National Institute for Health and Care Excellence

Risk management policy

This paper presents a revised risk management policy which has been updated following an internal audit review of risk management. The updated policy has been reviewed and endorsed by the Audit and Risk Committee and now requires approval from the Board in line with NICE’s reservation of powers to the Board.

The Board is asked to approve the policy.

Jennifer Howells

Director, Finance, Strategy and Transformation

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Introduction

1. This year's internal audit plan included a review of risk management arrangements. The audit report and management response was approved by the Executive Team and presented to the Audit and Risk Committee in November 2021.
2. The report gave a moderate assurance level and made five recommendations for improvement (one medium and four low rated), two of which related to the risk management policy.
3. The recommendations fed into a wider review of the risk management policy, and the updated policy is now presented to the Board for final approval. The Audit and Risk Committee reviewed and supported the updated policy subject to minor amendments which have been made.

Main changes from the existing policy

1. The main changes from the existing policy are to:
* Move from a 3x3 to a 5x5 risk scoring matrix to allow for greater nuance in risk scoring
* Reflect the change in terminology for risks and risk registers to ‘operational’ and ‘strategic’
* Refer to the processes for escalating and de-escalating risks to and from the strategic and operational risk registers
* Consider a longer timeframe (more than 12 months) for the likelihood descriptions in the risk scoring matrix. This is on the basis that strategic risks can be considered over a 2 to 3 year time period.
* Update the section on NICE’s risk appetite following the shift to the 5x5 scoring matrix
* Reflect the establishment of the Operational Management Committee and its role in reviewing the operational risk register
* Add a paragraph to the oversight section to explain that the operational risks now have both a risk owner and a risk lead within the operational risk register, with the risk owner being an Executive Team (ET) member and the risk lead being a Programme or Associate Director. This ensures that the overall accountability remains with ET members while the responsibility for oversight and management of the risks sits with senior managers.

Conclusion

1. The Board is asked to review and approve the revised risk management policy.

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