

## APPENDIX 1

## DEFINITIONS

<b>Risk</b>	<p>The effect of uncertainty on objectives.</p> <p>Risk is the combination of the probability of an event and its consequence.</p> <p>The chance of something happening that will have an impact on objectives.</p> <p>An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.</p>
<b>Issue</b>	<p>A relevant event that has happened or is certain to happen, was not planned, and requires specific management action.</p> <p>The distinction between an issue and a risk is that an issue is an event that has happened or will happen, and a risk is an event that may happen.</p>
<b>Risk Assessment</b>	A systematic process of identifying, analysing and evaluating risks.
<b>Impact</b>	A measure of the anticipated effect on the achievement of NHS C&M's objectives if the event or set of events occurs.
<b>Likelihood</b>	A measure of the chance or probability of the event or set of events occurring.
<b>Risk Rating</b>	The severity assigned to a risk following assessment. This is determined by multiplying the impact of the risk by the likelihood of occurrence.
<b>Risk Matrix</b>	A matrix setting out the criteria used to define and measure the impact and likelihood, resulting in the risk rating. This aims to ensure a consistent approach to the rating of risks across NHS C&M. Impact may be measured in the context of each of the 9 places or for the ICB as a whole.
<b>Risk Management</b>	The culture, framework, processes and structures that are directed towards identifying, understanding and controlling exposure to risks which may threaten the achievement of NHS C&M's objectives.
<b>Risk Register</b>	A log of risks of all kinds that threaten the achievement of NHS C&M's objectives. It is a dynamic document, populated through the organisation's risk management process, enabling risk to be quantified and ranked. It provides a structure for collating information about risks that helps both in the analysis of risks and in decisions about whether or how these risks should be treated. The ICB will have a Corporate Risk Register and 9 Place Risk Registers.
<b>Controls</b>	<p>The systems or processes we <i>currently</i> have in place to prevent a risk from occurring, or to reduce the potential consequences and likelihood. Examples of possible controls include:</p> <ul style="list-style-type: none"> <li>• Implementation of policies and guidance</li> <li>• Management structure and accountabilities</li> <li>• Corporate and clinical governance processes</li> <li>• Statutory frameworks e.g., Standing Orders, Standing Financial Instructions, Scheme of Delegation</li> <li>• Incident reporting, complaints, and patient and public feedback procedures</li> <li>• Staff recruitment, retention and training.</li> </ul>
<b>Assurance</b>	Confidence, based on sufficient evidence, that internal controls are in

	place, operating effectively and objectives are being achieved.
<b>Assurance Framework</b>	A structured means of identifying, mapping and assessing sources of assurance in relation to the strength and effectiveness of internal controls to mitigate the risks to the organisation's objectives. By receiving and reviewing actual assurances and using findings, the adequacy of internal control can be confirmed or modified.
<b>Board Assurance Framework</b>	The document used to capture and provide assurance to the ICB's board in relation to the control of the principal risks and delivery of the strategic objectives.
<b>Principal Risks</b>	The key risks, of such significance that should they be realised, would prevent NHS C&M from delivering its strategic objectives, continuing to operate and/or seriously affect its performance, future prospects or reputation. These include risks that would threaten the business model, future performance or financial sustainability of NHS C&M.
<b>Corporate Risks</b>	Risks that threaten the delivery of the ICB's operational plan, statutory functions and duties. These are assessed with reference to the impact and likelihood for the ICB as a whole and in some cases will be an aggregation of risks being managed in the 9 places.
<b>Place Risks</b>	Risks that threaten the delivery of the ICB Place objectives, operational plans, statutory functions and duties in each of the 9 places. These are assessed with reference to the impact and likelihood for the place. The same or similar risks may exist in more than one place but would be assessed independently in the context of the environment and situation in each place. Risks will be aggregated across the 9 places and assessed with reference to the impact and likelihood for the ICB as a whole for the purposes of inclusion on the Corporate Risk Register.
<b>Risk Appetite</b>	The amount of risk that NHS C&M is willing to seek or accept in the pursuit of its strategic objectives. This is determined by the Board in relation to each strategic objective and is reviewed annually. It is used by the leadership team to determine what potential options will / will not be considered in pursuing these objectives.
<b>Risk Tolerance</b>	The boundaries of risk taking outside of which NHS C&M is not prepared to venture in the pursuit of its strategic objectives. This is determined by the Board and reflected in this Risk and Assurance Strategy. It is used by leadership to determine where action is required to improve control and when risks require escalation.