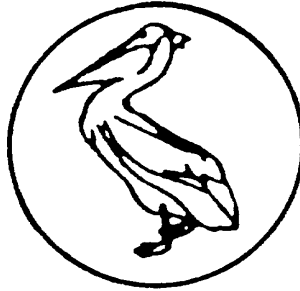# Northern Ireland
Blood Transfusion Service

Risk Management Strategy 2018

Northern Ireland Blood Transfusion Service
Lisburn Road
Belfast
BT9 7TS

Telephone No. 028 9032 1414
www.nibts.org

1 Introduction

Risk can be defined as the threat or possibility that an action or event will adversely or beneficially affect NIBTS ability to achieve its objectives. It is measured in terms of likelihood and impact.

Risk management is a business discipline that organisations use to effectively manage opportunities and threats to the organisation achieving its objectives. It is a key part of the strategic management and performance management process. It is also a clear requirement of the DoH that NIBTS has in place an effective risk management process.

The process of risk management includes the identification and analysis of risks to which the organisation is exposed, the assessment of potential impacts on the business, and deciding what action can be taken to eliminate, transfer or reduce risk and deal with the impact of unpredictable events causing loss or damage.

The purpose of the NIBTS Risk Management Strategy is to provide a framework to enable the organisation to define its risk management arrangements. It should be reviewed on an annual basis and approved by the Agency Board when changes are made. It does not follow the structure of a typical NIBTS strategy

2. Aims and Objectives

Aims:

1. All sources and consequences of risk affecting NIBTS are identified and assessed;
2. Appropriate actions are taken to ensure that all such risks are prioritised and actions taken to minimise and if possible eliminate these risks;
3. The process of risk management is developed and managed through out the NIBTS in a consistent manner;
4. Contingency plans for risks that remain are developed and monitored;
5. Systems and procedures are monitored to measure levels of compliance and actions taken to address identified weaknesses.

Objectives:

1. To enhance the care and safety of donors;
2. To enhance the care and safety of patients;
3. To enhance the quality of products and services;
4. To raise staff awareness of the principles and practice of risk management;
5. To actively involve all staff in the risk management process;
6. To monitor the adverse incident reporting system;
7. To monitor the complaint/claims systems linking it to risk management;

8. To ensure lessons learnt are disseminated widely across the NIBTS;
9. To identify and review areas of risk across NIBTS;
10. To ensure that training needs identified as part of the risk management programme are addressed effectively;
11. To meet existing and impending government directives on Corporate Governance;
12. To improve staff morale and productivity.

3 Scope

The Northern Ireland Blood Transfusion Service Agency Board recognises that risk management is not restricted to any one area of the organisation, but embraces all departments, all staff and all services within the system. This includes donors, staff, services, reputation, capital and financial assets.

4 Structures

- Risk management is an intrinsic part of NIBTS's business planning, decision making and policy development processes. No change of direction, outcome or objective should occur without first considering the risks involved. This should be documented using the Operational Risk Register form DD:1245.

- Risks are assessed and monitored through an NIBTS risk register process which record all significant identified risks, along with action plans to reduce the risk to the lowest practicable level or to a level acceptable to the NIBTS Senior Management Team (SMT).

- The Governance and Risk Management Committee and through supporting structures takes a holistic approach to risk that will address all areas of the Agency.

- A sub-group of the Governance and Risk Management Committee supports the Business Continuity and Risk Manager in co-ordinating the management of risk across the whole organisation.

- All accidents, incidents, adverse events (including 'near misses') and complaints will be reported promptly using the existing procedures.

  These include:

  - accidents and injuries to staff, donors or visitors
  - adverse events/incidents
  - violence to staff
  - vehicle incidents
  - theft or other security incidents
  - fire
  - suspected fraud

The Business Continuity and Risk Manager monitors the incidents which may have a significant impact on the organisation through attendance at the monthly Incident Management Meeting. The risks identified through this will be brought to the Risk Management Sub Group to assess whether they should be included on the Corporate Risk Register or the appropriate Department's Register.

5   Roles and Responsibilities

NIBTS Agency Board: will –

- Agree and approve the NIBTS Risk Management Strategy and oversee compliance with this.
- Receive and approve the NIBTS Corporate Risk Register quarterly
- Receive formal quarterly update from the Governance and Risk Management Committee.
- Provide a representative to chair the quarterly Governance and Risk Management Committee meetings.

NIBTS Audit Committee: - will

- Review independent audit reports on NIBTS Risk Management Systems
- Review and approve action plans arising from such audits and obtain assurance that these are completed
- Advise the Board on any issues arising from the above.

Chief Executive: has overall accountability and responsibility for the management of Risk Management.

Head of Human Resources and Corporate Services: has delegated responsibility for ensuring that the Agency has a comprehensive system for Risk Management in operation across both clinical and non-clinical areas.

Business Continuity and Risk Manager: has operational responsibility for the delivery of this strategy and Risk Management in NIBTS.

Senior Management Team Members: have responsibility for ensuring that NIBTS risk management strategy and risk procedures are applied within their areas of responsibility.

Line Managers and Clinical staff: are accountable for the continuous audit, implementation and monitoring of risk management activity in their areas of responsibility. They are the focal point for risk identification, assessment, control and review in their area and must highlight risks as appropriate.

All staff:
- must ensure they are familiar with and use the correct methods of risk identification and its assessment for the situation

- communicate risk issues to their line manager
- contribute to minimising Risk whenever possible
- attend relevant training, as required

NIBTS Governance and Risk Management Committee: ensure there are robust and regularly reviewed systems and structures in place to support the effective implementation and development of integrated governance and risk management across the organisation. This includes reviewing the Corporate and Operational Risk Registers at its quarterly meetings.

Risk Management Sub-group: under the chairmanship of the Business Continuity and Risk Manager promotes good risk management practice throughout NIBTS. It discusses and reviews risks to ensure the Corporate and Departmental Risk Registers are reflective of the current position within NIBTS.

6 Training

All staff should complete the Risk Management e-learning module biennially. Additional Risk Register Training has been provided to the identified approvers of Departmental Risk Registers and the members of the Risk Management Sub Group. Corporate Risk Management training has also been provided to the current Board members and they have are also required to complete the Risk Management e-learning module.

7 Risk Management Process

Risk is one of life's few certainties. Nothing is achieved without some element of risk. Often, relatively little is done to evaluate and manage risk, or it is approached informally. This can mean that not enough is done to reduce exposure to hazards. Alternatively, it can mean that good opportunities are lost because there is some degree of hazard associated with them, from which we shy away. How we evaluate and balance hazards and opportunities to make well-informed decisions and provide sustainable improvements in service delivery is the essence of risk management.

The risk management process closely follows the strategic planning process followed by Senior Management. It involves four steps as outlined below.

NIBTS's Four Steps to Risk Management

1. **Risk Identification**

    In the risk identification step managers should be concerned with identifying the risks that may impact on the business objectives. Risks can be driven by external, or internal factors, or a combination. For example in NIBTS at a corporate level, NIBTS would consider threats to its long-term objectives as an increased demand for blood, raising standards, recruiting staff, recruiting donors and demographic factors. Such risks would be recorded in the organisations Corporate Risk Register.

    When identifying risks it is important to look at the categories of risk outlined in FORM:DD:665 'NIBTS Categories of risk' as well as the business objectives to ensure as many risks as possible are identified. They then should be expressed as a statement. Expressing risks requires rethinking assumptions about a situation and re-evaluating the elements that are most important. It is important to include three parts in the description of each risk;

    <div align="center">

    Event ⇒ Consequence ⇒ Impact

    </div>

    A typical phrasing could be:

    Loss to…
    Failure of…
    Lack of…   } leads to… resulting in…
    Partnership with…
    Development of…

    For example, "no resources" would become "shortage of resources lead to staff concentrating on day-to-day functions resulting in failure to keep to project timetable".

    All risks identified should be recorded on FORM:DD:666 'NIBTS Risk Register Form' for the applicable department.

2. **Risk Assessment**

    The next step is to assess the risk to the organisation's activity. This involves assessing the likelihood of the risk occurring and its potential impact on the relevant business objective. Risks should be assessed by using FORM:DD:664 'NIBTS Risk Criteria for Impact/ Severity' which contains a 5X5 risk matrix. By multiplying the impact and likelihood scores together you will arrive at a final risk score which dictates the risk level.

Table 1

Risk Score	Rating	Risk Level
15-25	Extreme Risk	4
8-12	High Risk	3
4-6	Moderate Risk	2
1-3	Low Risk	1

The higher the risk level the more serious the risk as is shown by the colours in the table above. NIBTS take level 4 risks known internally as 'Red Risks' very seriously and when they are raised they should be placed onto the Corporate Risk Register by the Business Continuity and Risk Manager. More detail on this process is contained in the SOP:RM:001 'Risk Register Process'.

NIBTS has set the Risk Appetite for the organisation. Risk Appetite is 'the extent of exposure to risk that has been assessed as tolerable for an organisation or business activity' to at any one time. It is expressed as a series of boundaries, which give each level of the organisation clear guidance on the limits of risk which they can take. See Table 2.

In assessing risks, the NIBTS takes cognisance of the risk appetite relevant to each identified risk and the extent to which the NIBTS is willing to accept, take on or reduce the risk. In doing so, the NIBTS recognises that the ALARP principle (As Low As Reasonably Practical) can be used to define some risks i.e. not all risks can be reduced to zero.

Table 2

Risk Level	Action	Timescale for Action	Timescale for Review	Risk Register Level
Red-Extreme	Must be addressed immediately by the Senior Manager of the department the risk stems from and an action plan agreed. This risk will be assessed by the Risk Mangement Sub Group for inclusion on the Corporate Risk Register. The risk should also be recorded on the Departmental Risk Register.	Action immediately.	3 months.	Corporate
Amber-High	The Department Manager must advise their Senior Manager of any High risks on their Departmental Risk Registers and agree an appropriate action plan.	Action within in 1 month.	6 months	Corporate/Operational
Yellow-Moderate	The Department Manager must specify an action plan on their departmental risk register.	Action within 3 months.	9 months	Departmental
Green-Low	It is likely that nothing can be done to reduce/control these risks further. They should however continue to be recorded on Departmental Risk Registers.	Action within 12 months/ accept risk.	12 months	Departmental

3. Control the Risk

When risks are flagged irrespective of the level of risk the following questions should be asked:

- Can we reduce the probability of occurrence?
- Can we reduce the magnitude of loss?
- Can we change the consequences of the risk?

There are basically four approaches to controlling risk:

- **Avoid** – stop doing the activity or find a different way of doing it, introduce alternative systems/practices

- **Reduce** – put procedures and controls in place to reduce the chance of a loss happening, or the frequency of a loss, or the severity of the incident; or formulating a contingency plan to reduce interruption to services, new internal systems and practices, staff training, physical risk improvements, continued assessment & monitoring

- **Accept**– decide to bear losses out of normal operating costs, informed decision to retain risk, monitor situation

- **Transfer** – place indemnity clauses in a contract, insurance cover, outsource services

Some measures will be relatively easy to implement; others may have serious budgetary/resource implications and may need a phased approach. Also, you may have identified risk treatment measures that fall outside your immediate area of influence (e.g. another department). In such circumstances you should contact the Risk Management Sub-group, who will help co-ordinate control measures between departments. There may be a number of different possible risk reduction actions to take (the alternative measures could also be risk scored to identify the most effective).

The control measures should be recorded on the FORM:DD:666 'Risk Register Form' including **Names** and **Dates** of who is responsible for implementing the measures and the timescales for implementation. Your identified risk improvements should be fed into any development/improvement plans as appropriate - they are there to support your business objectives after all.

Scoring Your Risk Improvements
You also need to know what the risks will look like after the risk improvements have been implemented – to see how effective they will be. So, you should repeat the risk scoring exercise and record the results in the residual risk section of the FORM:DD:666 'Risk Register Form'.

4. **Monitor, Control and Review**

NIBTS will need to monitor the status of **Red Risks** and the actions taken to mitigate them. This risk tracking is essential to effectively implementing your action plan.

Circumstances and business priorities can change and so it is important that risk assessment is a continuous process that feeds into decision-making. Some risks may leave the **Red Risk** category as circumstances change, to be replaced by new risks. The Risk Management process is a continuous cycle for supporting your objectives and department risk registers should therefore be reviewed at departmental meetings.
NIBTS also need to look at the entire process afresh when drawing up annual business plans – or whenever entering into a new area of service.

8. Reporting Arrangements

As noted in section 4 the Business Continuity and Risk Manager and the Head of HR and CS will provide regular updates to the Governance and Risk Management Committee and the Board. These will serve to inform the collation of each annual Statement of Internal Control.

9. Conclusion

The NIBTS Risk Management Strategy is designed to meet the requirements of sound governance and ensure that clear and effective systems are in place for the identification and assessment and management of risk. In this way NIBTS seeks to assure its staff, partners and stakeholders that the services it provides are safe, effective and efficient.

NIBTS is committed to:

1. Improving the quality of services provided to partners and stakeholders through the application of a considered and structured approach to the management of risk.
2. To having an open and honest approach to risk management.
3. To provide help and support staff to achieve improvement, rather than to criticise and blame;

Written By: Claire Boyd, Business Continuity & Risk Manager

Signature: _____ **Date:** _____

Approved By: Ivan Ritchie, Head of Human Resources and Corporate Services

Signature: _____ **Date:** _____

Approved By: Karin Jackson, Chief Executive

Signature: _____ **Date:** _____

10. Risk Management Process - One Page Summary

Risk Management - is a modern management discipline and is about getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other.

Identify your risks	Assess your risks	Control your risks	Monitor & Review
Best done in groups – by those responsible for delivering the objectives **Risk**: it's the chance of something happening that will have an **impact** on **objectives** **Event ⇒ Consequence ⇒ Impact** **Threats & Opportunities** When: Setting strategic aims Setting business objectives Early stages of project planning & key stages Options appraisals Service improvement plans Categories can help: Strategic/Operational Internal/External	Combination of the probability of an event and its consequences	Concentrate on Extreme Risks- 15-25 Can we reduce the likelihood? Can we reduce the impact? Can we change the consequences? Avoid Reduce Retain Transfer Devise Contingencies - Business Continuity Planning	Risk Registers: Baseline data to be prepared and monitored regularly. These should clearly indicate consequences, countermeasures and contingencies as well as the risk owner Review Top Risks regularly as agenda item. Report progress to senior management

Impact x Likelihood

	Insignifi-cant	Minor	Moderate	Major	Catastro-phic
Almost Certain	5	10	15	20	25
Likely	4	8	12	16	20
Possible	3	6	9	12	15
Unlikely	2	4	6	8	10
Rare	1	2	3	4	5

- **15- 25 Extreme Risk (Red)**
- **8-12   High Risk (Orange)**
- **4 - 6   Moderate (Amber)**
- **1 - 3   Low (Green)**