St michael's hospice

Risky Business – A fresh approach to managing your risk register

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1. What was the problem?

Like many organisations, St Michael's Hospice has found it challenging to stay on top of its risk register and difficult to effectively use it for informing business decisions.

In fact, the Senior Leadership team found that with over 70 discreet risks, with overlapping controls and actions, on an Excel spreadsheet, managing the risk register had become 'mission impossible'.

We also recognised that our assurance reports need to give Trustees a true sense of the risks and not just seek to provide comfort.

2. What was our solution?

In 2022, an external organisation was commissioned to complete a governance review for the Hospice and one recommendation was to adopt a governance assurance framework and move away from a traditional 'Corporate Risk Register' at Board level.

Sample templates[1 & 2] were shared with the senior manager responsible for maintaining the risk register, and a new framework was developed and approved for use in March 2023 by the Board.

The new Board Assurance Framework provides a one-page summary for the Board with hyperlinks to more detailed information for each discreet risk, including:

- Risk mitigation, and assurance that the mitigations are effective
- Data and evidence to quantify and qualify the level of risk and overall score
- Actions that will aim to reduce the risk to a tolerable or acceptable level.

3. How did we implement the solution?

The first task was to streamline and stratify the risks. The approach taken initially was 'what keeps the senior team awake at night' and from this, three risks to our strategic aims were identified:

- The building
- Workforce
- Funding.

Board Assurance Framework St michael's hospice

Risk no	Risk Summary	Risk description	Lead Director	Governance committee	Current Score	Status	Risk Trend
SR1	Building	Building related risk details	Quality	Governance	12	Further controls required	
SR2	Workforce	Workforce related risk details	People	People	6	Tolerable	
SR3	Funding	Income generation and funding risk details	Chief Executive	Leadership team	9	Further controls required	

Supporting commentary

SR1 - Planned refurbishments are contributing to a higher risk rating due to the nature of the works. Suitable and sufficient controls in place.
SR2 - Workforce FTE's are on track for current year budget, national healthcare recruitment issues continue to impact on this risk
SR3 - No changes since last update.

Complied AN Other
Approved Leadership team

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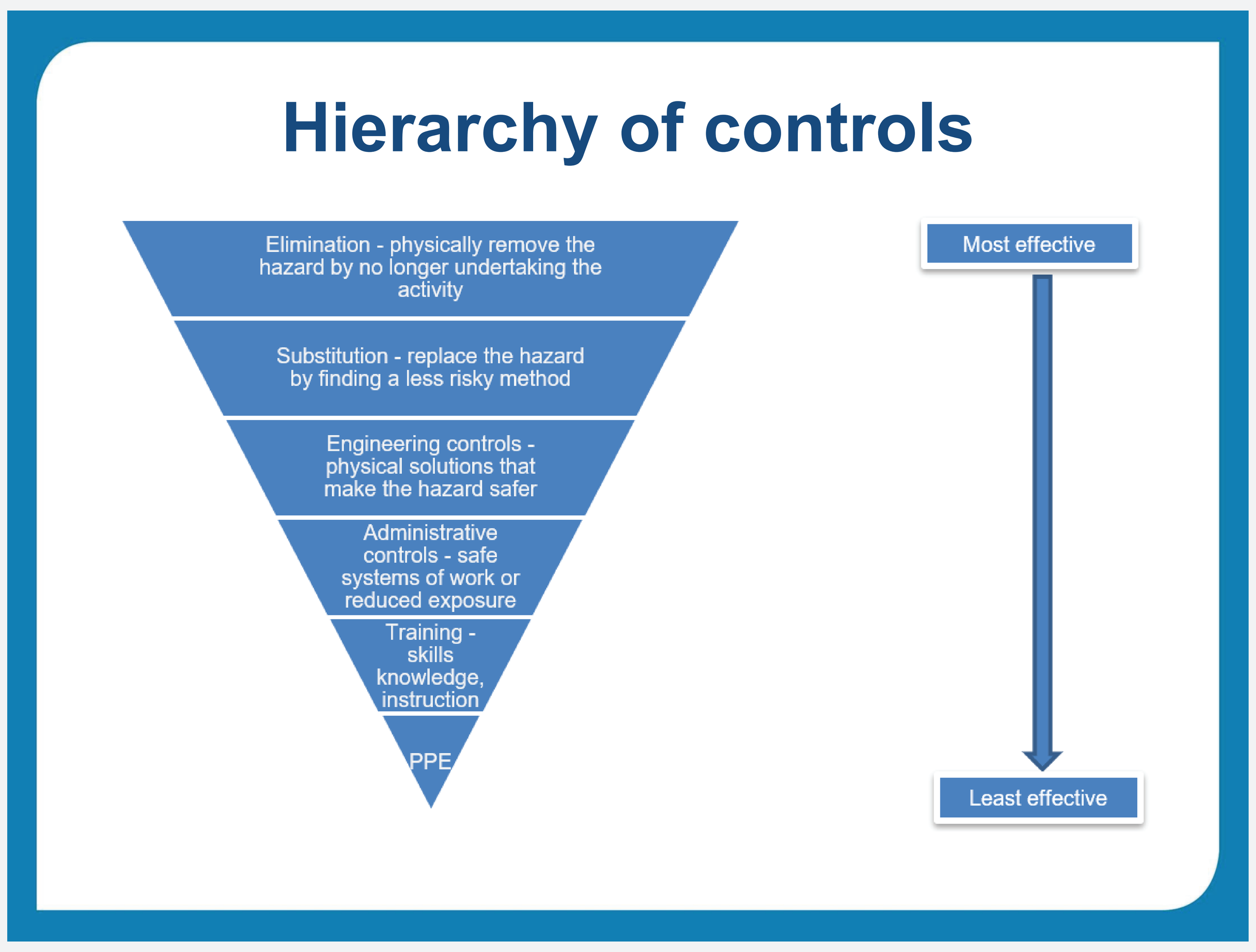
The existing risk matrix was used to quantify and rate risks and the hierarchy of controls model was used to categorise mitigations. Using this model, we found that our existing controls were predominately administrative or training relating. This helped us to think differently about what would be more effective to further mitigate risk.

	Likelihood of harm				
	1	2	3	4	5
Severity of harm	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5



The successful development of the Board Assurance Framework then led to the concept being adopted for each governance committee.

Links between the risks and the frameworks are being embedded to allow for updates to be made in one place and changes propagated throughout.

4. What did we learn?

Microsoft Excel was sufficient for the initial design, but it is not suitable for tracking changes over time. To resolve this, the plan is to create a bespoke module within the Hospice's existing data management system and migrate all risks onto the system by the end of March 2024.

When providing 'assurance' to the Hospice Trustees, it is important to evidence areas that are well managed, as well as those that still require further work. This helps to provide a full picture of an organisation's risk profile, giving meaningful assurance rather than just comfort.

Strategic and operational risks on the register were not being used to inform decision making. While the assurance framework is still a work in progress, it is starting to change the conversation and this fresh approach will make risk management less daunting and more dynamic leading to better informed decision making.

References

1. Board Assurance: A toolkit for health sector organisations **nhsproviders.org/media/1182/board-assurance-a-tool-kit.pdf**
2. Good Governance Institute - How to develop a board assurance framework: **good-governance.org.uk/publications/insights/how-to-develop-a-board-assurance-framework**