance

CEO – Chief Executive

DoN – Director of Nursing

RM – Risk Manager

Recommendation	Action	By Whom	By When	Progress
For the Board of Directors				
B1. Consider including all identified significant risk exposures, strategic or otherwise, into the Board's Assurance Framework.	Risk Management training for Board	PM Governance	16/12/14	Completed. Board received summary of report and engaged in risk appetite workshop.
	Board Assurance Framework review with emphasis on inclusion of risks that threaten delivery of strategic objectives and regulatory compliance	Executive Team	January 2015	Completed February 6 th .
	Review by Board of Directors at strategic workshop	ADCA	February 2015	The BAF was considered at April 2015 meeting.
	Sign off by Board of Directors	ADCA	March 2015	Completed April 2015

Recommendation	Action	By Whom	By When	Progress
<p>B2. Consider the benefits of developing the Board Assurance Framework to incorporate Board Assurance Mapping, built upon the three---lines of defence model and directly focusing on:</p> <ul style="list-style-type: none"> • Material risk exposures; • CQC Registration Regulations requirements; • Provider Licence conditions (Monitor's RAF compliance requirements); • Monitor's well---led framework; • Arrangements for preventing Never Events; • Any other requirement giving rise to an assurance need. 	Review assurance mapping guidance	DRI / ADCA	June 2015	Assurance mapping is not to be taken forward at the present time. Review again in 2016/17.
	Build assurance mapping structure if review favourable	DRI / ADCA	September 2015	
	Build third line of defence reviews into MIAA audit plan for 2016/17	DRI / ADCA	September 2015	
	Align assurances to the risks that threaten the achievement of our outcomes and objectives	DRI / ADCA	Throughout 2016/17	
<p>B3. Consider the benefits of providing directors with a summary analysis of all significant risk exposures (current and future risks) at each formal meeting of the Board</p>	Centralise current risk registers and re-specify corporate risk register to facilitate overview	DRI	March 2015	Centralisation complete. New corporate risk register available through the information reporting portal (Athena).
	Begin production of report	DRI	April 2015	Completed. Now included in CEO report to the Board.
	Introduce refreshed risk management system (easier collation of top risks from registers and BAF)	DRI	September 2015	Bespoke risk register system developed and implemented. Procurement exercise for definitive replacement complete. Datix chosen as preferred supplier. To be implemented July 2015 onwards.

Recommendation	Action	By Whom	By When	Progress
B4. Consider the frequency with which business continuity plans are refreshed to ensure plans remain current and contingencies sufficient to enable resilient performance	Change review of business continuity plans from three years to annually	RM	January 2015	Reviewed annually as per the committee work plans – complete
	Ensure review includes that contingencies are tested and are judged sufficient	RM	June 2015	A number of recent incidents have tested out business continuity plans for real. Desktop testing to be scheduled for late 2015.
	MIAA to test contingencies	RM	Annually	
B5. Consider establishing a role of Chief Risk Officer – or a person of similar standing reporting directly to the CEO with a focus on building the Board and Trust's capacity to manage and anticipate risk.	Add risk management to the portfolio of the Director of Research and Informatics	CEO	November 2014	Completed.
B6. Consider the benefits of holding a facilitated risk management workshop to explore the Board's awareness of risk, its appetite for taking risk, the tolerance for risk, the emergent risk horizon and strategies for handling future risk.	Host Risk Management training for the Board	PM Governance	December 2014	Completed. 16 th December 2014.
B7. Consider using a grid approach to illustrate the internal/external and current/future risk exposures (see Appendix 2 for an illustrative example) and within reports to the Board, ensure the reason for reporting a risk to the Board and the decision required is explicit.	Introduce refreshed risk management system (easier collation of top risks from registers and BAF)	DRI	Throughout 2015/16	Procurement exercise complete. Datix chosen as preferred supplier. To be implemented July 2015 onwards.
	Produce first grid plot	DRI	December 2015	

Recommendation	Action	By Whom	By When	Progress
B8. Consider the benefits of systematically identifying and assessing all the risks to compliance with the requirements of Monitor's Risk Assessment Framework, using the output to inform the Board's cycle of business and underpin the Board's public disclosure declarations to regulators.	Board Assurance Framework review in advance if 2015/16 as part of the annual planning cycle.	Executive Team	Q4 2014/2015	Proactive risk analysis meeting completed 6 th February.
For the Chief Executive				
CEO1. Develop the performance report to forecast performance; improve the use of benchmarks; trends and comparators to previous performance.	Introduce forecasting of performance	DRI	November 2014	Completed. Forecasting on operational dashboard in place.
	Review and improve performance reports wrt benchmarks, trend and comparators	DRI	February 2015	Exemplar performance reports obtained.
	Introduce new reports	DRI	April 2015	Reports against new strategic objectives and operational targets introduced May 2015
	MIAA to assure new reports and data quality system	DRI	2015/16	Complete. Significant assurance received.
CEO2. Ensure the monthly Board report from the Chief Executive includes written updates on serious incidents resulting in harm; summary of key developments including compliance and regulation; serious incidents requiring escalation to external agencies; and current significant risks threatening the achievement of the corporate objectives.	Begin production of report (build on existing report that presents updates on serious incidents)	DoN / ADCA / DRI	April 2015	Completed. High scoring risks threatening objectives are included in CEO report to the Board. Serious incidents and compliance with regulation issues are dealt with under separate Board items.

CEO3. With the Audit Chair, consider the benefits of obtaining from the Executive and first line reports, individual <i>Letters of Representation</i> providing assurance as to disclosure and escalation of matters relevant to safety and quality, to underpin public disclosure statements such as the corporate governance statement (Risk Assessment Framework) and annual governance statement (Annual Report & Accounts) --- March / April annually.	Recommendation rejected – no further action.			
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For the Executive Team				
ET1. Consider revamping the Trust Risk Management Strategy to incorporate a risk management process, set out requirements for risk treatment, establish clearer roles and responsibilities, redevelop risk scoring methodologies and escalation routines.	Review the Trusts risk management strategy with particular reference to: <ul style="list-style-type: none"> • The strategic purpose of risk management • The Boards appetite for risk • Improving the risk management process • Including risk treatment options and where to get support for staff • The development of a number of SMART KPI's for tracking risk management effectiveness (Q reporting to audit committee) • Refining the risk scoring methodology to improve sensitivity • Harmonising the scoring methodology across all risk documents and tools • Processes for escalation / de-escalation • Arrangements for oversight of risk management 	DRI	February 2015	First draft of new policy produced. Risk Management and Corporate Governance Committee reviewed 1 st draft Approval 27 th April 2015 Audit committee review and Board approval occurred in May 2015.
	Launch new risk tools and educate staff	DRI	April 2015	Organisation wide training commenced 17 th June 2015

<p>ET3. Consider the extent to which organisational purpose and objectives are understood within each service line. Consider the benefits of aligning risk more directly to the strategic drive by expressing risk as the effect of uncertainty on the objective (what's uncertain, how it may be caused and what impact it may have on the objective).</p>	<p>Develop corporate wide risk management training that compromises:</p> <ul style="list-style-type: none"> • Improving the understanding of each Departments function and their role in delivering the organisations objectives • Improving the understanding of risk in delivery of said objectives • Proactive risk analysis (see below) • Cements understanding into refreshed risk registers • Integrates risk management into the achievement of the trusts strategic objectives (golden thread) and compliments safety culture work 	DRI	June 2015	Complete. Training scheme developed.
	<p>Deliver risk management training in Departments</p>	DRI	July 2015 – March 2016	Training commenced June 2015.
	<p>Assess competence following completion</p>	DRI	July 2015 – March 2016	
				Version 1.1:

ET5. Consider developing ward and department risk profiles to reflect those risks that could stop the ward or department from functioning properly	Derive these from the corporate wide risk management training	DRI	April 2016	Already in place. DRI and RM to review. To be embedded into risk training. Training commenced June 2015.
ET6. Consider plotting emergent risk over the lifetime of the Trust's strategy. Encourage colleagues to anticipate by giving them permission to think ahead and plan to secure opportunity and minimise threats.	Integrate the "Business Critical Vectors for Proactive Risk Analysis" into executive team, corporate wide and senior leader risk management training Incorporate emergent risks in grid plot	DRI DRI	January & June 2015 December 2015	Executive Team undertook proactive risk analysis February 6th.

<p>ET7. With reference to the Risk Management Committee (RMC), consider:</p> <ul style="list-style-type: none"> The benefits of the Chief Executive chairing the Risk Management Committee; Clarifying the Committee's purpose to reflect more directly its contribution to overseeing and advising the Board on current risk exposures, future risks to the Trust's strategy and optimal risk treatment; Clarifying its purpose to ensure it decides upon those risks that matter, and risk is managed in accordance with the Board's risk appetite and tolerance; Challenging more robustly all risks identified and assessed as major by directorates and bring them under better control; 	<p>The RMC will be chaired by the Trust lead for Risk Management, the DRI</p>	CEO	December 2014	Completed. First meeting chaired by DRI held 22/12/14.
	<p>Refresh the RMC terms of reference</p>	DRI	December 2014	Completed.
	<p>Include in RMC terms of reference</p>	DRI	December 2014	Completed.
	<p>Feed in Board's appetite for risk</p>	DRI	March 2015	Included in new Risk Management policy.
	<p>Harmonise the risk scoring methodology across all risk documents and tools</p>	DRI	February 2015	Completed. 5x5 matrix now embedded in all risk assessment documents.
	<p>1:1 review of all major risks between risk owner and DRI</p>	DRI	March 2015	1:1's between Chief Risk Officer and Executives occur monthly. All red scoring risks assessed by Chief Risk Officer with staff as disclosed.
	<p>New major risks reported immediately to DRI and discussed at next available executive team meeting</p>	DRI	As necessary	Being rolled out commensurate with implementation of new Risk Management policy.
	<p>Feedback either directly to Directorates or at next RMC through standing agenda item (depending on timing)</p>	DRI	March 2015 onwards	Process articulated in new policy.
<ul style="list-style-type: none"> Ensuring the Committee oversees due diligence appraisal of any proposed strategic transactions involving acquisition 	<p>Include in RMC terms of reference</p>	DRI	December 2015	Version 1.1:

ET8. Consider establishing a convention whereby any 'red---rated' risk must be verified and agreed by a person undertaking the role of Chief Risk Officer with a mandatory requirement, on the risk owner, to report the risk and mitigation to the Chief Executive within 48---hours. Thereafter, any changes to the risk cannot be made without the prior discussion and agreement of the Executive Team or Risk Management Committee.	<p>Include in risk management policy:</p> <ul style="list-style-type: none"> • Escalation of red-rated risks to DRI or deputy within 24h • Report from risk owner to Executive Team describing risk and mitigation within 48h of discussion with DRI • Changes to risk articulation and score cannot be made without prior discussion and agreement of the Executive Team or Risk Management Committee. 	DRI	March 2015	Included in new Risk Management policy.
ET9. Consider purchasing (or developing) an electronic risk management system capable of integrating risk registers, incident reporting, complaints, claims and inquest handling	<p>Develop essential and desirable criteria for the ideal risk management system</p> <p>Test the market, including PRISM</p> <p>Make selection</p> <p>Roll out and training as necessary</p>	<p>RM / DRI</p> <p>RM / DRI</p> <p>RM / DRI</p> <p>DRI</p>	<p>November 2014</p> <p>January 2015</p> <p>April 2015</p> <p>Commence June 2015</p>	<p>Completed.</p> <p>Invitation to tender document being prepared. Date booked for 29th April 2015. Demonstrations took place on April 29th. Analysis and reporting to Exec team underway.</p> <p>Procurement exercise complete. Datix chosen as preferred supplier. To be implemented July 2015 onwards.</p>

<p>ET10. Consider the benefits of developing a risk management capacity building programme that equips senior colleagues to understand:</p> <p>The risk concept as it relates to the Trust;</p> <p>How risk is controlled to maximise opportunity and minimise loss;</p> <p>How to manage risk in accordance with the Board's risk appetite and tolerance;</p> <p>How to manage risk proactively;</p> <p>The importance of verifying control for the management of foreseeable High—Impact Low Probability events.</p>	<p>Develop senior leaders risk management training (see recommendation ET4 for detail)</p>	DRI	January 2015	Training documentation completed.
	<p>Deliver risk management training to Trust leadership</p>	DRI	March 2015	Completed May 2015.
<p>ET11. Consider the benefits of regularly testing the competence of those charged with managing risk so that they can demonstrate their understanding of the risk process.</p>	<p>Develop / use existing on-line assessment of risk management competency</p>	DRI	June 2015	Being developed.
	<p>Include as mandatory training for all staff</p>	DRI	September 2015	
	<p>Assess competence</p>	DRI	Annually from July 2016	
<p>Additional ET Action. Put in place robust Risk Management infrastructure.</p>	<p>Finalise job description of Corporate ADNS.</p>	DNS	November 2015	Completed.
	<p>Create Risk Manager job description</p>	DRI	December 2015	Completed.
	<p>Appoint</p>	DRI / ADCA / DNS	April 2015	Completed. Existing staff member (Helen Martin) taking on this role.

For the Audit Committee				
AC1. Consider obtaining independent assurance of the Trust's resilience in relation to business continuity and major incident management arrangements.	Include review as part of MIAA work plan for 2015/16	RM	Throughout 2015/16	<p>The Merseyside CCG network commissioned an external review of our business continuity plans in August 2014. Four areas were selected, with the following results:</p> <p>Cath Labs - 88% Amber Estates - 97% Green IT - 97% Green ITU - 97% Green</p> <p>Further reviews will be undertaken in 2015.</p>
AC2. In partnership with the CEO, consider the benefits of introducing <i>Letters of Representation</i> from the Executive and first line reports. This may improve the provision of assurance as to disclosure and escalation of matters relevant to safety and quality, to underpin public disclosure statements such as the corporate governance statement (Licence Condition FT4, required as detailed in Risk Assessment Framework) and annual governance statement (Annual Report & Accounts) --- March / April annually.	Recommendation rejected – no further action.			

AC3. Consider the benefits of the draft Annual Internal Audit Plan being subject to debate at a workshop attended by management, to ensure that audit resource is focussed for the coming year according to the shared view of the management team, and subject to Audit Committee approval.	Review and agreement of priorities of draft internal audit plan (aligned to known risks) by Board and senior leadership team.	DRI	March 2015	MIAA work plan reviewed, and plan commissioned for 2105/16.
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