How you manage risks around organisation change, service transformation and innovation.

Sut i reoli risg mewn perthynas â newid sefydliadol, trawsnewid gwasanaethau ac arloesedd

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Housekeeping
Cyhoeddiadau

- Badges
- Paperless
- Mobile Phones
- Smoking
- Toilets
- Fire Alarm and Fire Exit
- Feedback
- WiFi and URL
- Hashtag for Tweeting #WAOrisk

- Bathodynnau
- Dim Papur
- Ffonau Symudol
- Ysmygu
- Toiledau
- Larwm Tân ac Allanfa Dân
- Adborth
- WiFi and URL
- Yr Hashnod ar Gyfer Trydar #WAOrisk

Sharing Information
Rhannu Gwybodaeth

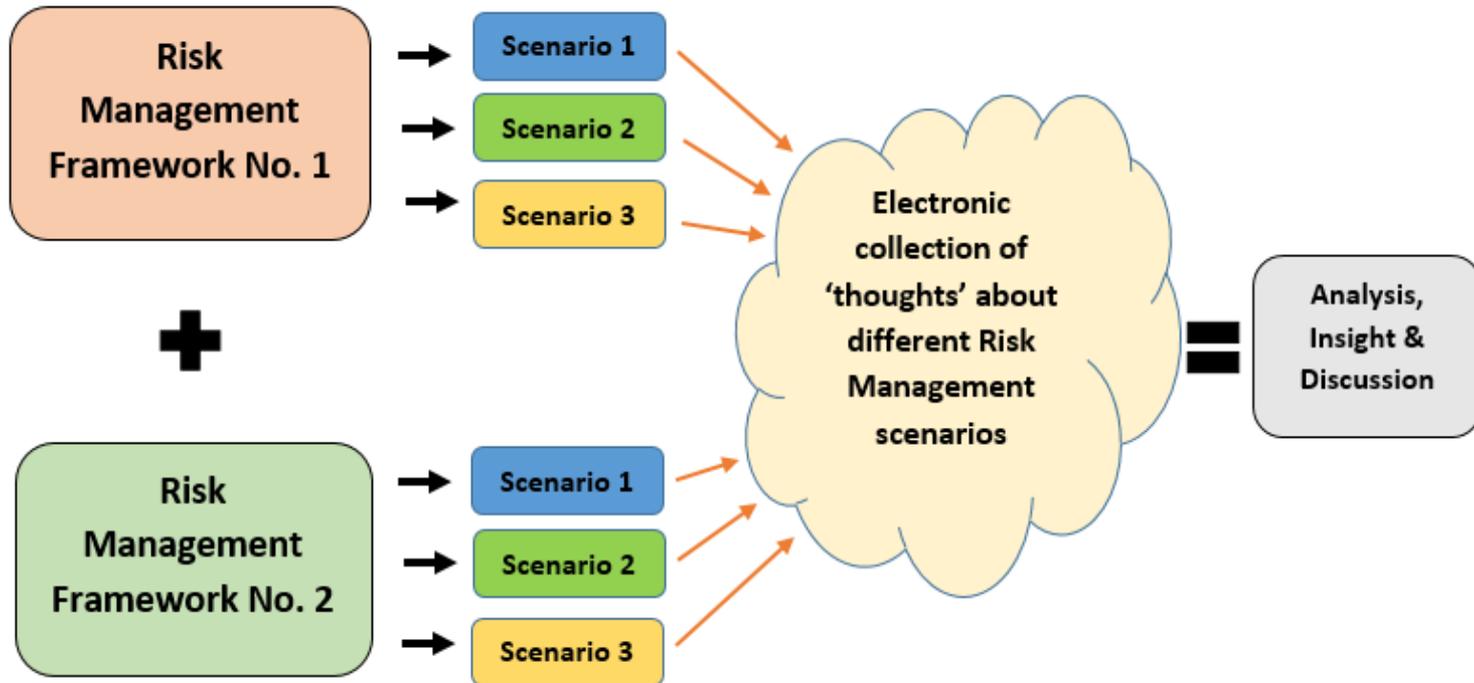|		
🌐	Website	www.audit.wales/good-practice
🐦	Twitter	@GoodPracticeWAO / #WAOrisk
Ⓦ	Blog	goodpracticeexchange.wales
▶	YouTube	www.youtube.com/user/WalesAuditOffice
Ⓟ	Pinterest	pinterest.com/goodpracticewao
✉	Email	good.practice@audit.wales
Ⓢ	Storify	storify.com/GoodPracticeWAO

Sensemaker

English / Saesneg

http://eu.sensemaker-suite.com/Collector/collector.gsp?projectID=WMRisks&language=en

Cymraeg / Welsh

http://eu.sensemaker-suite.com/Collector/collector.gsp?projectID=WMRisks&language=cy
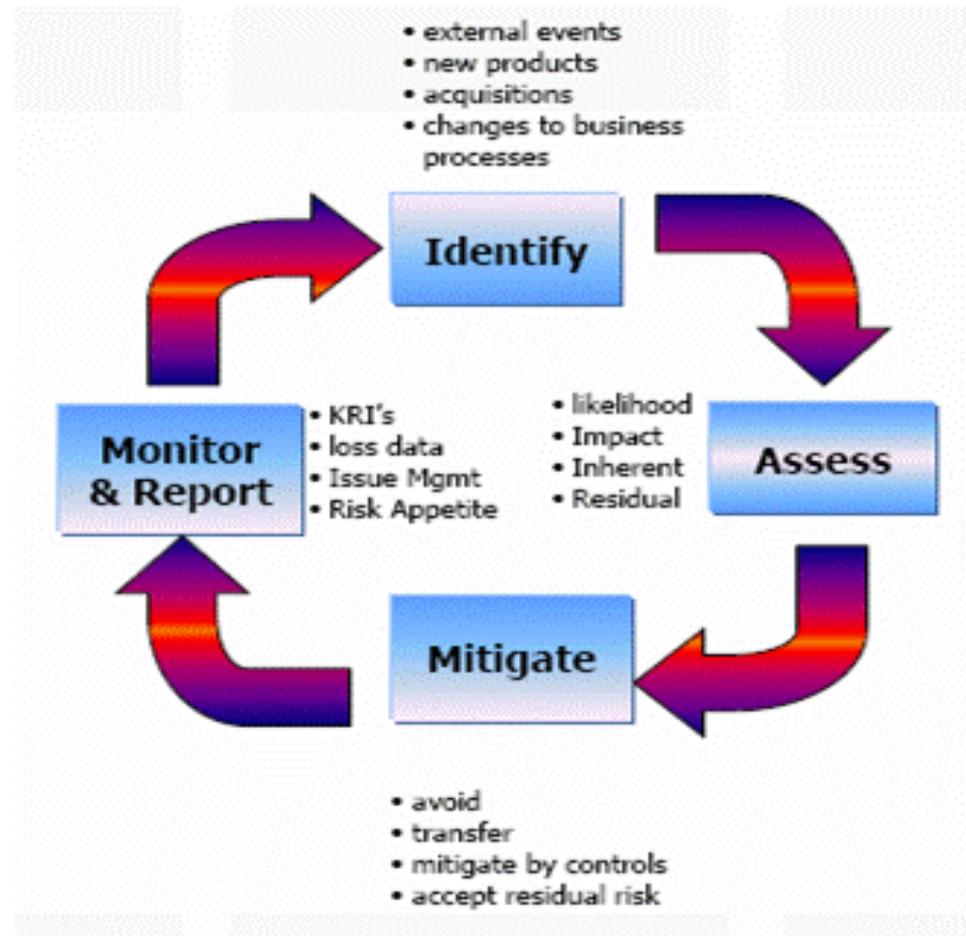
Structure
Strwythur

Failure is not an option
Nid yw methiant yn opsiwn

This approach has been adapted from a number of commonly used risk management procedures which include PRINCE2 and Health and Safety Risk Management. A generic illustration is included below.

Typically, this approach is about preventing things going wrong / bad things happening. It assumes that all outcomes can be predicted and control measures put in place to ensure they are delivered.

- external events
- new products
- acquisitions
- changes to business processes

Identify

- likelihood
- Impact
- Inherent
- Residual

Assess

- KRI's
- loss data
- Issue Mgmt
- Risk Appetite

Monitor & Report

Mitigate

- avoid
- transfer
- mitigate by controls
- accept residual risk

Failure is not an option
Nid yw methiant yn opsiwn

Assumptions that underpin the approach

- All of the variables associated with the risk can be identified and listed.
- The variables can be broken down into component parts. These individual risks can be categorised against the best practice criteria of: Scale of Impact v Likelihood of Occurrence.
- The overall risk is the sum of the all of the component parts.
- The data used for monitoring and reporting is always an accurate reflection of the actual situation.
- The options to mitigate risk are: Avoidance, Transfer, Control or Acceptance (of residual risk).
- Any residual risk will typically be either of very low impact or very unlikely to occur, effectively, once categorised as such, the residual risks are ignored.
- The approach will be supported by a 'compliance system' to ensure that people are following the process as defined in risk management framework. Reporting is hierarchical with major decisions being made at senior levels.

Data Sharing
Rhannu Data

The Problem

Organisation Y is a fire service looking at how it can better identify people who are at risk of fires. The information that it needs is not always held by it, but by partner organisations that it works with. The Public Service Board, of which Organisation Y is a member, has decided to look at how it can better share data in order to improve the quality of services that each organisation provides. Organisation Y has identified good data sharing practice in another part of the country that could possibly be applied to its situation, but are fearful of falling foul of Data Protection laws.

Data Sharing
Rhannu Data

Plan of action

The organisation will meet with partners in order to map the data that the collective organisations hold and how they could make better use of it. Within 6 months, it will have established a partnership to look at information governance issues and develop an information sharing protocol. It will identify and better understand their respective capabilities and capacity, and opportunities for collaborative working. Within a year, Organisation Y will be an active partner in partnership activities such as the Multi Agency Risk Assessment Conference and Multi-Agency Safety Hub. Within two years, it will be integrating information systems with partner organisations to enable better data sharing and the quality of services.

Data Sharing
Rhannu Data

Planned for outcomes

By 2019-20, Organisation Y will be better placed to share data effectively and efficiently in order to meet the requirements of the Wellbeing of Future Generations Act. This will help the organisation to collaborate effectively and integrate their information systems with other Public Service Board members. Improved access to data will inform their decision making and enable them to better plan the provision of the services through a long term lens. 40% of their resources will be shifted towards preventative services. This work will result in a reduction in the number of fires and fewer fire-related deaths. The timely and targeted responses to contacts will lead to a 20% increase in satisfaction ratings from service users, as services will be considering the holistic needs of the family. They will also be able to make better quality and more appropriate referrals to partner agencies.

Complaints
Cwynion

The Problem

An organisation has been created from the merger of several smaller bodies and has responsibility for delivering services across the whole of Wales. The organisation deals directly with members of the public from all sections of society. It inherited a variety of procedures for customer enquiries and complaints from their predecessor bodies. These have been of variable quality from non-existent / poor through to functional /average performance.

It has recently been heavily criticised by the Ombudsman's Office for failing to deal with complaints which have led to harm to a number of service users.

Non Executives of the organisation have taken considerable interest in the issue and have requested that the Chief Executive take personal responsibility to resolve the issue.

Complaints
Cwynion

Plan of action

- Immediate review of all of the existing complaints systems in the organisation by external consultants. To be completed within 2 months.

- Consultants to produce a 'recovery plan' with recommendations for an organisation-wide single digital system.

- The new system should be based on global best practice in handling customer complaints (reason why we have engaged the external consultants)

- The system will be implemented and fully working within 6 months

- The Non-Executives will receive a full monthly updates on progress against agreed milestones and KPIs

- The costs of implementing this system will be offset in a reduction in the insurance claims and fines currently incurred by the organisation. These run at approximately £3 million a year. It is expected that the return on investment will be achieved within 6 months of full implementation.

Complaints
Cwynion

Planned for outcomes

By this time next year the organisation will have a fully operational, organisation wider, unified customer complaints process.

There will be no complaints upheld by the Ombudsman.

The safety of service users will be significantly enhanced.

The effectiveness of the system will be recognised in feedback surveys from service users.

The organisation will be able to demonstrate that it is working in the spirit of the Future Generations Act by "involving" service users and "preventing" additional costs to the business.

Complaints
Cwynion

Points to be aware of

- One of the predecessor organisations had initially spent £500k on a 'best practice' Customer Records Management and Complaints Handling system. To date this has not been fully implemented, 3 years later, at a further cost of £250k.

- The IT provision in the organisation is fragmented. Many parts of the organisation are 'hosted' by a third party and the situation is particularly difficult for people who work remotely from Head Office.

- There is a 'hidden' element of complaints that are dealt with informally by people across the organisation. These are usually done 'face to face' and service users are generally happy. Nobody knows exactly how much happens through this route, but it is estimated they could be up to 200% of the formal complaints.

- These points are known to the Chief Executive but not the Non Executives.

Health: Obesity
Iechyd: Gordewdra

The Problem

One of the key challenges facing the Areawide Public Service Board (PSB) is the epidemic increase in obesity (and associated complex chronic health conditions) in their population over the last 15 years and the increasing demand it is having on a wide range of public services. The projected forecast for the next 10 years, does not bode well, with a further increase, particular in the under 10 years of age category. The PSB members had already included details in their submission of their draft wellbeing plan. However, the latest data has shown a far greater increased than initially expected. The PSB have requested a multi-agency approach to tackling this issue. Evidence provided to the board has suggested a lack of joined up approach, poor or no collaboration between partners and duplication of services in certain areas.

Health: Obesity
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Plan of action

- The local authority has been assigned as a lead partner. Initial partners identified include, Primary Care, Social Care, Education, Community Mental Health Teams, Therapies, Diabetes Chronic Conditions Team, Sport Wales. However, the multi-agency team has a free hand to draw support from the private and academic sectors to support them in addressing the short and long term issues of this condition

- Within 2 months, the local authority will have worked with partners to map out current service provision and who is currently providing that service and what the total value of the funding is for the service

- Within 6 months, the local authority will have identified and have better understood the capability, capacity and opportunity for collaborative working within the PSB

- Within 12 months, the local authority will lead a 6 months pilot approach based around the needs of the service user

- Within 12 months, they will have identified the social and wellbeing issues currently and likely to affect the factors leading to obesity; and draw up a 10 year plan in addressing these issues

- Within 18 months, they will have identified a long term strategy focussing on obesity prevention with a particular focus on primary school children

- Within 24 months, a pooled budget approach will be in place with the necessary governance arrangements in place

- The PSB will receive monthly progress reports from the local authority against agreed impacts

Health: Obesity
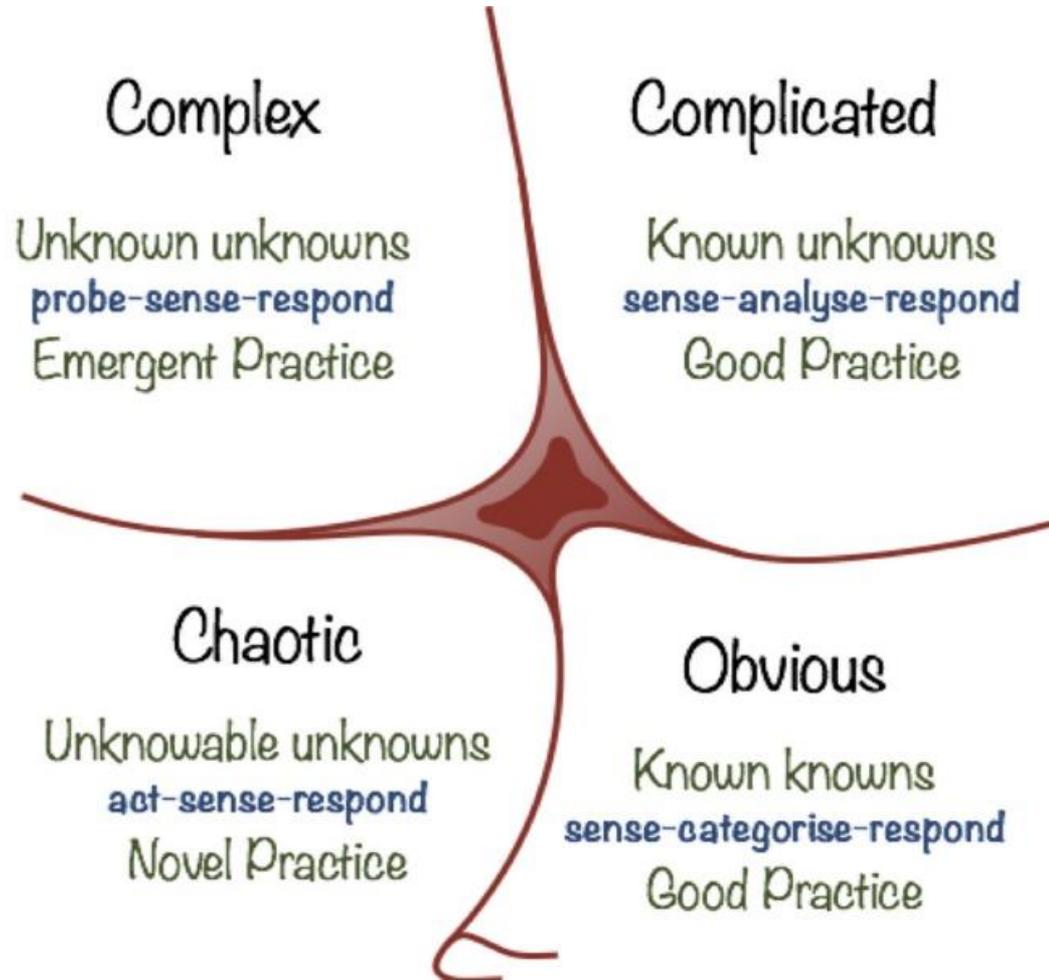# Iechyd: Gordewdra

Planned for outcomes

- By 2020, the PSB will have reduced obesity levels by 25%
- The integrated collaborative multi-agency approach will be better placed to manage, reduce and prevent the long term impact of obesity and improve the wellbeing of individuals
- The new service should be based on the WFG principles identifying how they will take account the five ways of working
- Part of the longer term strategy will need to identify the shift of resources from demand management to prevention

Safe to fail
Diogel i fethu

This approach has been adapted from The Cynefin Framework which is used to support decision making, particularly in complex environments.

Typically, this approach recognised that there are complex situations where outcomes cannot be predicted and past experiences are unlikely to be transferrable when responding to new situations. The response to risk management in a complex environment is to probe for what is possible, make sense of what you discover and stabilise / scale up things that work.

Complex

Unknown unknowns
probe-sense-respond
Emergent Practice

Complicated

Known unknowns
sense-analyse-respond
Good Practice

Chaotic

Unknowable unknowns
act-sense-respond
Novel Practice

Obvious

Known knowns
sense-categorise-respond
Good Practice

Safe to fail
Diogel i fethu

Assumptions that underpin the approach

- Understanding your context helps you make decisions that are better suited to that environment. The Cynefin Framework helps decide the decision making approach.
- Where things are 'known' there will be a degree of predictability. It is possible to understand all of the variables and approaches like Framework 1 are useful.
- In a Complex environment the situation is largely unknown. In this situation it is necessary to 'probe' to understand what is possible.
- It is inevitable that some actions will fail in the Complex environment, and predicting that failure is not possible. This poses a challenge for the Framework 1 approach to risk management – failure is not an option.
- The approach to risk management in complex environments are, SAFE TO FAIL TESTS, PILOTS & EXPERIMENTS.
- Their characteristics of Safe to Fail Pilots are: they are typically small (requiring modest resources), they are rapid and time limited, monitoring feedback on impact and effectiveness are essential, there should be several occurring simultaneously, some should be designed to fail and they should be safe to fail – that doesn't mean no failure. It should be possible to contain any negative impact.

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Plenary Session
Sesiwn lawn

How can you manage risks around organisation change, service transformation and innovation?

Sut allwch reoli risgiau ynghylch newid sefydliadol, gweddnewid gwasanaethau ac arloesi?

Catherine Farrell, University of South Wales / Prifysgol De Cymru

Huw Jakeway, South Wales Fire and Rescue Service / Gwasanaeth Tân ac Achub De Cymru

Huw Vaughan Thomas, Auditor General for Wales / Archwilydd Cyffredinol Cymru

Randomised Coffee Trials
Treialon Coffi ar Hap
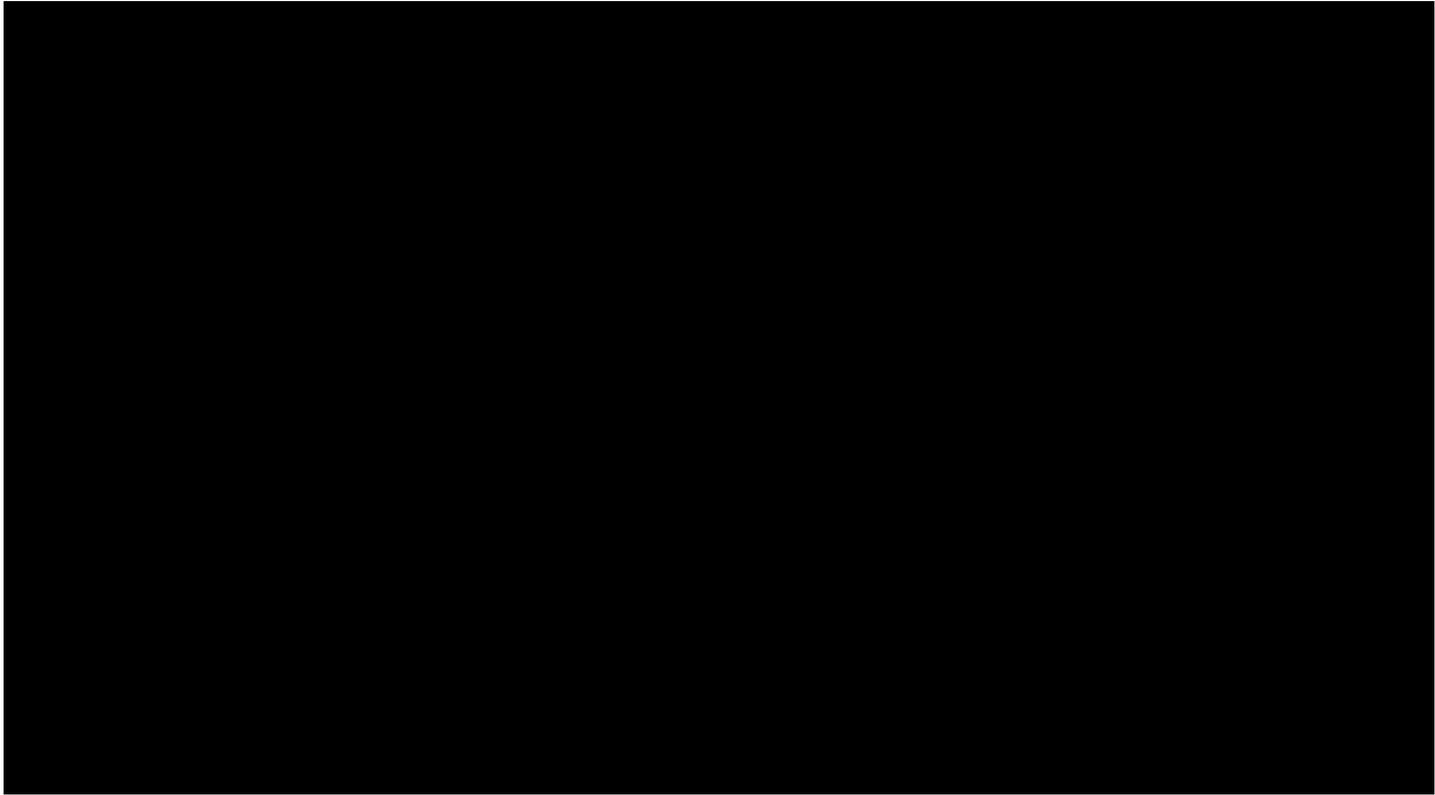
Call to Action

Galwad i Weithredu

Outputs

Allbynnau

Thank you and feedback

Diolch ac adborth

WALES AUDIT OFFICE
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