



## Providing the Board with reasonable assurance on risk

### Client:

*NHS Primary Care Trust*

### Outcome:

**Improved risk governance:** Hayde Risk Consulting improved risk governance by introducing a more effective risk management committee with strategic leadership from the Governance Director. The senior managers and the committees were supported by newly formed central risk management team and risk officers appointed within the divisions.

**Improved the identification of threats and opportunities:** Hayde Risk Consulting developed a more robust and dynamic Board Assurance Framework linked to both the corporate and divisional risk registers across the Trust. This enabled the Board to focus its attention on tackling the immediate risks

**A more dynamic risk reporting process:** With a clear risk reporting mechanism integrated into the existing performance reporting mechanism, the reporting and review of risks was more frequent and appropriate actions taken more promptly by the relevant risk owners



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### Overview

The Trust is responsible for commissioning (buying) the best possible health services from a range of local health providers including hospitals, community health services, GPs, Practice Nurses and other practice staff, Pharmacists, Dentists, Opticians and other specialist health providers. This involves planning, funding and monitoring health improvements and the health services that people will need. The Trust is responsible for assessing the local health needs of over 265,000 residents, reducing health inequalities and improving the health of residents.

### Challenge

The Trust Board were concerned that they did not have a portfolio view of all their key risks and not just clinical but all types of risks including operational, strategic and project. They thought that the current reporting mechanism in place was inadequate and therefore it did not give them a comfortable assurance that all the key risks within the Trust were being managed reasonably well. Furthermore, the bottom up reporting of operational risks was missing from the organisational structure.

### Solution

- Hayde Risk Consulting was appointed as the Interim Head of Corporate Risk
- Formal mandate and commitment obtained from both the Chief Executive and the Board to ensure risk management was fully implemented and added value to the Trust
- Both the Trust's external and internal context were evaluated that included key drivers and trends impacting the objectives of the Trust, governance, organisational structure, roles and responsibilities etc
- The governance framework was revised to include a new risk management committee to oversee the policy and its implementation
- A new risk management strategy and policy was devised which was linked to the Trust's objectives and policies
- Risk tolerance levels established with senior managers for each key risk
- A common risk language with a severity and likelihood matrix devised to be used to evaluate all risk exposures
- Risk owners with accountability and authority to manage risks were identified
- A "risk champion" at Board level was identified with accountability for the development, implementation and maintenance of the risk framework
- A Corporate Risk Management team and risk officers across the divisions were established with responsibilities for the risk management process
- Established performance measurements and a robust reporting and escalation processes
- Risk management training programme was developed for both staff and management. This was rolled out in a phased approach with Board members first, middle management second and all staff third
- A series of risk workshops were conducted with all senior managers to establish the key risks and controls within the divisions and at a Trust wide level.
- The risks and controls were captured in risk registers developed in Excel spreadsheets as an interim solution
- Key risk indicators for each key risk were established and agreed with senior managers. The indicators were integrated with the performance management reporting framework