

Paper 6 – PHR Programme Risk Management Approach
Public Health Reform Programme Board – 23rd May 2018

Public Health Reform Programme

Risk Management Approach



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Purpose

- A Risk and Issue Management Strategy is required to cover the governance of risk and issue, including the escalation procedures across the programme and to ensure alignment with **Scottish Government's existing risk and issue management approach**. The Strategy will:
 - Ensure that before key decisions are made by the Public Health Reform Programme Board that full consideration to the risks, issue and benefits involved has been undertaken
 - Provide a framework that will give assurance to the Scottish Ministers of the programme's ability to deliver the benefits expected



Definition of risk & issue

As outlined in the 2011 edition of Managing Successful Programmes, the definition of a risk is:

“A risk is an uncertain event (or set of events) which, should it occur, will have an effect on the achievements of the objectives.”

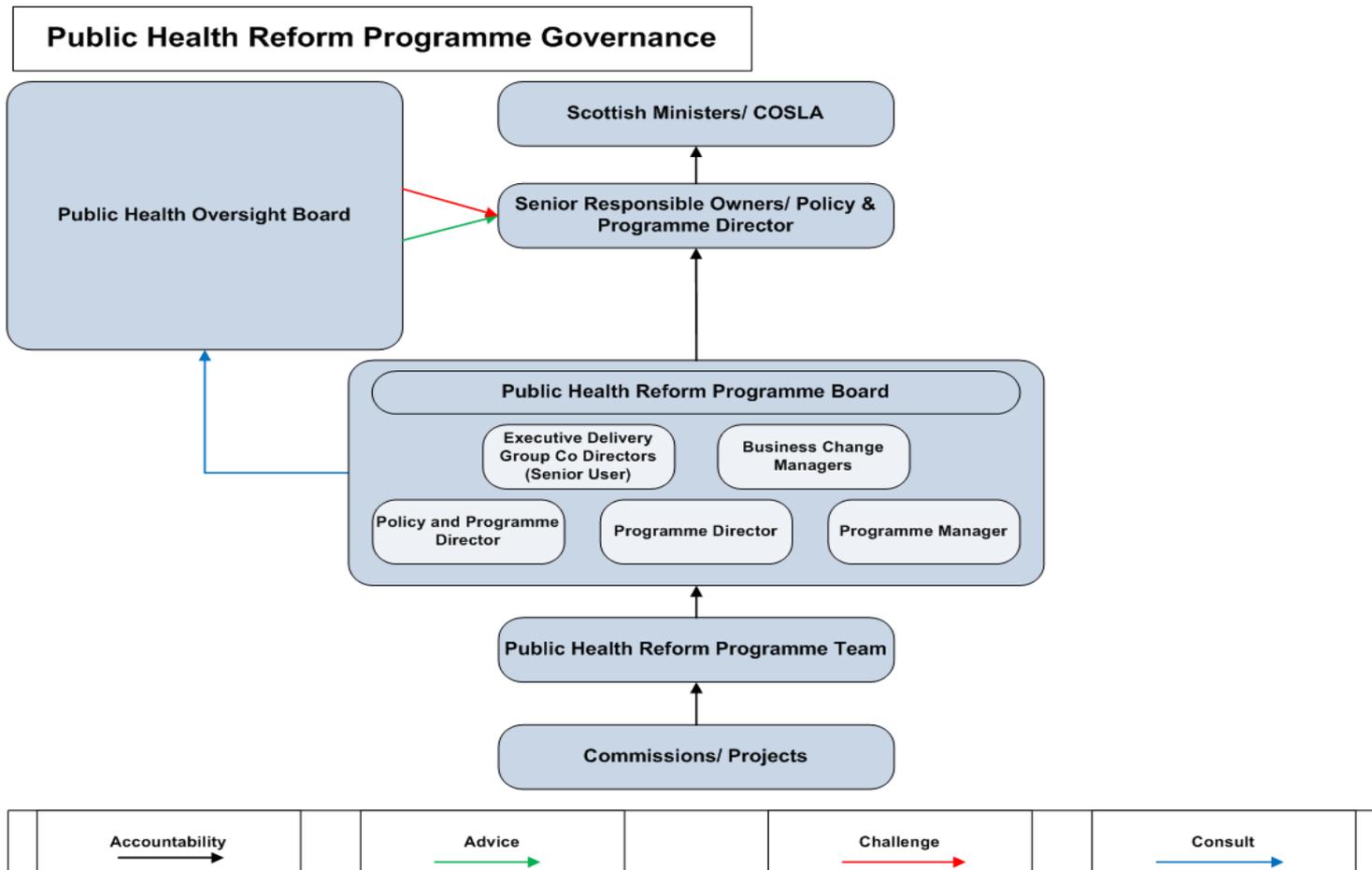
Where as an issue is:

“A previous risk which has now been realised or a change in events which has resulted in a question being raised for which there is no answer”.



Governance of risk

There are a number of governance groups in place across the PHR Programme.



Risk Management

There are two levels of risk within the PHR Programme:

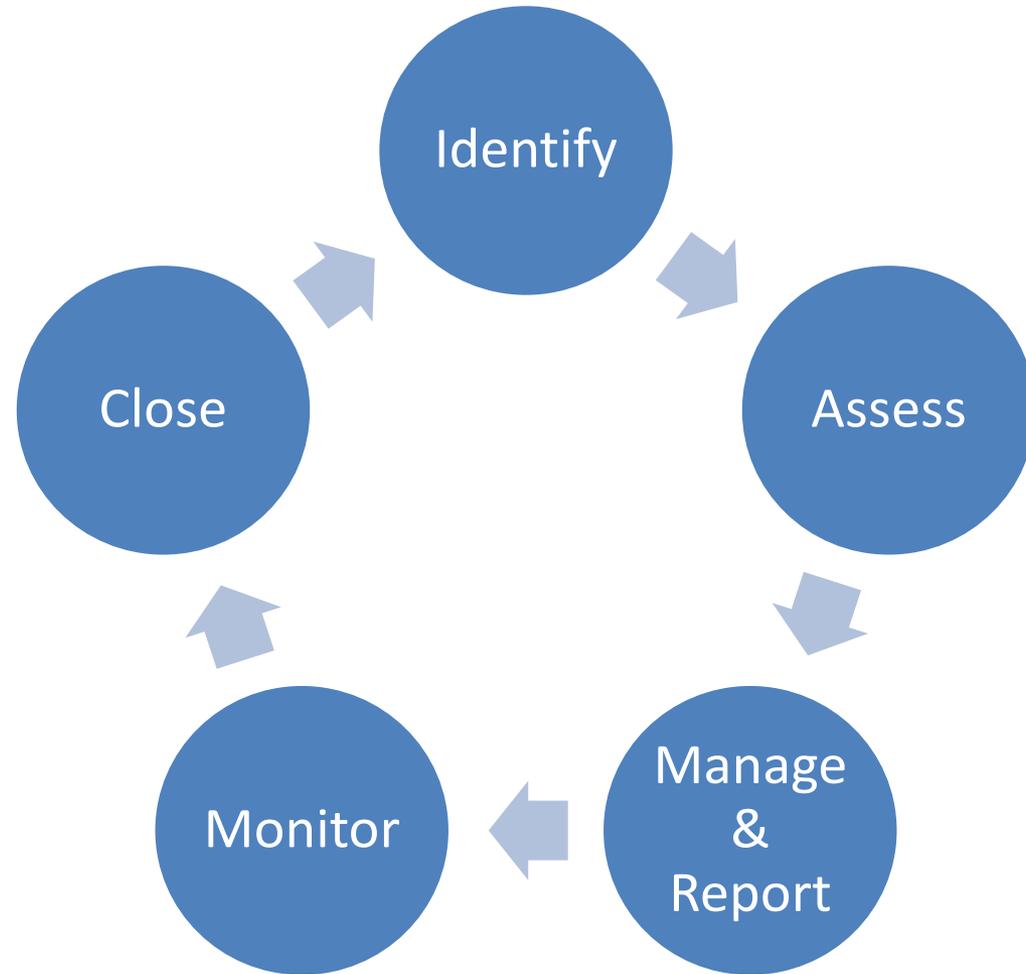
- Commission Project Risk / Issue – managed by the Commission/ Project teams
- Programme Risk / issue – managed by the PHR Programme Team

Commission/ Project level risks should be regularly reviewed along with impact and mitigation plans.

The Commission/ Project team will discuss and decide what risk should be managed at programme level escalating via the Programme Manager where necessary.



Risk and Issue Management Cycle



Identifying Risks

- Commission/Project risks are identified during the initial start-up of the commission/ project, however, additional risks may be identified at any time and should be raised for discussion to determine next steps.
- Programme level risks may be identified by commission/ project teams and escalated where necessary, or may be identified through a number of other PHR and non PHR activities
- Programme risks are reviewed at each PHR programme board meeting, and are maintained by the Programme Manager.



Assessing Risks

Likelihood

Risk can be assessed as the combination of the **likelihood** of an event occurring and the **impact** of the event, should it occur. Establishing how likelihood is assessed and the impact of this is key to determining the risk rating and subsequent actions to be taken.

LIKELIHOOD	CRITERIA
5 VERY HIGH	>75% chance of occurring – almost certain to occur
4 HIGH	51-75% chance of occurring – more likely to occur than not
3 MEDIUM	26-50% chance of occurring – fairly likely to occur
2 LOW	6-25% chance of occurring – unlikely to occur
1 RARE	1-5% chance of occurring – extremely unlikely to occur

The table on the right should be used to determine the likelihood score (1 – 5) for the event. For example, if the chance of an event happening was 50% the score would be 3.



Assessing Risks

Impact

Impact is to be scored in relation to the impact of the risk on each constituent project within the programme. In addition, any impact on timescales will be assessed covering the period from when the risk is raised to the end of the programme

IMPACT	CRITERIA
50 VERY HIGH	Destructive and unacceptable impact on objectives that would result in a major change to overall approach. Potentially large resource consequences that outweigh current operational circumstances.
25 HIGH	Significant and unacceptable impact on objectives that would require a material change to critical approach/procedure/process. Resource implications would be challenging to absorb within current operational circumstances.
10 MEDIUM	Moderate impact on objectives that may require multiple changes in approach/procedure/process. Acceptable level of resource consequences.
5 LOW	Minor impact on objectives, requires little overall change in approach. Few resource consequences.
1 NEGLIGABLE	No real impact on achieving objectives.



Assessing Risks

Impact

Risk Rating

Once the likelihood and impact of a risk has been rated, each risk will then have a single score which is calculated by multiplying the likelihood and impact ratings. This single score determines whether a risk is Red, Amber, Yellow or Green (RAYG).

IMPACT	RISK PROFILE				
VERY HIGH	50	100	150	200	250
HIGH	25	50	75	100	125
MEDIUM	10	20	30	40	50
LOW	5	10	15	20	25
NEGLIGABLE	1	2	3	4	5



Managing, reporting and escalating risks

Responsibility for the day to day management of each risk lies with the Risk Owner reporting to the group to which the risk belongs.

Risk Owners will be responsible for providing an update on the progress of the actions for their risks and will be supported in this by the Project Support Officer.

Risks identified at commission/ project level scoring greater than 30 should be escalated to the PHR Programme Team using the monthly progress reports for sharing with the PHR Programme Board.

For each escalated risk, the PHR Programme Board will be asked to have a view as to the appropriateness or otherwise of the mitigating action proposed by the risk owner and will provide feedback accordingly.



Identifying Issues

Issues will be identified through two routes:

- A previous risk which has now been realised
- A change in events which has resulted in a question being raised for which there is no answer

Once an issue has been identified, the next step will be to assess the issue before it is documented.



Assessing Issues

Issues will be assessed on impact only as some may have previously been risks which have now occurred.

Impact	
High	Critical - high impact, no workaround
Medium	Major - high impact, has a workaround
Low	Normal/Minor – low to medium impact, minor delay



Issue Escalation

The purpose of an issue escalation process is to ensure that each issue is reviewed at the appropriate time by the appropriate governance group.

As with risk escalation, issue escalation in this context does not involve a transfer of ownership, responsibility or accountability; rather it is a mechanism to provide the PHR Programme Board with visibility of issues that have hit the escalation trigger.

For each escalated issue, the PHR Programme Board will be asked to have a view as to the appropriateness or otherwise of the mitigating action proposed by the issue owner and will provide feedback accordingly.

Any issues with an rating of Medium or higher will be escalated to the PHR Programme Board.



Managing & Reporting Issues

Issues will be managed on a day to day basis by the Issue Owner in the same way that a Risk Owner manages a risk, the responsibilities are the same.

Issues will be discussed at the Commission/ Project team / PHR Programme Board depending on where the issue was raised or where it has been escalated to.



Closing Risks & Issues

Any risk deemed to no longer be a risk can be closed by the owning group.

Any risk which is closed must have reasons clearly documented which set out why the decision was taken to close a risk.

Once the action plan for the issue has been implemented, the issue owner will review the issue and decide whether further action is required or whether the issue can be closed.

If it is still an ongoing risk, the issue would be closed and the risk would revert to being managed in the usual way.