



## Reworking Risk Management to Add Value

# CASE STUDY

**The client** An Acute NHS Trust with a turnover of £270m and a staff of 4,500. The Trust deals with in excess of 50,000 planned and unplanned admissions each year and the Accident & Emergency clinic has an annual caseload of well over 100,000 attendances.

**The challenge** The Non Executive Directors of the Trust felt that the then risk register was focused on operational risks and did not give them the overview they needed at board level. They felt unable to properly exercise their role of scrutiny. The risk register contained in excess of 2000 risks, many of which were incomplete, out of date and confusing.

When risk management is just a bureaucratic nightmare that doesn't add value, you need a different solution. We came up with a way of testing the gap between demand and capacity as a way of refocusing risk management so it really makes a difference.

The Trust has an ambition to achieve "Foundation" status so there was a need to demonstrate the board's ability to exercise scrutiny and assurance functions supported by a relevant risk register.

**The response** A series of interviews was held with each executive director. The direction of each interview was to stimulate a strategic view of risk by focusing on a simple model of three distinct but overlapping areas of corporate/strategic risk:

- Demand and risks around demand being greater or less than planned
- Capacity, including risks around the ability of the capacity to meet current and planned future demand
- Governance, being risks around the failure of medical, operational and corporate governance

Many risk controls were found to be already in place but further controls were identified, as was the need for a comprehensive suite of performance management information relating to the risks identified.

During the work in progress consultation was held with the Chairman and other non executive directors.

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The output from the interviews was consolidated and reviewed at a Board away day allowing the Non Executive and Executive Directors to work together to achieve an output that would add value to governance and decision making.

**The outcome** A new corporate risk register with 10 headline risks was developed to support the board in maintaining a watchful eye on the drivers of corporate/strategic risks.

Review and maintenance of the risk register has been embedded in the Assurance and Governance routines and Performance Management information gaps have been identified and will be filled.

## Key points

- Focus on strategic (business) risks
- Integrate risk and performance management
- Strengthen scrutiny functions of the Board