

### Risk Management Matrix 2018-19

The Matrix was reviewed at the end of September 2019.

- It was agreed to have Risk E1 (Change in national and/or local political regime or policies will have an adverse impact on HWS) retain an overall High rating in light of the upcoming general election.

## Risk Management Matrix

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## **Risk Management Matrix**

### **A. Introduction**

#### **Regulatory Requirements**

Paragraph 45 of the Charities SORP 2005 requires that the annual report contains a statement confirming that *“the major risks, to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks”*.

Under Regulation 7, the Board Members of Healthwatch Shropshire must at least make a statement that they have “given consideration” to:

- The major risks to which the charity is exposed; and
- Systems designed to mitigate those risks

#### **Purpose of this document**

This document sets out the key external risks, both financial and non-financial, as assessed by the Board Members and employees. This document is revisited on a regular basis.

The relative importance of each of the risks identified has been assessed through consideration of the likelihood of incidence and the potential impact on Healthwatch Shropshire.

Controls in place, which mitigate the risks identified, have been recorded along with the names of the individuals’ assigned responsibility for the operation and monitoring of those controls.

In cases where further action is required, the steps to be taken have been recorded.

## Risk Management Matrix

The risks can be registered as:

Risk Impact - low medium or high or 1, 2 or 3

Risk Likelihood - low medium or high or 1, 2 or 3

The overall relative importance of the risk is

Green - low risk

Amber -medium risk

Red - high risk

And is shown in the table below:

<b>Impact</b>	Low / 1	Medium / 2	High / 3
<b>Likelihood</b>			
Low / 1	1	2	3
Medium / 2	2	4	6
High / 3	3	6	9

Each section of the Risk Matrix below identifies the risks that Healthwatch Shropshire is exposed to and the assessment of that risk.

**Risk Management Matrix**

There is a risk that.....

<b>B. MISSION/OBJECTIVES</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. The objects of the charity may restrict HWS Activities & future development.	Low	Medium	<ul style="list-style-type: none"> <li>Articles reviewed annually as a minimum, or as appropriate, to ensure they meet current needs for the organisation</li> </ul>	Board and Chair	Business Committee  Annual Report to the Board		

## Risk Management Matrix

<b>C. LAW &amp; REGULATION</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. Following a monitoring visit from the Charity Commission an adverse report is received.	Low	High	<ul style="list-style-type: none"> <li>Compliance with Charity Commission standards and requirements.</li> <li>Board to review compliance with the audit process of the Charity Commission.</li> </ul>	Board & Chief Officer	Business Committee  Annual report to the Board		
2. Failure to comply with annual reporting requirements of Healthwatch England, Charity Commission and Companies House	Low	Medium	<ul style="list-style-type: none"> <li>Board to receive and approve the Annual Report in a timely manner</li> </ul>	Board & Chief Officer	Development of the annual timetable	Year-end plan agreed and annual report to be approved by the Board on 28 <sup>th</sup> June 2019	
3. Failure to comply with requirements of HRMC	Low	High	<ul style="list-style-type: none"> <li>Minimum bi-monthly meetings with the Finance Officer</li> <li>Finance Officer reports to Business Committee, quarterly</li> </ul>	Board & Chief Officer	Monthly financial reporting		
4. Failure to comply with the requirements of GDPR	Low	High	<ul style="list-style-type: none"> <li>Minimum of annual review to relevant policy and procedures</li> <li>Annual audit by nominated Data Protection Officer</li> </ul>	Board, Chief Officer & Information Officer	IO reviews spreadsheet	Following data breach, staff will be required to complete up to date data protection training by Q3	

## Risk Management Matrix

<b>D. GOVERNANCE &amp; MANAGEMENT</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. Failure to meet HWS contractual requirements with our Commissioners	Low	High	<ul style="list-style-type: none"> <li>Quarterly meetings with the Commissioning manager</li> </ul>	Chief Officer	Quarterly review of performance at the Business Committee and Board		
2. The organisation becomes dysfunctional due to a breakdown in relationships and/or competence of individuals	Low	High	<ul style="list-style-type: none"> <li>Clear Board Member roles.</li> <li>Formal lines of communication are clearly understood and documented.</li> <li>Annual joint meeting of Board Members and staff.</li> <li>Attendance of a Board Member at Staff Away Day/s</li> <li>Documented management meetings, appraisals and performance reviews.</li> <li>Procedural framework for meetings and recording decisions.</li> <li>Authority of the Chair upheld by the Board</li> <li>Rigorous recruitment, on-going training and professional development, exit interviews</li> </ul>	Chair, Board & Chief Officer	Business Committee to monitor.  Exception reporting to the Board.  Review by Chair.  Appraisal process for Chief Officer and team  Board Members to complete an evaluation of the working of the Board on an annual basis.	Completed in Q2	

**Risk Management Matrix**

3. A conflict of interest of a board or staff member, or volunteer, harms the organisation.	Low	Medium	<ul style="list-style-type: none"> <li>• Protocol for disclosure of potential conflicts of interest in Board Member, volunteer and Staff handbooks.</li> <li>• Recruitment and selection processes require any conflicts of interest to be declared.</li> </ul>	Board Chair Chief Officer	Protocols clearly communicated in staff, volunteer and board member recruitment and induction documentation	Board member and staff handbook to be finalised  Code of conduct to be recirculated	
4. There is a failure to maintain confidentiality	Low	High	<ul style="list-style-type: none"> <li>• Confidentiality Policy in place</li> <li>• Ensure everyone is trained and maintains ongoing awareness</li> </ul>	Chief Officer	Review Confidentiality policy, annually  Review induction processes, (in line with policy)	On-going monitoring	



## Risk Management Matrix

<b>E. EXTERNAL FACTORS</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. Change in national and/or local political regime or policies will have an adverse impact on HWS	Medium	High	<ul style="list-style-type: none"> <li>Agreed work plan with Local Authority reviewed on a quarterly basis with commissioning officer.</li> <li>Maintain good working relationship with local authority.</li> <li>Keep up to date with relevant information from HWE and national press</li> </ul>	Chief Officer	Strategic plan, annual review.  Chief Officer report to Board, quarterly	On-going monitoring	
2. There is a risk that a strategic change in social care policies will adversely impact the delivery of HWS work.	Medium	High	<ul style="list-style-type: none"> <li>Develop effective working relationships with local politicians and local authority officers</li> <li>CQC</li> <li>Contribute through the Health &amp; Wellbeing Board</li> </ul>	Chief Officer	Strategic plan, annual review.  Chief Officer report to Board, quarterly	On-going monitoring	
3. There is a risk that a strategic change in health care will adversely impact the delivery of HWS work.	High	High	<ul style="list-style-type: none"> <li>As above but with NHS &amp; Local Politicians.</li> <li>CQC</li> <li>Contribute through the Health &amp; Wellbeing Board</li> </ul>	Chief Officer	On-going engagement	On-going monitoring	
3.a Risk that HWS is unable to respond to pressures of local transformation plans, creating a	High	High	<ul style="list-style-type: none"> <li>Monitor HWS engagement in the transformation plan</li> <li>Ensure that HWS is engaged at all levels</li> </ul>	Chair and Chief Officer	On-going review		

## Risk Management Matrix

potential negative risk to HWS							
Risk Factor	Risk Likelihood (low, medium or high)	Risk Impact (low, medium or high)	Control Procedure	Individual Responsibility	Monitoring Process	Further Action Required	Risk Rating
4. Risk that Healthwatch is excluded from key committees	Medium	High	<ul style="list-style-type: none"> <li>Engaging and relationships with key individuals</li> </ul>	Chief Officer	On-going engagement  Chief Officer to report to Board		
4a. Risk that Healthwatch is excluded from key information	Low	High	<ul style="list-style-type: none"> <li>Maintaining awareness of local context</li> <li>Meetings with key organisations and individuals</li> </ul>	Chair & Chief Officer	On-going engagement  Chief Officer to report to Board		
5. Lack of public awareness of HWS and its impact leads to lack of public engagement	Medium	High	<ul style="list-style-type: none"> <li>Marketing &amp; engagement plan</li> <li>Marketing Committee quarterly monitor and review.</li> </ul>	Chief Officer and Community Engagement Officer	Marketing Committee to report to Board	Continue to review	
6. Negative public perception of HWS leads to lack of public engagement	Low	Medium	<ul style="list-style-type: none"> <li>Marketing &amp; engagement plan, a quarterly monitor and review.</li> <li>Demonstration of impact – “You said, We did report”</li> </ul>	Chief Officer and Community Engagement Officer	Chief Officer/ Marketing group report to Board	Continue to review	
7. Lack of public interest in HWS and its impact leads to lack of public engagement	Medium	Medium	<ul style="list-style-type: none"> <li>Marketing &amp; engagement plan, a quarterly monitor and review.</li> <li>Demonstration of impact – “You said, We did report”</li> </ul>	Chief Officer and Community Engagement Officer Information Officer	Chief Officer report to Board	Continue to review	

**Risk Management Matrix**

8. Excessive workload is experienced by HWS staff	High	High	<ul style="list-style-type: none"> <li>• Internal support mechanisms</li> <li>• Staff development in prioritisation skills</li> <li>• Critical appraisal of new business</li> </ul>	Chief Officer	Regular review through Business Committee	Volunteer recruitment on-going	
9. Failure of key software/hardware	Low	High	<ul style="list-style-type: none"> <li>• Robust back up procedures,</li> <li>• Maintenance and support contracts,</li> <li>• Disaster and recovery procedures- all monitored &amp; implement by Shropshire RCC</li> <li>• Insurance</li> </ul>	Chief Officer	Annual review		
10. Unforeseen event, e.g. adverse weather conditions, IT systems failure, staff sickness	Low	Medium	<ul style="list-style-type: none"> <li>• Access to building kept under review.</li> <li>• Contingency Plan/Disaster Recovery Policy.</li> <li>• Insurance in place for insurable risks</li> </ul>	Board	Annual Review		

## Risk Management Matrix

<b>F. OPERATIONAL FACTORS</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. Reputational and financial impact of event, fraud, legal challenge, accident, media coverage etc.	Low	High	<ul style="list-style-type: none"> <li>• Finance Policy and internal financial control procedures.</li> <li>• Appropriate Policies and procedures including Health &amp; Safety, Child Protection, Adult Protection, Data Protection, Confidentiality.</li> <li>• Insurance Cover.</li> <li>• Contract with Acton Jennings for Health Safety and Personnel Support.</li> <li>• Complaints procedures (internal and external).</li> <li>• On-going supervision and clear lines of roles and responsibilities for all staff, trustees and volunteers.</li> <li>• Media Relations Policy</li> </ul>	Chief Officer	Annual Review, minimum quarterly Board meetings		
2. Supplier dependency, bargaining power	Low	Low	<ul style="list-style-type: none"> <li>• Financial Systems Policy.</li> <li>• Contracts in place for all key suppliers and consultants.</li> <li>• Credit checks for critical suppliers.</li> <li>• References.</li> <li>• Use of buying options</li> <li>• Market testing</li> </ul>	Chief Officer	Annual Review		

# Risk Management Matrix

Risk Factor	Risk Likelihood (low, medium or high)	Risk Impact (low, medium or high)	Control Procedure	Individual Responsibility	Monitoring Process	Further Action Required	Risk Rating
3. Physical security jeopardised or abuse of staff occurs	Low	High	<ul style="list-style-type: none"> <li>Secure door entry system, and burglar alarm</li> <li>Fire detection system.</li> <li>Business Continuity policy to address Terrorist threats</li> <li>Asset Register.</li> <li>Regular risk assessment and appropriate control procedures including lone working and appropriate training put in place.</li> <li>Training and supervision procedures</li> <li>Health &amp; Safety Policy</li> </ul>	Chief Officer	H&S Annual Review		
4. Data Security, including GDPR requirements	Low	High	<ul style="list-style-type: none"> <li>Data Protection, Confidentiality policy</li> <li>Training of staff and volunteers</li> <li>Appropriate physical security measures</li> <li>Appropriate electronic security measures</li> <li>Keeping up to date with legislation and guidance</li> </ul>	Chief Officer and Information Officer	Review policies as required, at minimum annually		

## Risk Management Matrix

5.a) Competition from other bodies results in loss of contract or lowering of reputation	Low	High	<ul style="list-style-type: none"> <li>• Membership of strategic partnerships and alliances.</li> <li>• Working in partnership with key organisations</li> <li>• Spread of financial risks</li> <li>• Competition and Collaboration agreement with other LHW</li> </ul>	Chief Officer	Strategic plan, annual review. CO report to Board.	Continued awareness of competitive environment	
5. b) Competition from other bodies results in loss of total contract	Low	High	<ul style="list-style-type: none"> <li>• Monitoring of delivering to KPIs</li> <li>• Commissioner relationships</li> <li>• Preparation to ensure tender ready</li> </ul>	Chief Officer and Chair	Chief Officer reports to Board		
5c) Decrease in feedback due to competition from other bodies	Medium	High	<ul style="list-style-type: none"> <li>• Maintaining awareness of HWS</li> <li>• Working in partnership with key organisations</li> <li>• Being sensitive to operating in a competitive environment</li> </ul>	Chief Officer and Chair	Reporting to Board	Keep raising awareness with other organisations of role of LHW	
6. Externally driven priorities that may not match those of HWS and result in work not fitting into work programme	Medium	Medium	<ul style="list-style-type: none"> <li>• Working closely with partner organisations</li> <li>• Awareness of potentially changing priorities</li> <li>• Risk assessment of undertaking or not undertaking programme of work</li> </ul>	Chief Officer	Chief Officer reports to the Board		
7. Recommendations made by HWS are resisted by the receiving organisations leading to loss of effectiveness and credibility.	Low	Medium	<ul style="list-style-type: none"> <li>• All recommendations should be evidence based and follow approved methodology.</li> <li>• Good relationship management.</li> </ul>	Chief Officer	Chief Officer reports to Board		

## Risk Management Matrix

<b>G. HUMAN RESOURCES</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. The small size of the organisation leaves it vulnerable to staff changes, including as a result of sickness, affecting the ability to deliver HWS	High	High	<ul style="list-style-type: none"> <li>• Succession planning.</li> <li>• 3 month notices periods for Chief Officer and appropriate notice periods for other staff.</li> <li>• Good supervision of staff and their work.</li> <li>• Documented work programmes.</li> <li>• Good documentation.</li> <li>• Established recruitment policy.</li> <li>• Introduced a formal evaluation process for determining staff salaries.</li> <li>• Annual review of staff salary levels.</li> <li>• Annual review of staff performance. (CO to be reviewed by Chair)</li> <li>• Exit interviews and sickness return from absence interviews.</li> <li>• Ability to use reserves to recruit temporary staff, if necessary</li> </ul>	Chief Officer	<p>Exception reporting to Chair.</p> <p>Staff turnaround report as part of Business plan monitoring</p>	Potential to investigate use of Occupational Health Support in addition to that in recruitment	
2. Difficulties in recruiting/retaining volunteers including Board Members	Medium	Medium	<ul style="list-style-type: none"> <li>• Volunteer policy</li> <li>• On-going volunteer support</li> </ul>	Chief Officer & Volunteer Officer		Continue to explore opportunities for greater involvement of volunteers	

**Risk Management Matrix**

<p>3. Increasing demand for the IHCAS service not requiring an advocate but impacting on HWS staff time</p>	<p>Medium</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Staff review</li> <li>• Performance review of IHCAS</li> <li>• Commissioning meetings</li> </ul>	<p>Chief Officer Advocacy Co-ordinator</p>	<p>Monitoring on a monthly basis</p>		
<p>4. Sustaining current workforce within commissioned budget</p>	<p>High</p>	<p>High</p>	<ul style="list-style-type: none"> <li>• Positive working culture</li> <li>• Supervisions</li> <li>• Review</li> <li>• Commissioning meetings</li> <li>• Review Terms &amp; Conditions</li> </ul>	<p>Chief Officer/ Board</p>		<p>Continue to review budget at operational structure to meet HWS statutory requirements</p>	



## Risk Management Matrix

<b>H. FINANCIAL</b>							
<b>Risk Factor</b>	<b>Risk Likelihood (low, medium or high)</b>	<b>Risk Impact (low, medium or high)</b>	<b>Control Procedure</b>	<b>Individual Responsibility</b>	<b>Monitoring Process</b>	<b>Further Action Required</b>	<b>Risk Rating</b>
1. Income levels reduce adversely on statutory activities	High	High	<ul style="list-style-type: none"> <li>• Annual budget planning cycle with supporting Business Plan and Budgets.</li> <li>• Reserves policy.</li> <li>• Explore income generation options.</li> </ul>	Chief Officer	Business Committee		
2. Sensitive cash flow situation resulting in pressures to meet financial commitments and adversely impacting on operational activities	Low	Medium	<ul style="list-style-type: none"> <li>• Monthly review of cash balances.</li> <li>• Adequate information flow to and from operational managers.</li> <li>• Recording of committed purchase orders in accounts systems</li> <li>• Monthly reporting of adhoc payments</li> </ul>	Chief Officer and RCC Head of Finance	Business Committee		
3. Deterioration in business relationship with project funders.	Low	High	<ul style="list-style-type: none"> <li>• Written Agreements.</li> <li>• Project reporting.</li> <li>• Meeting funders terms, conditions and requirements</li> </ul>	Chief Officer	Report to Board  Reports to Funders		