

**NIPEC/18/07**  
(replacing NIPEC/17/01)



NORTHERN IRELAND PRACTICE AND EDUCATION  
COUNCIL FOR NURSING AND MIDWIFERY

# **Risk Management Strategy & Action Plan**

## **2018/19**

**Review date: March 2019**

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## **1. Introduction**

1.1 This document outlines the Risk Management strategy and action plan for NIPEC. It is an update on the previous document, entitled a 'Risk Management Strategy and Action Plan' which was agreed and issued under reference number (NIPEC/17/01)

1.2 Using the above previous document NIPEC continues to monitor to ensure that its Risk Management is in compliance with the core Controls Assurance standards. NIPEC also has in place the following policies which assist with ensuring risk management is mainstreamed within the organisation:

- Complaints Policy - ref: (NIPEC/15/22)
- Health & Safety - ref: (NIPEC/14/23)
- Business Continuity Plan - ref: (NIPEC/16/05)
- ICT Security Policy - ref: (NIPEC/17/12)
- Fraud Response Policy & Plan - ref: (NIPEC/16/06)
- Confidential Reporting (Whistle Blowing) - ref: (NIPEC/15/09)
- Working Well Together –ref: (NIPEC/15/28)
- Social Media Guidance - ref: (NIPEC/15/27)

## **2. Key Objectives for Managing Risks**

2.1 The Risk Management Strategy is integral to NIPEC's objectives for 2018/19 and beyond. The primary aim of this strategy is to identify and manage the risks that may prevent the achievement of these objectives. The key areas for managing risks are to:

- provide assurance to the Council that risk control arrangements are effective
- establish and review the risks inherent in NIPEC's objectives
- establish and review effective communication of risk management across NIPEC
- protect the employees, visitors and assets of NIPEC

## **3. Risk Management in NIPEC**

3.1 A key part of the Risk Management work is the delegation of risk management activity throughout the organisation. The core standard stresses the importance of 'buy in' to the Risk Management system by all parts of the organisation.

### 3.2 NIPEC's policy statement on risk is:

*“NIPEC will ensure that the management of risk is an integral element of its work in relation to customers, staff and the public (where relevant)”.*

3.3 In order to meet the policy aim, NIPEC has developed this Strategy that sets out the organisational arrangements for overseeing the systems for managing risk, and explains how risks are identified, analysed, evaluated and managed.

3.4 NIPEC's system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of its corporate aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

### 3.5 Types of risk

NIPEC has identified four types of risk that could affect the organisation :

**Financial** – the risk that the budget agreed may be exceeded; and/or that there is poor value for money. Also, consideration of risks in regard to regularity and propriety of public funds.

**Performance** – the risk that the outcomes for an agreed programme may not be met.

**Reputational** – the risk that unwanted actions of a provider may bring it, the programme or NIPEC into disrepute.

**Opportunity** – the risk that NIPEC or the provider, because they have not assessed risks accurately and are risk averse, decide not to take an opportunity that presents itself and so damage their effectiveness.

## 4. Setting the Risk Appetite

4.1 NIPEC defines the risk appetite of the organisation as the extent of exposure to risk that is judged tolerable for it. Of the three common classifications of:

- *AVERSE – Avoidance of risk and uncertainty or for safe options that have a low degree of inherent risk and may only have limited potential for reward is a key objective.*
- *OPEN - Willing to consider all options and choose the one that is most likely to result in successful delivery while also providing on acceptable level of reward*

- **HUNGRY** – *Eager to be innovative and to choose options based on potential higher rewards (despite greater inherent risk)*

NIPEC would classify itself in regard to the above as ‘Open’ and this therefore will influence the behaviour of the decision makers when considering the various risks.

## 5. Addressing the Risk

5.1 There are four standard traditional responses to addressing a risk i.e. terminate, tolerate, transfer or treat it. Therefore, using the Northern Ireland Audit office ‘Good practice in risk management’ guidelines dated June 2011, these options are explained in a little more detail below:

- **Terminate** – *‘A decision is made not to take the risk or cease the activity which causes the risk. Where the risks outweigh the possible benefits, risk can be terminated by doing things differently and thus removing the risk, where it is feasible to do so. This is not always possible in the provision of public services or mandated or regulatory measures but the option of closing down a project or programme where the benefits are in doubt must be a real one’*
- **Tolerate** – *‘Accept the risk. This may be where the risk is external and therefore the opportunity to control it is limited, or where the probability or impact is so low that the cost of managing it would be greater than the cost of the risk being realised. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised’*
- **Transfer** – *‘Where another party can take on some or all of the risk more economically or more effectively. For example, through another organisation undertaking the activity or through obtaining insurance. It is important to note that some risks are not (fully) transferable – in particular it is generally not possible to transfer reputational risk even if the delivery of the service is contracted out. The relationship with the third party to which the risk is transferred needs to be carefully managed to ensure successful transfer of risk’*
- **Treat** – *‘Mitigate the risk. In practice, this is the most common response to risk. It is achieved by eliminating the risk or reducing it to an acceptable level by prevention or another control action’*

The choice of approach taken will be dependent on factors such as cost, feasibility, probability and potential impact.

- 5.2 Realistically it is never possible to eliminate all risks, and there will be a range of risks identified within NIPEC that would require the organisation to go beyond 'reasonable action', in order to eliminate or reduce them, i.e. the cost in time or resources required to reduce the risks may outweigh the potential for harm. These risks would be considered 'acceptable' by NIPEC. Examples are frequent, low consequence events such as minor property loss or damage, unavoidable injuries requiring first aid only or potentially serious events that are unlikely to occur and for which reasonable preventative measures are already in place.

## **6. Risk Management Strategy**

- 6.1 This Strategy practically demonstrates how NIPEC will implement its policy on risk.

Key elements of this strategy are:

1. Responsibility for Risk Management
2. Arrangements for Identifying Risk
3. The NIPEC Corporate Risks and NIPEC Objectives
4. The Risk Register (evaluating & scoring Risks)
5. Analysis and Quality Assurance of Risk Register
6. The Risk Action Plan.

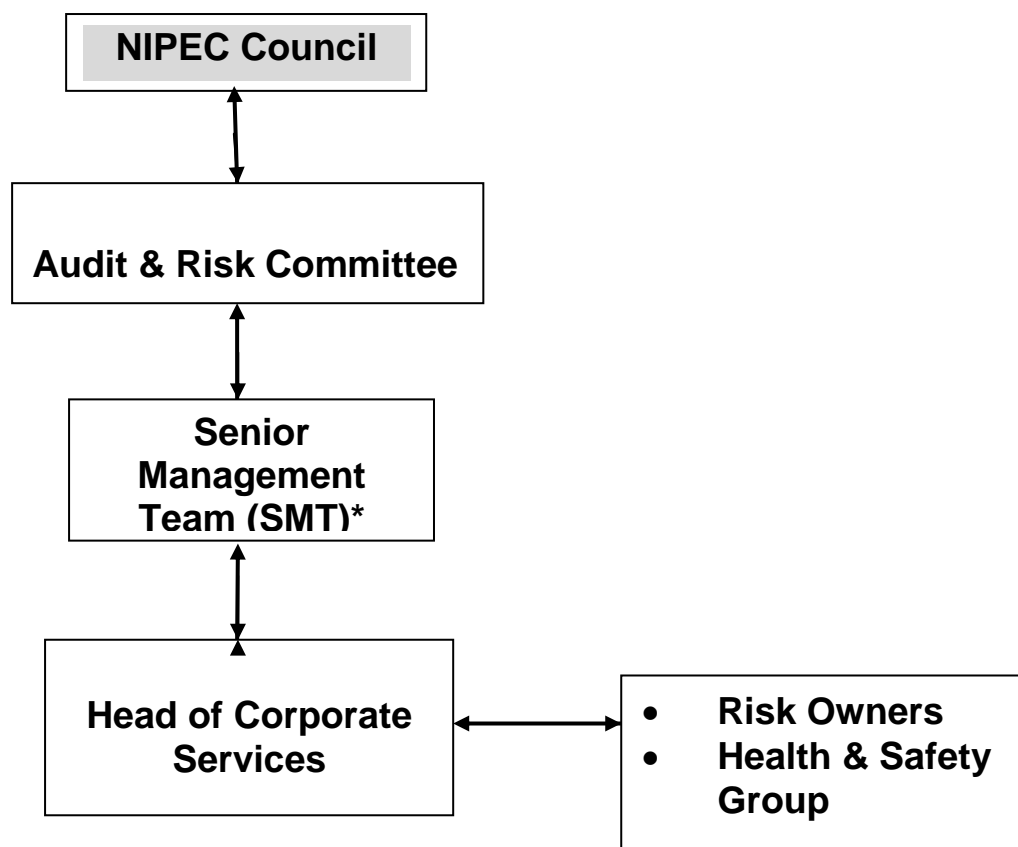
## **7. Responsibility for Risk Management**

- 7.1 The Chief Executive as Accounting Officer has overall responsibility for Risk Management. The Head of Corporate Services, who is a member of the Senior Management Team, is the designated officer on behalf of the Chief Executive for co-ordinating Risk Management activities throughout NIPEC.

- 7.2 NIPEC has assigned responsibility for each Controls Assurance Standard to the Head of Corporate Services. In this way, it is assured that the entire Risk Management agenda is placed at a high level within the organisation.

- 7.3 The Audit and Risk Committee of NIPEC will act as the body responsible for reviewing the arrangements and systems in place for Risk Management activity.
- 7.4 The co-ordination of the strategic and operational elements of Risk Management is managed as appropriate via NIPEC’s Senior Management Team. The Risk Register is updated on an ongoing basis.
- 7.5 As the NIPEC Audit and risk Committee has Risk Management as part of its remit, the Committee is updated quarterly on NIPEC’s ‘Corporate Risks Register’ and any other issues that may have a risk management aspect. The Audit and Risk Committee feeds back during the year to the NIPEC Council at each quarterly Council meeting and an ‘Annual Report of Activity’ is produced by the Audit Committee for the consideration of the Council.
- 7.6 NIPEC places its ‘Corporate Risks Register’ on its website.

**FIGURE 1: Risk Management Structure for NIPEC**



Note: \* Membership of NIPEC’s Senior Management (SMT) is as follows:

- |                     |                             |
|---------------------|-----------------------------|
| Mrs Angela McLernon | Chief Executive             |
| Ms Karen Murray     | Senior Professional Officer |

Ms Angela Reed	Senior Professional Officer
Mrs Cathy McCusker	Senior Professional Officer
Dr Carole McKenna	Senior Professional Officer
Ms Frances Cannon	Senior Professional Officer
Mr Edmund Thom	Head of Corporate Services

7.7 Throughout NIPEC, the Head of Corporate Services co-ordinates the practical work associated with identifying, analysing and ensuring risks are being properly managed. He/she will have particular responsibility for co-ordinating work with staff and will liaise directly with the Chief Executive at the corporate level.

7.8 The Head of Corporate Services is the designated officer at the Senior Management Team Meetings with responsibility for Risk Management issues, and will ensure that key stages are approved in the development of the work (e.g. the allocation of responsibility, as outlined in the Risk Register).

## **8. Arrangements for Identifying Risks**

8.1 The Risk Owner will take responsibility for co-ordinating an approach to identifying risk. This will involve two elements:

1. Review of the Risk Register
2. Acting as a point of reference for collecting information on new risks. It is expected that the Risk Owners will work closely with colleagues in the area of risk identification, and will liaise with the Head of Corporate Services as and when necessary.

## **9. The Risk Register and NIPEC's Objectives**

9.1 The Register should be used as part of the decision-making processes throughout NIPEC. For example, new policies and changes to resource requirements should include reference to potential effects on NIPEC's risk profile. As part of this process, NIPEC will develop a set of High-Level Business Objectives as shown within the NIPEC Corporate Risk Register.

9.2 The approach adapted by NIPEC for the compilation of the Register is grounded on the need to identify the risks likely to impede the achievement of NIPEC's corporate objectives either in terms of the meeting of objectives or targets as set out in

NIPEC's Business Plan. In other words, the Register must be flexible enough to allow NIPEC to respond to unforeseen risks and/or changes to Departmental policy.

## **10. The Risk Register (Evaluating and Scoring Risks)**

10.1 All new and existing risks identified are assessed in terms of root causes and are individually scored against a 5 X 5 assessment matrix. Risk scoring involves an assessment in terms of the impact on NIPEC against the likelihood of the risk occurring. Copy of the risk matrix is attached in Appendix A.

10.2 In order to ensure that all risks are evaluated consistently, every risk is analysed using a combination of likelihood and impact so that the risk can be prioritised. The cumulative effect of likelihood and impact is derived from a matrix using the risk scores and is an assessment of the risk's seriousness. This is referred to as the 'Risk Status'.

10.3 In determining the risk status four assessments of the risk will be needed:

- **Risk status before existing mitigation** – an assessment of the risk happening and its impact if no action is taken.
- **Risk status after existing mitigation** – an assessment of the risk happening and its impact, taking into account existing actions aimed at reducing the risk
- **Risk status after future mitigation** - an assessment of the risk level that will be reached after all the mitigating actions identified have been done.
- **Aimed for risk status** – where do we want to get to at the end of the process.

If, after existing mitigation, NIPEC believes that the risk status is acceptable then the risk will be tolerated; there is nothing more which can be done. But if the status remains unacceptable then NIPEC will identify further migrating actions.

## **11. Risk Escalation and De-Escalation**

11.1 The timescale in which risks are escalated varies or assurance on the management of a risk varies according to the significance of the risk. The Audit and Risk Committee and the Senior Team use judgement to determine the timescale for escalation, influenced by the impact the issue has on the financial aspects or organisational reputation.



- 11.2 An escalation of a risk would normally be initiated by the Senior Team to the Audit and Risk Committee. However, other routes can fast track risk escalation, for example counter fraud allegation or whistle blowing.
- 11.3 If a risk is put forward for to be escalated to ensure timely resolution of tasks, issues and decisions, then it is reconsidered in the context of other risks already included in the Risk Register at that level to ensure that consideration is given to how this risk will impact on other risks and whether this now identifies new risks or affects the scoring of existing risks.
- 11.4 When actions to reduce a risk have been completed and the risk score is lowered then the risk can be de-escalated from the risk register.
- 11.5 Risks which are deemed to have been closed during the year are marked in the risk status column as 'closed'.

## **12. Analysis and Quality Assurance of Risk Register**

- 12.1 In order for all risks to be brought meaningfully together for the Council, there is a common framework of risk analysis, whether those risks are strategic, operational, financial or organisational. This involves not only a common definition of risk and risk identification but also a common means of moderation of likelihood and consequence into a realistic score. The Senior Management Team has the responsibility of co-ordination of risk management, to include a moderation exercise of the scores against each risk.
- 12.2 To enhance the quality assurance process, Risk Management is, as appropriate, an agenda item on the following groups across NIPEC:
1. Council
  2. The Audit and Risk Committee
  3. \*The Senior Management Team
  4. \*The Health & Safety Group
  5. \*Internal Business Unit meetings of Senior Managers.

\*These Groups will have a particular focus on new risks that may be identified across NIPEC.

### 13. Risk Action Plan

During 2018/19 the Head of Corporate Services will take forward the following actions:

**Action 1:** To commence drafting NIPEC's Corporate Risk Register by discussing at the Business Team. Review the previous Risk Register, progress risk issues, discuss new risks that have been identified, promote awareness of Risk Management and any other relevant matters.

**Action 2:** Monitor and update the Risk Register

**Action 3:** Liaise with staff to monitor risk treatment work

**Action 4:** Continue the work towards compliance with the applicable Controls Assurance Standards. (Where "gaps" are identified, an appropriate Action Plan will be developed, implemented and progress monitored)

**Action 5:** Review the completion by staff of the NIPEC e-learning Risk module which was developed to increase the understanding of Risk Management activities and requirements

**Action 6:** Review any Risk-related policies

**Action 7:** Undertake a review of this Risk Management Strategy by the end of March 2019 and produce an Action Plan for 2019/20.

### 14. Timetable for Implementation

- **April 2018**

Produce a NIPEC Corporate Risk Register based on the 2018/19 NIPEC Business Objectives and any other identified activity which may impact on NIPEC.

- **June 2018 - January 2019**

Update on an ongoing basis the NIPEC Corporate Risk Register 2017/18 taking into account any new activity or issues which have increased or decreased in their risk level.

- **April 2018 – March 2019**

The NIPEC Corporate Risk Register reviewed and updated at each Business Team meeting.

Continue the work towards compliance with the applicable Controls Assurance Standards.

- **March 2019**

Formal review of the Risk Management Strategy and Action Plan for 2019/20

Signed:

Chief Executive

Dated: February, 2018

# Appendix A

## Level of Risk - Risk Quantification Matrix

<i>Impact</i>					
5 - Catastrophic	High	High	Extreme	Extreme	Extreme
4 - Major	High	High	High	High	Extreme
3 - Moderate	Medium	Medium	Medium	Medium	High
2 - Minor	Low	Low	Low	Medium	Medium
1 - Insignificant	Low	Low	Low	Low	Medium
	A Rare	B Unlikely	C Possible	D Likely	E Almost Certain
	Likelihood				

