Healthwatch Bucks Risk Management Approach

Introduction

Risk management is the process by which an organisation seeks to mitigate, manage or exploit risks which may affect its organisational outcomes. This document describes Healthwatch Bucks approach to risk management. It sets out the key steps in the risk management process and how these will be implemented at Healthwatch Bucks at two levels:

- Operational – those risks which apply to the organisation; and
- Project – those risks that are specific to particular projects or programmes.

It covers:

- Process;
- Roles;
- Governance.

Risk Management Process

The 5 stage risk management process is set out in Figure 1 below and activities associated with those stages are described in Table 1.

Figure 1 – Risk Management Process

Table 1: Risk Management Process Activities

Stage	Operational	Project
Identify Risk	Operational risks will be identified on an ongoing basis as part of organisational governance. Particular opportunities for this may be team meetings, Board meetings and project reviews (see across). However all members of staff should take accountability for identifying and flagging risks to Chief Executive in line with the accountabilities described below.	An initial risk identification exercise will be carried out at the beginning of the project as part of the creation of the Project Initiation Document.

Where appropriate significant project risk, for example a major risk for a large scale project, will be added to the operational risk register – this will provide visibility of major project risks to the Board and other key stakeholders. |
| **Analyse Risk** | Risks will be analysed when flagged by the Chief Executive and where | The risk will be analysed as part of the initial identification exercise. |

	appropriate added to the risk register. The use of the following format in articulating risks will help ensure that they are properly understood (cause, risk, effect) - "Due to [] there is a risk that [] resulting in []."	
Evaluate Risk	Risks will be evaluated when added to the register using the following criteria Likelihood = the chance that the risk may occur, with 1 = least likely and 5 = most likely. Significance = the impact or effect that will result if the risk occurs, with 1 = little or no impact and 5 = severe and significant impact. This will give a potential scoring of 1-10. A risk scoring 1-4 is low, 5-7 is medium and 8-10 is high. Discussions on and mitigation of risk should be focussed accordingly.	The risk will be evaluated as part of the initial identification exercise using the same evaluation criteria as those set out for the operational risk process.
Control Risk	A control plan will be put in place as part of the entering of the risk on the risk register.	A control plan will be put in place as part of the initial identification exercise.
Monitor Risk	Risks will be formally monitored on a quarterly basis via the Finance and Funding committee, which reports into the Board. This will include a review of progress against the control plans.	Risks will be monitored as part of ongoing project reporting – the frequency of this will be agreed as appropriate to the project. This will allow risks to be updated as appropriate and additional risks to be identified.

Risk Management Roles

The following will play a key role in supporting organisational risks management:

- **Board** – accountable for ensuring that there is an effective risk management process in place; that organisation is operating with an appropriate level of risk; and supporting in the control of risk as specified in the control plan;
- **Chief Executive** is accountable for understanding and managing risk across the organisation, ensuring project risks appropriately reflected on the overarching risk register, ensuring risks are reviewed on a regular basis and keeping control plans up to date and supporting in the control of risk as specified in the control plan;
- **Staff** – accountable for identifying risk and feeding them into the Chief Executive as appropriate and supporting in the control of risk as specified in the control plan; and
- **Project managers** – accountable for identifying and managing risk relating to their own project; and reporting those appropriately.

Governance

The governance around risk as reflected in the description of monitoring above will be as follows:

- **Project risks** - project risks will be managed as part of the project management process with major risks for large projects also being reflected on the operational risk register – so there is a coherent overview of the risk load that the organisation is carrying – as set out above this accountability will fall to the Chief Executive; and
- **Operational Risk –** operational risks, including major project risk, will be reported to the Finance and Funding committee which reports into the Board on a quarterly basis.

23 June 2016