NHS Forth Valley

Forth Valley NHS Board

Risk Management Framework

Current Issue date	19/09/2024	Date of First Issue	26/07/2022
Review Date	28/04/2026	Retention Period	Permanent
Version	3.0	EQIA	No
Owner (Author) & Role	Vicky Webb, Head of Risk Management		
Responsible Manager and Role	Kerry Mackenzie, Acting Director of Strategic Planning & Performance		
Approving Committee or Group	FV NHS Board	Approved	Yes

Management of Document Control Sheet

Type of Document	Framework
Level / Audience	Organisational
Publication	Internally and Externally
Purpose of document	To provide direction on how NHS FV will undertake risk management practices across the organisation, highlighting key roles & responsibilities and principles to adhere to.

Consultation and Change Record

Contributing Authors (Name & Role)		N/A	
Consultation Process		N/A	
Date	Author	Change	Version
26/07/2022	Sara MacKenzie	• Document developed.	1
19/09/2023	Sara MacKenzie	• Document reviewed.	2
19/09/2024	Sara MacKenzie	• Accessibility checked, content updated to reflect introduction of risk appetite, review timescales amended and addition of section 5 – Training, Learning and Development.	2.1
28/04/2026	Vicky Webb	• Updated to become a framework document. Content checked and updated to reflect best practice; risk appetite levels reviewed and updated. Procedural information removed and placed in own document.	3

Contents

Statement of Intent

Effective Risk Management is a fundamental cornerstone of good Corporate Governance and Internal Control and is an essential component in delivery of the Health Board's strategic and corporate objectives. This Risk Management Framework has been written for, and with, staff and is intended to:

- Influence culture by helping staff better understand how to evaluate and take actions on all their risks to increase the probability of success whilst reducing the likelihood of failure.
- Ensure high conformity with applicable rules, regulatory regulations and mandatory obligations.
- Provide assurance to the Health Board, Integration Joint Boards and its Audit and Assurance Committees that risk management and internal control activities are proportionate, aligned, comprehensive, embedded and dynamic.
- Support decision making using a risk-based approach.
- Adopt 'rules of engagement' whilst working in partnership with external stakeholders that are clear and unambiguous to support a culture of engagement and collaboration.

A good understanding and awareness of risks, based on the identification, assessment and mitigation processes as outlined in this Framework, will enable the Health Board to successfully deliver the vision as set out in our Population Health & Care Strategy 2025-2035'.

I want NHS Forth Valley to be a high performing Health Board. High performing organisations have good governance and management arrangements in place. I believe effective risk management is a key component of these arrangements. This Framework aims to support a risk management culture that encourages us to be risk aware but not risk averse.

I want us to adopt good risk management behaviours and practice, and this will require all of us to be familiar with our systems, policies and processes and to be able to identify, assess and respond to risks within our operating environment. Training and support will be available to staff to underpin this Framework.

In summary, risk is unavoidable. It is an important part of life that allows us all to move forward and develop. Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development, and encouraging staff to take risk where supported to do so. This Framework sets out our approach to risk management and outlines the key objectives and responsibilities for the management of risk throughout our organisation.

I believe we should not shy away from risk but instead seek to proactively manage it. This will allow us not only to meet the needs of today but also be prepared to meet the future challenges of tomorrow.

Ross McGuffie
Chief Executive

1. Introduction

The Risk Management Framework sets out the principles and approaches to risk management which are to be followed throughout NHS Forth Valley. Its aim is to achieve a consistent and effective application of risk management, enabling it to be embedded into all core processes, forming part of the day-to-day management activity of the organisation. Risk management, when deployed effectively, should add value by supporting day-to-day activities as opposed to being seen as a separate, self-contained process. The Risk Management Framework and supporting documentation supports this approach.

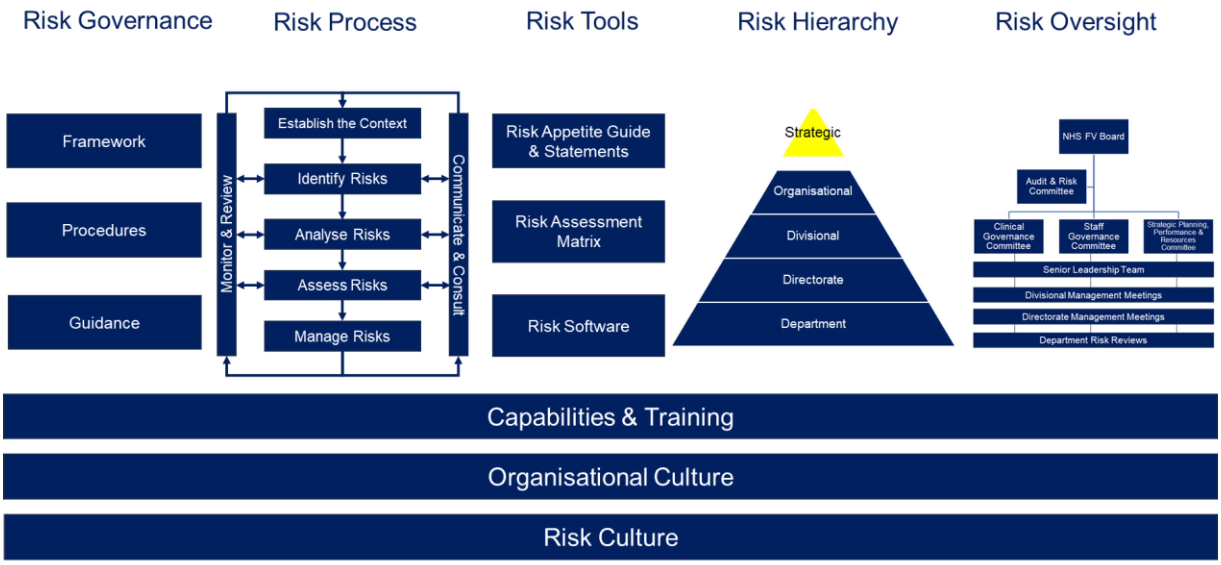
This Framework identifies the principles to risk management, the governance arrangements for risk and the additional tools utilised for implementing risk management. Supporting procedural and guidance documents are also available to aid the implementation of the framework. Specifically, these are:

- Risk Management Procedures
- Risk Appetite Guide & Supporting Statements
- Risk Assessment Matrix
- Control Assurance Guidance
- Pentana Risk Management Guides

The below diagram, diagram 1.1, aims to summarise the overall risk management approach but note that this is an indication only, and the practical application of the risk framework is more complex in nature.

This framework comprises of best practice from the ISO 31000 Standards, IRM Guidance, the Orange Book and relevant NHS Guidance.

Diagram 1.1 NHS FV's Risk Management Framework



2. Scope of Framework

This framework, and supporting guidance, applies to all staff, clinical and non-clinical, including contractors. All are to be aware of the contents listed within this document.

3. Risk Management Principles

For effective risk management to be discharged throughout the organisation, it is important that key foundational principles are established and effectively communicated throughout the organisation. The following principles, identified from the ISO3100 Standard, have been identified to support the application of this framework:

- **Integrated**
  - Risk management is an integral part of all organisational activities.
- **Structured & Comprehensive**
  - A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- **Customised**
  - The risk management framework and process are customised and proportionate to the organisations external and internal context related to its objectives.
- **Inclusive**
  - Appropriate and timely involvement of stakeholders enable their knowledge, views and perceptions to be considered. Resulting in improved awareness and informed risk management.
- **Dynamic**
  - Risks can emerge, change or disappear as an organisational external and internal context changes. Risk management will anticipate, detect, acknowledges and responds to those changes and events in an appropriate and timely manner.
- **Best Available Information**
  - The inputs into risk management are based on historical and current information, as well as, on future expectations.
- **Human & Cultural Factors**
  - Human behaviour and culture significantly influence all aspects of risk management at each level and stage.
- **Continual Improvement**
  - Risk management is continually improved through learning and experience.

4. Definitions

4.1 What is Risk Management?

Risk Management is a systematic way of dealing with that uncertainty which involves the identification, analysis, control and monitoring of risk. Risk Management activities are designed to achieve the best possible outcomes and reduce the uncertainty. An effective system of risk management will draw together all categories of risks and enable a holistic view of the organisation’s risk profile. This can also be referred to as Enterprise Risk Management.

4.2 What is a Risk?

A risk can be defined as ‘the effect of uncertainty on objectives’ (*ISO31000)*. It is any uncertain event impacting upon the achievement of an organisation’s objectives. The term risk can be broken down into two types of risk, opportunities and threats. Opportunities are uncertainties which may provide a positive impact upon the ability to achieve objectives, whereas threats are uncertainties which may provide a negative impact upon the ability to achieve objectives. NHS Forth Valley's Risk Management Framework aims to incorporate both types of risk when discharging its responsibilities.

4.3 Categories of Risk

When considering risk within a healthcare setting, recognition should be given to the numerous categories of risk that are managed throughout the organisation. The following table aims to give an overview of the principal categories of risk that the organisation is exposed to, providing clear definitions of each. Any changes to these will be agreed by the Senior Leadership Team and approved through the Board.

Table 4.3.1 Categories of Risk

Categories of Risk	Definition
Strategic	Risks which impact upon the delivery of the Boards strategic objectives.
Operational	Risks arising from inadequate, poorly designed or ineffective/ inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Financial	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
Workforce	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance
Clinical	A risk impacting on the treatment or provision of care to an individual/s. Occurring from clinical investigation, clinical treatment or patient care provision within a pathway.
Programme/Project	Risks which impact on the ability to deliver a project/programme to the scope, time & budget set.
Information	Risks arising from a failure to produce robust, suitable and appropriate data/ information and to exploit data/information to its full potential.
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.
Health & Safety	Risks arising from a failure to ensure, as far as is reasonably practicable, the health, safety and welfare of staff and others that may be affected by our work activities (those risks which impact on people out with the delivery of care).
Technology/Digital Infrastructure Risk	Risks arising from technology not delivering the expected services due to inadequate or deficient system/ process development and performance or inadequate resilience.

The above list is not exhaustive but intends to give an overview of the principal categories of risk managed within NHS Forth Valley. The intention behind adopting an Enterprise Risk

Management Framework is to provide an integrated overview of all risk exposure to NHS Forth Valley.

If any of the above categories of risk materialise, they could impact upon any of the following areas (as set out in the Risk Assessment Matrix – developed as part of the HIS Adverse Event Framework). These are known as impact categories and are where risk management is aligned to. The impact categories are:

- Injury/Illness
- Healthcare Experience
- Transformation/Innovation
- Service Delivery/Business Interruption
- Workforce
- Financial
- Compliance
- Public Confidence
- Health Inequalities

Further details on the impact categories can be found in the Risk Management Procedures.

4.4 Predictive, Proactive & Reactive Risk Management

There are distinct stages of risk management process which all mitigate risk in different ways. These stages can be referred to as predictive, proactive and reactive risk management processes. It is useful to understand this process to understand interdependencies and how learning will be identified across all these domains. These are described below.

Predictive Risk Management

- Predictive risk management uses data analytics and other vehicles to predict the occurrence of an event. Examples of activities covered under this:
    - Planning (Strategic, Clinical, Project, Emergency etc.)
    - Data Modelling
    - Horizon Scanning

Proactive Risk Management

- Proactive risk management aims to prevent the occurrence of an event. This is where traditional risk management practices are considered. Examples of activities covered under this are:
    - Health & Safety Control Book Management
    - Corporate Risk Management
    - Data Protection Assessments

Reactive Risk Management

- Reactive risk management is deployed when an event has occurred within the organisation with the aim to reduce the impact experienced as much as realistically possible. Examples of activities covered under this are:
    - Business Continuity Plans
    - Adverse Event Management
    - Claims Management
    - Crisis Management

4.5 Control Definitions

When identifying and managing risk, a critical component of the management of risk is the identification of controls. Controls are the measures put in place to mitigate the risk. There are different types of controls which could be utilised. Table 4.5.1 details these definitions. Further guidance on how to practically utilise controls can be found in the Risk Management Procedures.

Table 4.5.1 Control Definitions

Control Definitions		
Type	**Description**	**Examples**
Preventative	Activity to control the underlying risk cause and prevent it happening in the first place	• Removal / substitution of a hazard • Employee vetting / checks • Segregation of duties / authorisation levels to reduce fraud • Restricting access to assets (physical / information) • Password protection • Policies, standards, processes for planning
Contingency (Reactive)	Corrective – limits the scope for loss, reduced undesirable outcomes Directive – direct activity to ensure a particular outcome is achieved Detective – designed to identify occasions when undesirable outcomes have been realised	• Policies, standards, processes to provide direction as to steps required in a certain situation • Budget review / reconciliation process • Performance review – budget-to-actual comparison to identify variance, Key Risk Indicators • Reporting • Inventories • Business Continuity / Disaster Recovery Plans • Whistleblowing / Fraud Detection

5. Roles & Responsibilities

In a complex organisation, where risk is prevalent in day-to-day duties, it is vitally important that there is clear understanding of the roles and responsibilities involved in supporting implementation of a risk management framework. The table below intends to give an overview of these roles and responsibilities.

Table 5.1 Key Roles & Responsibilities of Risk Management

Group/Individual	**Responsibilities**
NHS Board	Provide oversight and scrutiny of NHS Forth Valley's risk management arrangements to seek assurance on their effectiveness Set risk appetite within NHS Forth Valley Approve the updates in regard to Strategic Risk
Chief Executive	To have overall accountability for the management of risk across NHS Forth Valley
Executive Leadership Team/ Senior Leadership Team	Set risk appetite within NHS Forth Valley Ensure risk management processes are supported to provide them with adequate information and assurance related to strategic and organisational risks

Audit & Risk Committee	To evaluate and recommend approval of the strategies and frameworks in respect of risk management to the NHS Board, and provide assurance on the effectiveness of the risk management arrangements, systems and processes To endorse updates and provide direction in respect of risks held within the strategic and organisational risk registers To review the organisation's risk culture and maturity and direct action in pursuit of continuous improvement in this area
Standing Assurance Committees	To ensure that an appropriate approach is in place to deal with their specified risks working within the NHS Forth Valley Risk Management Framework, and consider and endorse the assurance provided by the Executive Leadership Team and Senior Management regarding the effective management and escalation of risks
Head of Risk Management	Responsible for the implementation of the Risk Management Framework Ensure risks are properly identified, understood and managed across all levels within the organisation Report on the organisation's risk profile at Assurance and Audit Committees, FV NHS Board and other relevant organisational groups Oversee reporting to Directorates Periodically review the Risk Management Framework and arrangements, identifying areas for potential improvement Drive an improving risk culture through risk education, awareness and embedding into day-to-day management
Risk Owners	Accountable for ensuring the effective management of a risk, and providing assurance that key controls are operating effectively
Risk Lead	Responsible for managing risk on a day-to-day basis, assessing the risk score and updating the management plan, reviewing the risk on a regular basis and identifying sources and levels of assurance regarding control effectiveness, to allow risk owners to provide assurance
Risk Advocate	Responsible within an individual speciality, department or Directorate area for maintaining lines of communication with the risk function, administering the risk register and co-ordinating all risk activities

6. Governance

The section articulates the arrangements for communication, governance, and reporting requirements in relation to all risk activities. Establishing a clear and consistent approach to how and where risk information is communicated is fundamental to fostering a risk aware culture.

6.1 Risk Registers Hierarchy

Risks, once identified, are captured on risk registers. Each Department, Directorate & Division will hold a risk register for its area – the hierarchy of these is depicted below. There are five main levels of risk register, and an escalation route exists for risks that cannot be fully mitigated at the Department level. This is depicted in Diagram 6.1.1 Risk Register Hierarchy.

Diagram 6.1.1 Risk Register Hierarchy

<u>Strategic Risk Register</u>

Risks contained in the Strategic Risk Register are the high-level risks that could impact the delivery of longer-term strategic objectives of the organisation. Risks are not escalated/de-escalated from lower-level risk registers to the Strategic Risk Register automatically. Risk identification for the Strategic Risk Register is facilitated through twice yearly reviews, horizon scanning sessions led by the Senior Leadership Team, and through discussion at the Board & relevant Committees. At strategic level, the risk owner is the relevant Director/Chief Officer.

<u>Organisational Risk Register</u>

Risks contained in the Organisational Risk Register are top level, cross cutting risks that present a significant short-medium term threat to multiple Divisions or the Health and Social Care Partnerships (HSCPs). Risks are escalated and de-escalated via the Directorate and HSCP Risk Register(s). At Organisational level, the risk owner is the relevant Director/Chief Officer.

<u>Divisional Risk Register</u>

Each Division maintains a risk register comprising of the most significant risks identified from its respective Directorate Risk Registers. Risks are escalated to the Divisional Risk Register from the Directorate Risk Registers.

<u>Directorate Risk Registers</u>

Each Directorate holds a risk register that contains a cut of the most significant risks from its component Departments. Risks are escalated to the Directorate level via the individual Department Risk Registers. At Directorate Level, the risk owner is the relevant Head of Service/Department or equivalent.

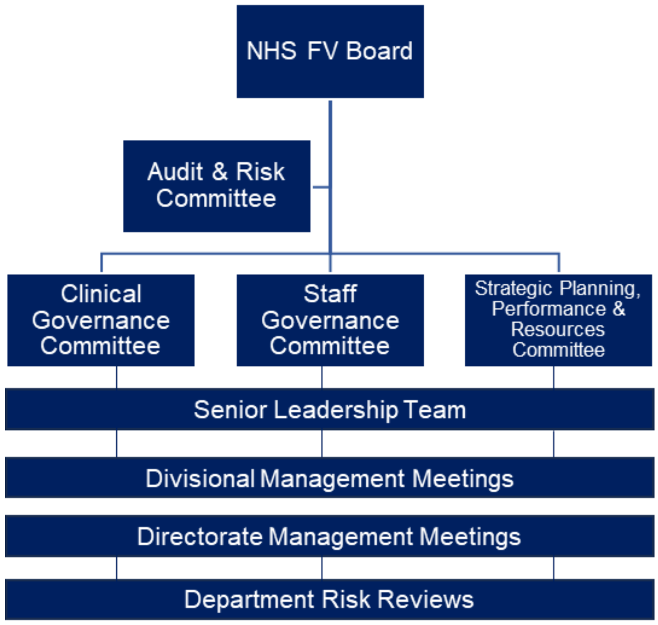
<u>Department Risk Registers</u>

Each Department will hold a risk register for its area – these form the bottom level of risk registers. At Departmental Level, the risk owner is the relevant team lead or operational manager.

6.2 Governance & Oversight

The Board of NHS Forth Valley is corporately responsible for the Risk Management Framework and for ensuring that significant risks are adequately controlled. To support the Board in discharging its responsibilities, the Standing Committees are responsible for various aspects of risk management. Principally these are the Audit and Risk Committee, Strategic Planning, Performance & Resources Committee, Clinical Governance Committee and Staff Governance Committee. All identified Standing Committees are responsible for providing assurance on the effective management of risks relevant to their area of responsibility. Additionally, the Audit and Risk Committee have a responsibility for overseeing the implementation of the Risk Management Framework, taking assurances from the Corporate Risk Management Team and the Senior Leadership Team. Diagram 6.2.1 illustrates NHS Forth Valley's risk management governance structure.

Diagram 6.2.1: Risk Management Governance Structure



6.3 Risk Management Performance Indicators

To enhance FV NHS Board's oversight of risk management, a set of Risk Management Performance Indicators have been established to demonstrate the application of the risk management framework throughout the organisation. Details of these indicators are provided in Appendix 1.

6.4 Integrated Risk Management: Health & Social Care Partnerships

In order to ensure strong risk management partnership arrangements, it is necessary to agree how emerging risks have an impact on more than one partner at a strategic level. Risks will be discussed and agreed across partners, with particular focus on:

- Where the risk was first identified
- Date of identification
- Nature of emerging risk
- Impact areas (e.g. service delivery, performance, strategic commissioning intentions etc)
- Mitigation required

Risks with the potential to impact more than one partner will be identified for inclusion in one or more of the following risk registers:

- NHS Forth Valley Strategic Risk Register or Organisational Risk Register
- Clackmannanshire and Stirling IJB Strategic Risk Register
- Falkirk IJB Strategic Risk Register

Any such emerging risks will be submitted to the NHS Forth Valley Senior Leadership Team to approve inclusion on the appropriate risk register.

Operational risks will continue to be managed by partner bodies, with relevant risk specialists working together to ensure consistent practice, aligning respective Risk Management Frameworks. The IJBs will also have a defined risk appetite to determine the target score range for Strategic Risks. It is recognised that partners may not have the same appetite, however these variances will be taken into consideration when the risks are being managed and reported.

Reciprocal assurances on the operation of the Risk Management arrangements and of the adequacy and effectiveness of key controls will be provided to/from partners. Receipt/provision of assurance will be facilitated by risk specialists from partner bodies, who will attend regular meetings to discuss risks and provide relevant advice.

7. Risk Appetite

In a complex organisation, like a healthcare system, it is important to articulate the thresholds for risk taking throughout the organisation. This ensures that there are clear expectations for behaviours regarding risk. The risk appetite process assists the organisation in identifying and describing these set thresholds. This is set and monitored by the NHS FV Board and will cascade throughout the rest of the organisation to inform local decision making.

The delivery of health services inherently has high risk and the concept of applying risk appetite can be challenging. However, if implemented effectively, particularly in a resource-finite environment, the process is a useful tool to avoid over or under management of risk. Deployed effectively, risk appetite can act as an enabler to the delivery of key services.

Risk appetite is therefore defined as the amount and type of risk we, as an organisation, aim to operate with in the pursuit of its strategies and objectives. Supplementing this, is the concept of risk tolerance, defined as the amount of risk that an organisation is willing to operate with. Providing a maximum threshold for risk taking behaviours throughout the Board.

There are four levels of appetite & tolerance, which are applied to the impact categories identified within NHS FV, are highlighted below in Table 2.9.1. Each of these levels also correlate to a section on the risk assessment table.

Table 2.9.1 NHS FV Risk Appetite/Tolerance Levels

Appetite Level	**Description**	**Corresponding Risk Score**
Averse	Very little appetite for this type of risk. Avoidance of risk and uncertainty is a key organisational objective. Exceptional circumstances are required for any acceptance of risk	1-3

Cautious	Minimal appetite for this type of risk. Preference for ultra-safe delivery options that have a low degree of inherent risk and only reward limited potential.	4-9
Moderate	Acceptance that a level of risk will be required to pursue objectives, or that a greater level of risk must be tolerated in this area. Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential reward.	10-16
Open	Acceptance that risk must be more actively taken in the pursuit of transformation or that a high level of risk must be tolerated. Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward (and Value for Money). Eager to be innovative and confident in setting high level of risk appetite as controls are robust.	20-25

Further guidance on the application of risk appetite can be found in the 'NHS Forth Valley Risk Appetite Guide'. Appendix 2 details the overarching statement for Forth Valley's approved risk appetite levels. A summary statement of the defined appetite levels is included below in Table 2.9.2.

Table 2.9.2 NHS FV Risk Appetite Summary

Impact Category	**Appetite Level**	**Tolerance Level**	**Target Score Range**
Injury/Illness	Cautious	None	4-9
Service Delivery/Business Interruption	Cautious	None	4-9
Healthcare Experience	Cautious	Moderate	4-9
Workforce	Cautious	Moderate	4-9
Financial	Cautious	Moderate	4-9
Compliance	Cautious	Moderate	4-9
Public Confidence	Cautious	Moderate	4-9
Health Inequalities	Cautious	Moderate	4-9
Transformation & Innovation	Moderate	Open	12-16

To support ongoing management of risk and ensure that appetite is continually assessed in the risk process. It is important that risks are reviewed continuously. Each level of appetite has its own review timeline as noted below:

- In appetite – yearly review.
- In tolerance – quarterly review.
- Outside of appetite and tolerance - monthly review.

The risk owner is accountable for ensuring that risks are reviewed within these agreed timescales.

8. Communication

The risk management framework and underpinning procedural documents will be made available to colleagues to whom it applies via publication on NHS Forth Valley's Intranet.

In accordance with the Freedom of Information (Scotland) Act 2002, this Risk Management Framework will be published on NHS Forth Valley's external website.

9. Retention

The Risk Management Framework will be permanently retained in accordance with the relevant retention rules as set out within NHS Forth Valley's Record Retention Schedule. This is to ensure that a record is maintained of what was in force at any given time should they be required for purposes of audit or litigation.

Relevant EQIA documentation will also be retained with the documents to demonstrate due process was followed.

Previous versions may also provide key evidence of document development or be retained for reference purposes. Once superseded, the risk management framework will be deposited with Stirling University Archives as a public record in accordance with the Public Records (Scotland) Act 2011.

10. Support and Advice

For risk management advice contact the Corporate Risk Management Team on:

E-mail: fv.corporateriskmanagement@nhs.scot

11. Alternative Formats

NHS Forth Valley is happy to consider requests for publications in other language or formats such as large print. To request this document be made available in another language, please contact 01324 590886.

To request this document be made available in another format, please contact:

Phone: 01324 590886 **Text:** 07990 690605 **Email:** FV.interpretation@nhs.scot

12. Appendix 1 – Risk Management Performance Indicators

Descriptor	Indicator	Nominator	Denominator	Frequency & By Whom	Rationale
Risk Profile	% of risks within appetite reviewed 6 monthly.	No. of risks in appetite in specified area which have been reviewed every 6 months.	Total number of risks in appetite in specified area.	Monthly by the Corporate Risk Management Team.	This will provide an indication of the risks that are managed well.
	% of risks within tolerance reviewed every two months.	No. of risks in tolerance in specified area which have been reviewed every two months.	Total number of risks in tolerance in specified area.	Monthly by the Corporate Risk Management Team.	This will provide an indication of the risks that will become a bigger problem if not mitigated timeously.
	% of risks out with appetite & tolerance reviewed monthly.	No. of risks out with appetite & tolerance in specified area which have been reviewed monthly.	Total number of risks out of appetite/tolerance in specified area.	Monthly by the Corporate Risk Management Team.	This will provide an indication of the number of risks that are creating significant exposure to the organisation.
	% of risks reviewed in timeframe established.	Total no. Of risks reviewed in appropriate timeline.	Total number of risks in specified area.	Monthly by the Corporate Risk Management Team.	This will provide an overview of how well we are complying with the risk framework.
	Number of unknown risks.	-	-	Monthly by the Corporate Risk Management Team.	This will provide an overview of how many risks in are logged in the system without any information.
Risk Mitigation	% of risks with defined action plans.	Total number of risks out with the Boards appetite level for the service area with actions linked.	Total number of risks out with the Boards appetite and tolerance for the service area.	Monthly by the Corporate Risk Management Team.	To provide assurance that the risks identified have a defined action plan against them.
	% of actions that are overdue.	No. of overdue actions in specified area.	No. of total risk actions in specified area.	Monthly by the Corporate Risk Management Team.	This will provide an indication to the status of our further mitigating actions.
	Total Number of Controls Listed	-	-	Monthly by the Corporate Risk Management Team	This will provide an indication of the number of controls live in the system.
Risk Training	No. of staff members that have completed level 1 training.	-	-	Monthly by the Performance Team – TURAS Extract.	This will give an indication as to who is aware of Corporate Risk and who the Risk Team are.
	No. of staff members that have completed level 2 training.	-	-	Monthly by the Performance Team – TURAS Extract.	This will give an indication of how many staff members have completed our in-depth risk management training.
	No. of staff members that have completed the Pentana Risk Management training.	-	-	Monthly by the Performance Team – TURAS Extract.	This will give an indication of how many staff members have completed our system training.

Appendix 2 – Risk Appetite Statement

Definitions	Description	Identifier of Agreed Level (Corresponding Colour)
Risk Appetite	Risk appetite refers to the amount and type of risk that an organisation is willing to accept in the pursuit of its objectives.	
Risk Tolerance	Risk tolerance is the maximum level of risk an organisation can tolerate regarding each type of risk before it is significantly impacted.	

Appetite Level	Averse	Cautious	Moderate	Open
Impact Category / Risk Score	LOW (1-3)	MEDIUM (4-9)	HIGH (10-16)	VERY HIGH (20-25)
Injury/Illness	NHS FV are not willing to accept any risks which impact on the physical and psychological safety of a patient, staff member or visitor and are unwilling to take any risks which could improve patient, staff and visitor physical and psychological safety.	NHS FV is willing to take minimal levels of risk when it could impact on staff, patients or visitors and are prepared to take minimal risk which could improve patient, staff and visitor physical and psychological safety.	NHS FV are willing to accept a high exposure to risks which could negatively impact on the physical and psychological safety of a patient, staff or visitor or FV and are willing to take a high level of risk which could improve patient, staff and visitor physical and psychological safety.	NHS FV are willing to accept will accept significant degrees of risk which could negatively impact on our patients, visitors and staff, and will take significant levels of risk which could improve patient, staff member and visitor outcomes.
Healthcare Experience	NHS FV are not willing to accept any risk which negatively impacts on the stakeholder's experience within NHS FV and will not take any risk which may positively impact on the stakeholder's experience of NHS FV.	NHS FV are willing to accept a minimal level of risk which could negatively impact on the stakeholder's experience of NHS FV and are willing to take a minimal level of risk which could positively impact on the stakeholder's experience of NHS FV.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on the stakeholder's experience of NHS FV and are willing to take a high level of risk which could positively impact on the stakeholder's experience of NHS FV.	NHS FV will accept significant levels of risk which could negatively impact on the stakeholder's experience of NHS FV and will take significant levels of risk which may positively impact on the stakeholder's experience of NHS FV.
Transformation/ Innovation	NHS FV are unwilling to accept any risk which will impact negatively on the ability to deliver Transformation/Innovation and are unwilling to take any risk which could positively impact delivery of Transformation/Innovation.	NHS FV are willing to accept a minimal level of risk which could impact on our ability to deliver Transformation/Innovation and are willing to take a minimal level of risk which could positively impact on the delivery of Transformation/Innovation.	NHS FV are prepared to operate with a high exposure to risks which could impact on our ability to deliver Transformation/Innovation and are willing to take a high level of risk which could positively impact on the delivery of Transformation/Innovation.	NHS FV are willing to accept significant levels of risk that could negatively impact on the delivery of Transformation/Innovation and are willing to take significant degrees of risk which could positively impact the delivery of Transformation/Innovation.
Service Delivery / Business Interruption	NHS FV are unwilling to accept any risk which negatively impacts on the ability to deliver services and are unwilling to take any risk which could improve service delivery.	NHS FV are willing to accept a minimal level of risk which could impact on our ability to deliver services and are willing to take a minimal level of risk which could improve service delivery.	NHS FV are prepared to operate with a high exposure to risks which could impact on our ability to deliver services and are willing to take a high level of risk which could improve service delivery.	NHS FV are willing to accept significant levels of risk which will negatively impact on service delivery and are willing take significant levels of uncertainty which could improve service delivery.
Workforce	NHS FV are unwilling to accept any risk that could negatively impact on recruitment and retention of a confident, flexible and trained workforce and are unwilling to take any risk that could positively impact on recruitment and retention of a confident, flexible and trained workforce.	NHS FV are willing to accept a minimal level of risk which could negatively impact on recruitment and retention of a confident, flexible, trained workforce and are willing to take a minimal level of risk which could positively impact our ability to improve recruitment and retention of confident, flexible, trained workforce.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on recruitment and retention of a confident, flexible, trained workforce and are willing to take a high level of risk which could positively impact our ability to improve recruitment and retention of confident, flexible, trained workforce.	NHS FV are willing to accept significant degrees of risk that could negatively impact on recruitment and retention of a confident, flexible and trained workforce and are willing to take significant degrees of risk which may positively impact on our ability to recruit and retain a confident, flexible and trained workforce.
Financial	NHS FV are unwilling to accept any risk that could negatively impact on budget performance and are unwilling to take any risk that could positively impact budget performance.	NHS FV are willing to accept a minimal level of risk which could negatively impact on budget performance and external compliance requirements and are willing to take a minimal level of risk which could positively impact on budget performance.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on budget performance and are willing to take a high level of risk which could positively impact on budget performance.	NHS FV are willing to accept significant degrees of risk that could negatively impact on budget performance and are willing to take significant degrees of risk which may positively impact on budget performance.
Compliance	NHS FV is unwilling to accept any risk that could negatively impact on compliance with internal and external requirements and are unwilling to take any risk that could positively impact on compliance with internal and external requirements.	NHS FV are willing to accept a minimal level of risk which could impact compliance with internal and external requirements and are willing to take a minimal level of risk which could positively impact on compliance with internal and external requirement.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on compliance with internal and external requirements and are willing to take a high level of risk which could enhance our compliance with internal and external requirements.	NHS FV are willing to accept significant degrees of risk that could negatively impact on compliance with internal and external requirements and are willing to take significant degrees of risk which may positively impact on compliance with internal and external requirements.
Public Confidence	NHS FV are unwilling to accept risks that could negatively impact on the public perception and confidence of the organisation and are unwilling to take any risk that could positively impact on the public perception and confidence of the organisation.	NHS FV are willing to accept a minimal level of risk which could impact on our public perception and confidence of the organisation and are willing to take a minimal level of risk which could positively impact on the public perception and confidence of the organisation.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on public confidence and are willing to take a high level of risk which could enhance our public, where the benefit of the decision outweighs the impact of this risk.	NHS FV is willing to accept significant degrees of risk that could negatively impact on our public perception and confidence and is willing to take significant degrees of risk which may positively impact on our ability enhance our public perception and confidence.
Health Inequalities	NHS FV are unwilling to accept risks that could negatively impact the Health Inequalities within FV and are unwilling to take any risk that could reduce Health Inequalities within FV.	NHS FV are willing to accept a minimal level of risk which could impact on Health Inequalities within FV and are willing to take a minimal level of risk which could reduce Health Inequalities within FV.	NHS FV are prepared to operate with a high exposure to risks which could negatively impact on Health Inequalities within FV and are willing to operate with a high exposure to risks which could reduce Health Inequalities within FV.	NHS FV are willing to accept significant degrees of risk that could negatively impact on Health Inequalities within FV and are willing to take significant degrees of risk which may reduce Health Inequalities within FV.

The below table details the rationale for identifying the risk appetite levels for NHS Forth Valley.

Impact Category	Appetite Level	Tolerance Level	Rationale for Level
Injury/Illness	Cautious	None	NHS Forth Valley exists to deliver safe, effective, person-centred care to its population, and provide a safe environment for patients, staff and the public. We recognise that to meet patient care objectives and to deliver a safe service, where the benefit exceeds the risk, there are occasions where we must operate with a **cautious** appetite for risks which could result in Injury/Illness.
Healthcare Experience	Cautious	Moderate	NHS Forth Valley has a sustained focus on improving care and experience of patients, families, and carers. We have a **cautious** appetite for risk impacting on the healthcare experience, reflecting our desire for positive patient experience and quality clinical outcomes, but recognising that it is not possible to avoid all risk and uncertainty in this area.
Transformation/ Innovation	Moderate	Open	NHS Forth Valley has a **moderate** appetite for innovation, accepting that a greater degree of risk is required to maximise innovation and opportunities to improve patient experiences and outcomes, transform services and ensure value for money.
Service Delivery / Business Interruption	Cautious	None	NHS Forth Valley has a **cautious** appetite for risks which could result in Service/Business Interruption. Delivery of Health and Social Care is a priority, and while it may not be possible to eliminate risk, there is a focus on ensuring that essential health and social care needs are met quickly and effectively.
Workforce	Cautious	Moderate	NHS Forth Valley will operate with a **cautious** appetite. The priority will remain adherence to professional standards, and staff should continue to work within the limits of their competence, exercise “duty of candour” and raise concerns when they come across situations that put patients or public at risk.
Financial	Cautious	Moderate	NHS Forth Valley’s strategic aim is high quality and sustainable clinical services. We wish to achieve financial sustainability by spending well and making the most of our resources. Therefore, we have a **cautious** appetite for financial risk as budgets are constrained and unplanned / unmanaged budget variance could affect our ability to achieve statutory financial targets, potentially increases reputational risk and places pressure on divisions and departments. Well informed risks can be taken but budget variances are to be minimised and value for money is the primary concern.
Compliance	Cautious	Moderate	NHS Forth Valley has a **cautious** appetite for risks impacting on Inspection/Audit. We are prepared to take informed risks which could result in recommendations, improvement notices or criticism, provided that the benefit outweighs the negative outcome.
Public Confidence	Cautious	Moderate	NHS Forth Valley has a **cautious** appetite for risks impacting on public confidence which flow from informed decision-making, in order that achievement of strategic objectives is not hindered.
Health Inequalities	Cautious	Moderate	NHS Forth Valley has a **cautious** appetite as there is a need to take a degree of balanced risk to achieve potential rewards from undertaking cost effective prevention activities and addressing health inequalities. We are focused on reducing healthcare generated inequalities.