

# Risk Management Policy

## Purpose

The purpose of this risk management policy is to communicate why and how risk management is to be implemented throughout SOS Homecare to support the realisation of its strategic objectives.

SOS Homecare is committed to implementing the principles of integrated governance and to meet the necessary standards of accountability, honesty, integrity and openness. SOS Homecare recognises that the principles of integrated governance must be supported by effective risk management. SOS Homecare is subject to several regulatory and contractual requirements governing the group's risk management policies and procedures.

Firstly, SOS Homecare must comply with the external regulatory requirements imposed on all health and social care providers. Those regulations dictate minimum expectations in respect of risk management and include all financial activities and service provision. The organisation Directors must ensure that there is an effective system of internal controls across the organisation and there exists an ongoing process for identifying, evaluating and managing the risks faced by the company.

This document will provide a structured approach to the management of risk as required by the above regulatory requirements. Other service-specific policies and supporting documents have been developed as required. However, the fundamental principles of risk management outlined below will be relevant regarding all this material.

This policy will establish a consistent and integrated approach to the management of risk across the company.

The key objectives of this policy are to provide the framework for achieving:

- robust integrated governance;
- the control and management of risk to achieve organisational objectives;

By implementing this policy SOS Homecare will also achieve:

- Continued compliance with regulatory requirements governing the services the group provides.
- The integration of risk management with the company strategic objectives.
- Integrated governance encompassing clinical, information, performance, corporate and financial systems.

By undertaking successful risk management, the group will not only ensure compliance with regulatory and contractual requirements, but SOS Homecare will also provide better care to service users, protect and enhance its reputation/brand and ensure that stakeholder value is not eroded.

## Internal Control and Risk Management Responsibility

### Integrated Governance Structure and Responsibilities

The Directors have authority to:

- Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks.
- Monitor the integrity of the group's internal financial controls.
- Review the steps taken to ensure that new services, operations and activities are integrated into the framework and philosophy of internal control.

Responsibility for the day-to-day risk management process has been delegated to branch and scheme Managers by the Directors. The Directors are responsible for ensuring that all significant risks are identified and assessed, and that suitable management strategies and related actions are put into place. The respective roles and responsibilities for the risk management process are summarised as follows:

Role	Responsibility
Directors	<ul style="list-style-type: none"> <li>• Determine strategy and provide oversight.</li> <li>• Set risk tolerance threshold</li> <li>• Establish risk management policies</li> <li>• Determine accountability and authority for risk management</li> <li>• Promote risk management competence.</li> <li>• Integrate risk management across the group.</li> <li>• Establish control activities and corrective action with management.</li> <li>• Facilitate reporting protocols and monitor processes.</li> <li>• Annual assessment of the control environment and the risk management process.</li> <li>• Make recommendations on all of the above.</li> </ul>
Branch Managers	<ul style="list-style-type: none"> <li>• Identify risks within their own portfolios.</li> <li>• Measure risk impact and probability.</li> <li>• Identify controls and control strategy.</li> <li>• Determine, implement and monitor risk management actions.</li> <li>• Deliver change.</li> <li>• Develop an appropriate local forum (e.g., team meetings) for the discussion of risk management issues.</li> <li>• Ensure service location risk assessments are maintained and reviewed.</li> <li>• Ensure that all staff have received the appropriate training.</li> <li>• Ensure staff are aware of the risks within their work environment and their personal responsibilities</li> <li>• Escalate serious risks immediately</li> </ul>
All employees	<ul style="list-style-type: none"> <li>• All employees are encouraged to utilise the risk management process as a mechanism to highlight areas they believe need to be improved</li> </ul>

## Complementary Providers of Assurance

SOS Homecare currently has various providers of assurance comprising the:

- Care Governance Team.
- Internal audit function.
- External auditors.
- External regulation and monitoring authorities, such as the Care Quality Commission and the Health & Safety Executive.

## Risk Identification and Assessment

There are several aspects to **risk identification**, all of which need to be present in an effective risk management system. These include incidents, claims and complaints, external inspections and audits, and internal assessments and workshops.

### Risk Assessment

A risk assessment is a document that lists a risk against its associated objective(s), its risk rating (i.e. its likelihood and impact) and a note of any remedial action required to reduce the residual risk to an acceptable level.

Accident/Incident Reports are used to report and manage risks both at the service location level and for reporting to the Directors. Risks with lower risk ratings i.e. lower impact and likelihood are managed at service location level with only the most significant risks being reported to the Directors (see below).

### Business Continuity Plan

The Directors will be required to sign off that the Business Continuity Plan for the company are, to the best of their knowledge and belief, complete and accurate, materially free from error and have been compiled in a robust and rigorous manner.

Business Continuity Plan should be regularly reviewed by the Directors to ensure that objectives are being met.

Branch Managers are responsible for managing all risks at a local level using the approved Business Continuity Plan. This should be kept up-to-date by being regularly reviewed to track progress.

As a minimum, the review of risk assessment reviews should be conducted as follows:

Risk Assessments	Review frequency	Comment
Directors	Quarterly	<ul style="list-style-type: none"> <li>• Key risks from the Business Continuity Plan are to be presented to the Directors</li> <li>• Directors to identify further risk management actions as required</li> </ul>
Services	Quarterly	<ul style="list-style-type: none"> <li>• The risk assessment should be looked at as part of the internal Quality Audit, ensuring it is in date.</li> </ul>

## **All Risk Areas**

SOS Homecare has defined five main 'Risk Areas' that affect the group. The risk areas set out risk boundaries, i.e. what is expected to fall under each heading, and act as an aid for the risk assessment phase. These main risk areas are:

1. Strategic
2. Operational
3. Finance
4. Processes & Systems
5. Compliance & Governance

The risk areas represent broad risk categories that will affect all businesses within the group and provide the focus for the risk management process. Further risk areas have been developed under each main category to aid the risk management process.

## **Risk Treatment**

### **Risk Response**

The completed Business Continuity Plan details the key risks facing the business. It also highlights areas where further controls or mitigations are required. Detailed, specific actions should be agreed to strengthen controls or increase mitigations for all risks that have a risk rating of high or moderate; if no further cost-effective controls/mitigations are possible, a statement to that effect must be made in action plans column.

Actions should be owned by a named individual and should have a review date. Regular monitoring of the progress being made to strengthen controls/mitigations is the only practical method of ensuring that action plans are achieved.

Risk treatment work is tailored and directed as appropriate within each service location, function or division. Generally strengthening a specific control/mitigation will only reduce the likelihood or the impact of an event occurring, but not both.

### **Risk Tolerance**

You should also bear in mind that not all risks can be economically eliminated. Some residual risk will remain in most cases. Where a risk has a residual rating of high or moderate and no further controls/mitigations are possible, a statement to that effect must be made in action plans column.

Management will sometimes have to accept levels of risks that are above their risk tolerance threshold. Where residual risks are above management's risk tolerance threshold and no viable risk treatment strategies can be affected, then that risk should be escalated to more senior management for further consideration.

## Monitoring and Assurance of this Policy

### Performance Management

All employees are responsible for efficient and effective risk management, and managers are, amongst other things, responsible for identifying, recording and mitigating risks within their unit or service.

### Monitoring and Assurance

The monitoring of compliance and assurance of the risk management policy is set out below:

- Business Continuity Plan will be reviewed annually by the Directors.
- Service location risk assessments will be reviewed by the Branch Manager on a quarterly basis and significant risks escalated as appropriate.
- The above will provide assurance that:
  - o The risk management processes which have been put in place are operating as intended.
  - o The risk management processes are of sound design.
  - o Management responses to identified risks are both adequate and effective in reducing those risks to a level acceptable to the Directors.
  - o A sound framework of controls is in place to sufficiently mitigate those risks which management wishes to address.

### Policy Review

The risk management policy and processes contained within this manual are subject to annual review. Final authorisation is made by the Care Governance Team.