

APPENDIX 3

AMENDED RISK ASSESSMENT MATRIX

LEVEL	DESCRIPTOR	DESCRIPTION – ICB LEVEL
5	Catastrophic (>75%)	<p>Safety - multiple deaths due to fault of ICB OR multiple permanent injuries or irreversible health effects OR an event affecting >50 people.</p> <p>Quality – totally unacceptable quality of clinical care OR gross failure to meet national standards.</p> <p>Health Outcomes & Inequalities – major reduction in health outcomes and/or life expectancy OR major increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance – major financial loss - >1% of ICB budget OR 5% of delegated place budget</p> <p>Reputation – special measures, sustained adverse national media (3 days+), significant adverse public reaction / loss of public confidence major impact on trust and confidence of stakeholders</p>
4	Major (50% > 75%)	<p>Safety - individual death / permanent injury/ disability due to fault of ICB OR 14 days off work OR an event affecting 16 – 50 people.</p> <p>Quality – major effect on quality of clinical care OR non-compliance with national standards posing significant risk to patients.</p> <p>Health Outcomes & Inequalities – significant reduction in health outcomes and/or life expectancy OR significant increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - significant financial loss of 0.5-1% of ICB budget OR 2.5-5% of delegated place budget</p> <p>Reputation - criticism or intervention by NHSE/I, litigation, adverse national media, adverse public significant impact on trust and confidence of stakeholders</p>
3	Moderate (25% > - 50%)	<p>Safety - moderate injury or illness, requiring medical treatment e.g. fracture due to fault of ICB. RIDDOR/Agency reportable incident (4-14 days lost).</p> <p>Quality – significant effect on quality of clinical care OR repeated failure to meet standards</p> <p>Health Outcomes & Inequalities – moderate reduction in health outcomes and/or life expectancy OR moderate increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - moderate financial loss - less than 0.5% of ICB budget OR less than 2.5% of delegated place budget</p> <p>Reputation - conditions imposed by NHSE/I, litigation, local media coverage, patient and partner complaints & dissatisfaction moderate impact on trust and confidence of stakeholders</p>
2	Minor (<25%)	<p>Safety - minor injury or illness requiring first aid treatment</p> <p>Quality – noticeable effect on quality of clinical care OR single failure to meet standards</p>

		<p>Health Outcomes & Inequalities – minor reduction in health outcomes and/or life expectancy OR minor increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - minor financial loss less than 0.2% of ICB budget OR less than 1% of delegated place budget</p> <p>Reputation - some criticism slight possibility of complaint or litigation but minimum impact on ICB minor impact on trust and confidence of stakeholders</p>
1	Negligible (<5%)	<p>Safety - none or insignificant injury due to fault of ICB</p> <p>Quality – negligible effect on quality of clinical care</p> <p>Health Outcomes & Inequalities – marginal reduction in health outcomes and/or life expectancy OR marginal increase in health inequality gap in deprived areas or socially excluded groups</p> <p>Finance - no financial or very minor loss</p> <p>Reputation - no impact or loss of external reputation</p>

The likelihood of the risk occurring must then be measured. Table 2 below should be used to assess the likelihood and obtain a likelihood score. When assessing the likelihood it is important to take into consideration the existing controls (i.e. mitigating factors that may prevent the risk occurring) already in place.

Table 2 - Risk Likelihood Score Guidance

1	2	3	4	5
<p>Rare The event could only occur in exceptional circumstances (<5%)</p>	<p>Unlikely The event could occur at some time (<25%)</p>	<p>Possible The event may well occur at some time (25%> -50%)</p>	<p>Likely The event will occur in most circumstances (50% > 75%)</p>	<p>Almost certain The event is almost certain to occur (>75%)</p>

The impact and likelihood scores must then be multiplied and plotted on table 3 to establish the overall level of risk and necessary action.

Table 3 - Risk Assessment Matrix (level of risk)

LIKELIHOOD of risk being realised	IMPACT (severity) of risk being realised				
	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Rare (1)	1	2	3	4	5
Unlikely (2)	2	4	6	8	10
	3	6	9	12	15

Possible (3)					
Likely (4)	4	8	12	16	20
Almost Certain (5)	5	10	15	20	25

Low Risk	Moderate Risk	High Risk	Extreme Risk	Critical Risk
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Risk Proximity

A further element to be considered in the risk assessment process is risk proximity. Risk proximity provides an estimate of the timescale as to when the risk is likely to materialise. It supports the ability to prioritise risks and informs the appropriate response in the monitoring of controls and development of actions.

A pragmatic approach to the use of risk proximity which supports leadership, decision making and reporting is used and is therefore determined to be applied to all Risks.

The proximity scale used is below:

Proximity and timescale for dealing with the risk	Within the current quarter	Within the financial year	Beyond the financial year
Rating	A	B	C

Likelihood, impact and proximity are dynamic elements and consequently all three must be reviewed and reassessed frequently in order to prioritise the response.

LIKELIHOOD of risk being realised	IMPACT (severity) of risk being realised				
	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Rare (1)	1	2	3	4	5
Unlikely (2)	2	4	6	8	10
Possible (3)	3	6	9	12	15
Likely (4)	4	8	12	16	20
Almost Certain (5)	5	10	15	20	25