

Northern Ireland Blood Transfusion Service



Risk Management Strategy

Northern Ireland Blood Transfusion Service
Lisburn Road
Belfast
BT9 7TS

Telephone No. 028 9032 1414
www.nibts.org

CONTENTS	Page Number
1 Introduction	3
2 Aims and Objectives	3
3 Scope	4
4 Structures	4
5 Roles and Responsibilities	5
6 Training	6
7 Risk Management Process	7
8 Reporting Arrangements	10
9 Conclusion	10
10 Risk Management Process – One Page Summary	12

1 Introduction

Risk can be defined as 'the chance of something happening that will have an impact on objectives' (Australian Standard AS/NZS 4360:1999)

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 DHSSPS that NIBTS have 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 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 eliminate these risks.
3. the process of risk management is developed and managed throughout 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 actively involve all staff in the risk management process
2. to monitor the adverse incident reporting system
3. to monitor the complaint/claims systems linking it to risk management
4. to ensure lessons learnt are disseminated widely across the NIBTS
5. to identify and review areas of risk across NIBTS
6. to ensure that training needs identified as part of the risk management programme are addressed effectively.
7. to meet existing and impending government directives on Corporate Governance and Controls Assurance
8. to enhance the care and safety of donors
9. to enhance the quality of products and services
10. 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 process and policy development. No change of direction, outcome or objective should occur without first considering the risks involved.
- Risks are assessed and monitored through an NIBTS risk register process which will 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 take a holistic approach to risk that will address all areas of the Agency.
- A sub-group of the Governance and Risk Management Committee will support the Business Continuity and Risk Manager in co-ordinating the management of risk across the whole organisation. It will liaise with other established groups such as the SMT and the Audit Committee, each of which have responsibility for aspects of risk within the Service. The sub committee will also establish Key Performance Indicators and report progress on a quarterly basis to the Governance and Risk Management Committee.
- 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 will monitor the incidents which 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, the Operational 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.

Quality Manager with support from the Business Continuity and Risk Manager: has delegated responsibility for ensuring that the Agency has a comprehensive system for Risk Management in operation across both clinical and non-clinical areas.

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.

Risk Management Sub-group : under the chairmanship of the Business Continuity and Risk Manager promote good risk management practice throughout NIBTS.

6 Training

A Training Needs Analysis was completed in August 2009 and all the training identified from this has been completed. The training provided included:

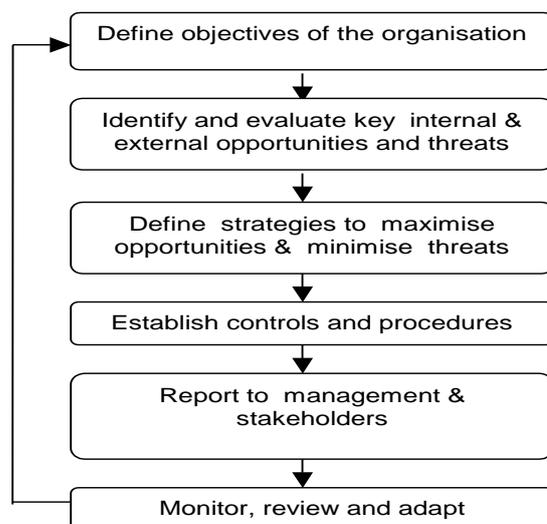
- General Risk Management Awareness training for the Risk Management Sub Group
- Risk Register Process training for the Risk Management Sub Group and the Governance and Risk Management Group.
- Corporate Level Risk Management training for the Board members
- Introduction to Risk Management for all staff

All of the above training will be provided on a biennial basis unless new members of staff join a specific group and training will be provided to them when joining. In relation to 'Introduction to Risk Management' this will be covered in future in the Induction Process.

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.



NIBTS’s Four Steps to Risk Management

1. Risk Identification

In the risk identification step NIBTS are concerned with identifying the risks that may impact on the business objectives - ‘what could happen’. This can be done through a simple group session to create a list of positive risks (opportunities) as well as negative risks (threats). It is important to be clear what the business or departmental objectives are before you start.

Drivers of Risk

The risks that the public sector and specifically NIBTS face can result from both **Internal** and **External** factors. This helps us to assess the potential influence we may be able to exert on the risk.

It also helps to think of Risk being driven by two basic categories –**Corporate** and **Operational**. The two categories are not mutually exclusive – risks may be influenced by a number of different factors, or may change categories, i.e. a risk may escalate from being an operational risk to a corporate risk.

Both corporate and operational 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. At an operational level NIBTS would be more concerned with the day to day running of the Service – issues such as blood component stocks, physical hazards to staff, budget shortfalls, the performance of external contractors etc. These risks would be recorded in the organisations Operational 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 you identify as many risks as possible and then express them 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;

Event ⇒ Consequence ⇒ Impact

A typical phrasing could be:

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

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”.

Opportunities Rather Than Threats

You may well have identified some risks that because of their controversial or political nature you feel uncomfortable about formally recording. However, these may be just the risks that need managing most.

It is possible to phrase these risks as opportunities that need to be taken, rather than threats that need to be avoided. For example, one of the risks to a partnership arrangement may be that one of the partnership organisations is reluctant to share information. This could be expressed as an opportunity (i.e. improving communication between partnership organisations leads to more effective decision making and implementation of shared objectives).

In addition, if we focus on opportunities when assessing the merits of different possible solutions, say in options appraisal, this often allows us to look at bolder, more creative or innovative solutions - essentially to take greater risks, but calculated risks.

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' 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

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 Operational or Corporate Risk Register. More detail on this process is contained in the SOP:RM:001 'Risk Register Process'

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 will provide regular updates to the Governance Committee and Risk Management and provide regular reports to 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 clinical 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 they provided 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: Geoff Geddis, Quality Manager

Signature: _____ **Date:** _____

Approved By: Dr Kieran Morris, Chief Executive Officer

Signature: _____ **Date:** _____

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																																
<p>Best done in groups – by those responsible for delivering the objectives</p> <p>Risk: it's the chance of something happening that will have an impact on objectives</p> <p>Event⇒Consequence⇒Impact</p> <p>Threats & Opportunities</p> <p>When: Setting strategic aims Setting business objectives Early stages of project planning & key stages Options appraisals Service improvement plans</p> <p>Categories can help: Strategic/Operational Internal/External</p>	<p>Combination of the probability of an event and its consequences</p> <p style="text-align: center;">Impact x Likelihood</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; text-align: center;"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">IMPACT</td> <td style="background-color: #00FF00;">5</td> <td style="background-color: #FFD700;">10</td> <td style="background-color: #FF0000;">15</td> <td style="background-color: #FF0000;">20</td> <td style="background-color: #FF0000;">25</td> </tr> <tr> <td style="background-color: #00FF00;">4</td> <td style="background-color: #FFD700;">8</td> <td style="background-color: #FF0000;">12</td> <td style="background-color: #FF0000;">16</td> <td style="background-color: #FF0000;">20</td> </tr> <tr> <td style="background-color: #00FF00;">3</td> <td style="background-color: #00FF00;">6</td> <td style="background-color: #FFD700;">9</td> <td style="background-color: #FFD700;">12</td> <td style="background-color: #FFD700;">15</td> </tr> <tr> <td style="background-color: #00FF00;">2</td> <td style="background-color: #00FF00;">4</td> <td style="background-color: #00FF00;">6</td> <td style="background-color: #00FF00;">8</td> <td style="background-color: #00FF00;">10</td> </tr> <tr> <td style="background-color: #00FF00;">1</td> <td style="background-color: #00FF00;">2</td> <td style="background-color: #00FF00;">3</td> <td style="background-color: #00FF00;">4</td> <td style="background-color: #00FF00;">5</td> </tr> <tr> <td colspan="5" style="text-align: center;">LIKELIHOOD</td> <td></td> </tr> </table> <ul style="list-style-type: none"> • 15- 25 Extreme Risk (Red) • 8-12 High Risk (Orange) • 4 - 6 MEDIUM (AMBER) • 1 - 3 LOW (GREEN) 	IMPACT	5	10	15	20	25	4	8	12	16	20	3	6	9	12	15	2	4	6	8	10	1	2	3	4	5	LIKELIHOOD						<p>Concentrate on Extreme Risks- 15-25</p> <p>Can we reduce the likelihood?</p> <p>Can we reduce the impact?</p> <p>Can we change the consequences?</p> <p>Avoid Reduce Retain Transfer</p> <p>Devise Contingencies - Business Continuity Planning</p>	<p>Risk Registers: Baseline data to be prepared and monitored regularly. These should clearly indicate consequences, countermeasures and contingencies as well as the risk owner</p> <p>Review Top Risks regularly as agenda item.</p> <p>Report progress to senior management</p>
IMPACT	5		10	15	20	25																													
	4		8	12	16	20																													
	3		6	9	12	15																													
	2		4	6	8	10																													
	1	2	3	4	5																														
LIKELIHOOD																																			