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Twelve Steps to Risk Management

Risk management is everyone's responsibility. The ICBS Risk Management Framework Policy, which is kept under review, outlines how risk is managed within the ICB, below is a summary to assist staff in understanding what to do if they identify a risk, risk training is available from the governance team and a presentation available on the staff intranet:

	Action		Risk Management Policy Page number
Step 1	**Identify the risk (Risk Capture)**	Risk can be identified by anyone within the ICB. A potential risk should be discussed with the individuals line manager and escalated to a senior manager and executive for discussion. The corporate risk register (CRR) should be checked to see if a risk already exists, governance can assist with this.	13
Step 2	**Define and describe the risk**	It is important that you identify and have a clear understanding of the risks in your work area. To avoid confusion, describe each risk separately, always identifying the likelihood and impact in a clear and concise manner. The risk template in the policy will aid you with refining the risk and should be completed by the risk owner.	14
Step 3	**Identify Risk Owner and Executive Lead**	All risk must be allocated to an Executive Lead and have a senior member of staff as the risk owner responsible for the review and update of the risk and associated actions.	14
Step 4	**Determine Risk appetite**	This is explained in of the Integrated Risk Management policy and is the amount of risk that the ICB is prepared to accept, tolerate or be exposed to at any point in time. Appendix 1 indicates the overarching risk score and management response.	13
Step 5	**Score risk**	The ICB uses a 5x5 matrix to score a risk by impact and likelihood. this is further explained in the policy. See step 4 and check the risk score against the risk appetite of the ICB.	25

Step 6	**Identify controls and assurance**	To support the risk score the risk owner must detail all the controls and assurances in place to mitigate the risk and explain the rationale for the score. Assurance and control gaps must also be added at this stage with actions to address the gaps within given timescales. Dates for the completion of these actions should be agreed and recorded	19
Step 7	**Determine actions**	Action must be listed to address any control or assurance gaps, actions being taken to reduce the risk score and mitigate the risk. This must include a date for the completion of the action and the name of the member of staff leading on the action.	20
Step 8	**Complete risk template and gain approval of executive lead**	Review the completed risk template and ensure all sections are complete and the risk is attributed to a corporate objective	21 & Appendix 4
Step 9	**Risks scored 15 and above.**	Risks scored 15 and above will be reviewed and considered for inclusion in the assurance framework. Date for review and actions reviewed in accordance with policy. **Any risks scored 25 must be immediately escalated to the Chief Executive Officer**	18
Step 10	**On approval add to risk register**	A new risk must not be added to the risk register without the approval of the named executive/director Confirmation that the risk or a similar risk does not already exist on the risk register. The risk will be added to the risk register by the risk co-ordinator for the directorate/team, generating an email to the governance team for review. The governance team will review and may request additional information.	15
Step 11	**Monitoring and Review**	The frequency of review should be **no less than monthly** and more frequently if the risk is considered very high. Refer to section 8 page 13 of the Integrated Risk Management policy Risks and actions should be reviewed and updated no less than monthly by the risk owner. Escalation of risks not reviewed appropriately will be Senior Leadership Team.	22

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Step 12	**Closure of Risks**	All risks must be reviewed by the risk owner and the risk score reviewed along with the controls and assurances. Closure must be agreed by the risk owner with the executive lead. Executives to take responsibility for adding and removing risks scored 12 and below. Risks scored 15 plus will be discussed at Senior Leadership Team meetings and final approval sought from the relevant committee in line with the policy. A clear and concise rationale for closure should then be added to the risk register, prompting an email to governance to review and include in relevant risk reports.	