

## Good Practice Guide Appendices Appendix 6

### Cluster Risk Management

The risk management process of a cluster should ensure that operational risks that threaten the cluster's ability to achieve its objectives are escalated, but Cluster Leads should not be preoccupied by operational risk. There are various approaches to risk management and a description of the chosen approach should be detailed within cluster governance documentation.

The strategic risks of the organisation should be integral to the agenda of all cluster teams and boards so risks are effectively monitored and controlled, taking an outward facing view as well as a focus on internal strategic issues. Although audit committees may take responsibility for reviewing the effectiveness of risk management processes, the cluster team takes overall responsibility for operating the risk management system, and mature clusters may use a risk map to review their assurance processes and identify any gaps. This should include corporate, financial, clinical, information and research governance risks.

Risk is to be considered within partnership working and an assessment made at the outset on whether proportionate risk management approaches are in place to deliver a safe and successful partnership. For a partnership to deliver successful outcomes, there needs to be a common understanding of the potential risks involved at a project, operational and strategic level, and a shared appetite for risk taking. There also needs to be agreement on an appropriate risk management approach.

#### **Systems and Processes for Managing Risk**

Cluster risk management processes need to be robust, yet not so restrictive that enhanced governance arrangements limit their innovation and flexibility.

- Defining who owns the risk, and who is responsible for taking action to alleviate it, need to be explicit with clarity on the levels of risk to be managed by cluster boards / leadership teams and the level for escalation to the Health Board.
- Risks should be assessed, monitored and evaluated by means of a risk register and risk-scoring matrix, with individual risks managed through an action plan. A schedule of review of potential risks identified by the register should be established.
- Good practice promotes the use of a joint risk register within partnership working. Where an alternative risk management tool is used, the method in which risks are communicated between partnership organisations must be considered.

- It remains the responsibility of the Lead Officer representatives of the Health Board and partner organisations to identify and escalate any risks to their organisations, and to contact their Risk Management Teams for any advice and guidance.
- A mechanism to report on the lessons learned from risk reviews should be established.