Cornerstone Care Solutions Ltd

Risk Management Framework

**Purpose:**

The purpose of this risk management framework for Cornerstone Care Solutions Ltd is to establish a structured approach for identifying, assessing, mitigating, and monitoring risks that could impact the safety, well-being, and operational continuity of the residents, staff, and the organisation as a whole. This framework helps ensure compliance with regulatory requirements, enhances the quality of care, protects financial and reputational assets, and supports the decision-making process by providing a clear understanding of potential risks. By systematically managing risks, the framework contributes to creating a safer, more resilient environment where residents receive consistent, high-quality care, and staff are supported in their roles.

1. **Governance & Oversight**

The governance and oversight of a risk management framework involve the structures, roles, and processes that ensure effective risk identification, management, and mitigation across an organisation. For Cornerstone Care Solutions Ltd, the governance and oversight typically include the following key components:

**Services Board**

Responsibility: The board or senior executives are responsible for setting the risk management strategy, defining risk appetite, and ensuring the framework aligns with organisational objectives.

Oversight Role: They provide overall governance and oversight by reviewing high-level risks, ensuring accountability, and ensuring that the necessary resources are allocated for risk management efforts.

**Operations Director (Risk Committee)**

Responsibility: This committee, often composed of senior leader/s, oversees the implementation of the risk management framework, ensuring that risks are properly identified, assessed, and managed.

Oversight Role: Regularly reviews risk reports, ensures that risk mitigation strategies are effective, and reports to the board on significant risks and the status of risk controls.

**Risk Manager or Risk Management Team (Heads of Departments & Regional Managers) – Including independent consultants**

Responsibility: The risk managers or team is responsible for the day-to-day management and coordination of the risk management process. This includes identifying risks, assessing their likelihood and impact, and working with relevant partnered departments to implement mitigation measures.

Oversight Role: They provide regular updates to the risk management committee and ensure that risk policies and procedures are being followed across all services/Departments.

**Care Home Management Teams (Registered Managers)**

Responsibility: At the operational level, individual managers and staff are responsible for implementing risk management policies and practices. They monitor risks specific to their location and report any emerging issues to the risk management team.

Oversight Role: They ensure compliance with risk mitigation strategies, engage in regular risk assessments, and take immediate action on any risks identified.

**Internal Audit ( Led by Standards Manager)**

Responsibility: The internal audit function reviews the effectiveness of the risk management framework, ensuring that it is adequately designed and operating effectively. They provide an independent assessment of risk management practices.

Oversight Role: They report to the risk committee, ensuring that governance structures are functioning as intended and that risks are being appropriately managed.

**Regulatory and External Auditors (Regulators, Commissioning & Financial Auditors)**

Responsibility: External bodies, such as regulators and auditors, provide additional oversight, ensuring compliance with industry standards and regulations (e.g., health and safety, quality of care, financial management).

Oversight Role: These external entities offer an objective view of the organisation’s risk management practices, ensuring that they meet legal and regulatory requirements.

**Reporting and Communication**

Governance Role: Clear reporting structures ensure that risks are communicated effectively at all levels of the organisation. Regular risk reports are generated and shared with relevant stakeholders, from care home managers to the Services Board.

Effective governance and oversight ensure that risk management is embedded within the organisational culture and that everyone, from the Services Board to frontline staff, understands their role in identifying and managing risks.

1. **Identified Risks**

**Operational Risks**

Care Delivery

* *Compliance with CQC Standards:* Each care home must adhere to the Care Quality Commission (CQC) standards, which cover safety, effectiveness, care quality, and responsiveness. Regular internal audits can help ensure compliance.
* *Resident Safety:* Implementing robust risk assessments for individual residents, monitoring incidents (like falls or medication errors), and maintaining clear documentation can enhance safety.
* *Staffing Ratios:* Ensuring appropriate staffing ratios is crucial for providing adequate care. Regular assessments of resident needs and staff schedules help maintain these ratios, especially during peak times.
* *Quality of Care:* Regular training and performance evaluations for staff, along with resident feedback mechanisms, can help maintain high standards of care.

Staffing

* *Recruitment*: The Recruitment Manager should develop targeted recruitment strategies to attract qualified candidates, including partnerships with local training institutions.
* *Retention:* Implementing staff engagement programs, offering competitive compensation packages, and fostering a positive workplace culture can help improve retention rates.
* *Training:* Ongoing professional development programs should be prioritised, ensuring that staff are well-trained in both care practices and emergency protocols.

Health & Safety

* *Fire Safety:* Regular fire drills, clear evacuation procedures, and maintenance of fire safety equipment are essential. Training staff on emergency protocols can reduce risks.
* *Infection Control:* Adopting strict infection control measures, such as hand hygiene protocols and monitoring outbreaks, is critical. Regular training sessions can reinforce these practices.
* *Emergency Preparedness:* Developing comprehensive emergency response plans for various scenarios (natural disasters, pandemics) is vital. Regular drills and staff training ensure readiness.

Supply Chain

* *Reliable Access:* Establishing strong relationships with multiple suppliers for medical supplies, food, and essentials can mitigate risks of supply chain disruptions. Regular assessments of supplier reliability and contingency planning are also important.

**Financial Risks**

Liquidity and Cash Flow

* *Cash Flow Management:* The Financial Controller should implement cash flow forecasting and monitoring tools to anticipate and manage liquidity challenges. Regular financial reviews help identify potential issues early.
* *Sustainability:* Long-term financial planning, including budgeting for unexpected expenses, can help ensure the sustainability of operations.

Profitability

* *Monitoring Profitability:* The Commercial Manager should analyse revenue streams and costs for each service, using performance metrics to identify areas for improvement and implement cost-saving measures without compromising care quality.

Asset Management

* Maintenance and Optimisation: The Director of Assets should develop a maintenance schedule for physical assets, ensuring regular inspections and timely repairs. Asset utilisation reviews can identify opportunities for optimisation.

**Reputation Risks**

Brand and Public Perception

* *Monitoring Public Image:* The Marketing Manager should actively engage with residents and their families through surveys and feedback forms to gauge satisfaction. Monitoring online reviews and social media can help manage public perception.
* *Incident Management:* Establishing a crisis communication plan to address negative incidents swiftly can mitigate damage to the organisations reputation.

**Compliance Risks**

Regulatory Compliance

* *CQC and Employment Laws:* The Standards Manager must stay updated on regulatory changes and ensure that policies and procedures are regularly reviewed and updated to maintain compliance.
* *Data Protection Regulations:* Regular training on GDPR and data handling practices for all staff can help safeguard resident information and reduce compliance risks.

Data Security

* Cybersecurity Management: The IT consultant should implement robust cybersecurity protocols, including regular audits, employee training on data protection, and secure access controls to mitigate data breaches.

**External Risks**

Economic Climate

* *Funding Changes:* Regular analysis of economic trends and government policies is necessary. Building relationships with stakeholders can provide insights into potential changes and help in lobbying for necessary support.
* *Contingency Planning:* Establishing flexible financial plans can help adapt to changes in funding or market conditions, ensuring operational resilience.

Pandemics and Natural Disasters

* *Contingency Plans:* Developing comprehensive contingency plans for pandemics and natural disasters, including communication strategies and resource allocation, can enhance preparedness. Regular drills can help ensure staff are familiar with these plans.

By proactively addressing these risks, Cornerstone Care Solutions Ltd can enhance operational efficiency, financial stability, and overall care quality, while safeguarding their reputation and ensuring compliance.

1. **Risk Assessment - Likelihood and Impact Ratings**

**Operational Risks**

Care Delivery

* Likelihood: Medium
* Impact: High

*Rationale:* Compliance issues and resident safety incidents can occur but are typically manageable with proper protocols.

Reported to Operations Director via Email & Phone by Home Managers, Standards Manager & Regional Manager

Staffing

* Likelihood: High
* Impact: Medium

*Rationale:* Recruitment and retention challenges are common in the sector, affecting care quality but manageable with good HR practices.

Reported to Operations Director via Email & Phone by Regional Managers & Central Management Team

Health & Safety

* Likelihood: Medium
* Impact: High

*Rationale:* Risks like infection outbreaks can happen, especially in care settings, with potentially severe outcomes.

Reported to Operations Director via Email & Phone by Home Managers, Regional Manager & Central Management Team

Supply Chain

* Likelihood: Medium
* Impact: Medium

*Rationale:* While disruptions can occur, they are often mitigated by good supplier relationships.

Reported to Operations Director via Email & Phone by Home Managers, Regional Managers & Director of Asset Management

**Financial Risks**

Liquidity and Cash Flow

* Likelihood: Medium
* Impact: High

*Rationale:* Economic fluctuations can impact cash flow, with significant implications for operations.

Reported to Operations Director via Email & Phone by Finance Team

Profitability

* Likelihood: Medium
* Impact: High

*Rationale:* Changes in occupancy rates or costs can impact profitability significantly.

Reported to Operations Director via Email & Phone by Finance Team

Asset Management

* Likelihood: Low
* Impact: Medium

*Rationale:* While asset management risks exist, they are generally lower compared to other operational risks.

Reported to Operations Director via Email & Phone by Director of Asset Management

**Reputation Risks**

Brand and Public Perception

* Likelihood: Medium
* Impact: High

*Rationale:* Negative incidents can quickly escalate, affecting public perception and occupancy.

Reported to Operations Director via Email & Phone by Regional Managers & Central Management Team

**Compliance Risks**

Regulatory Compliance

* Likelihood: Medium
* Impact: High

*Rationale:* Non-compliance with CQC and other regulations can lead to serious consequences.

Reported to Operations Director via Email & Phone by Home Managers & Regional Managers

Data Security

* Likelihood: Medium
* Impact: High

*Rationale:* Cybersecurity incidents are increasingly common, and breaches can have severe ramifications.

Reported to Operations Director via Email & Phone by Home Managers, Regional Managers & Central Management Team

**External Risks**

Economic Climate

* Likelihood: Medium
* Impact: Medium

*Rationale:* Economic downturns are cyclical and can impact funding and occupancy.

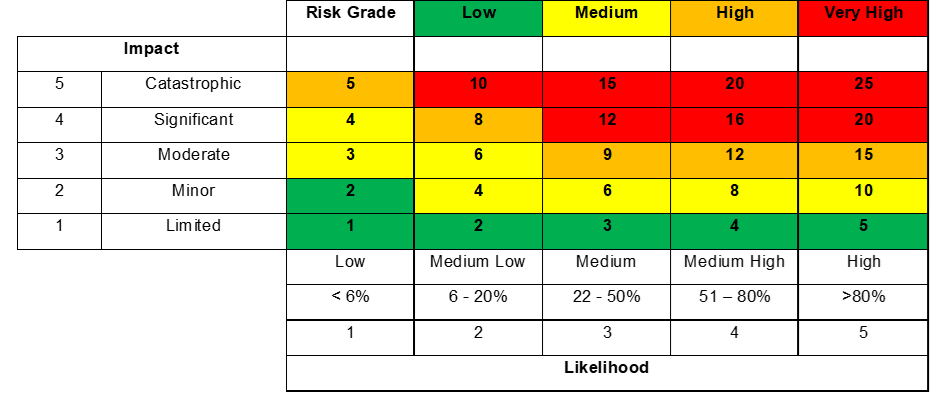
Reported to Operations Director via Email & Phone by Director of Asset Management

Pandemics and Natural Disasters

* Likelihood: Low
* Impact: High

*Rationale:* While rare, the impact of pandemics and disasters can be devastating.

Reported to Operations Director via Email & Phone by Central Management Team



**Prioritisation of Critical Risks (**Based on the risk matrix)

Critical Risks (High Likelihood, High Impact):

Staffing

Care Delivery

Brand & Public Perception

Regulatory Compliance

Data Security

Moderate Risks (Medium Likelihood, High Impact):

Liquidity and Cash Flow

Profitability

Health & Safety

1. **Scenario Planning**

The Financial Controller and care home managers can run "what-if" scenarios to understand the potential impacts of various risks. Here are some scenarios to consider:

**Staff Shortages**

*Scenario:* A sudden increase in staff turnover leads to a shortage of skilled care workers.

*Impact Analysis:* Evaluate how reduced staffing affects resident care, safety, and regulatory compliance. Consider the financial implications of hiring agency staff.

**Reduced Occupancy**

*Scenario:* A downturn in the local economy leads to reduced occupancy rates.

*Impact Analysis:* Analyse how this affects cash flow, profitability, and overall financial health. Explore potential cost-cutting measures.

**Regulatory Fines**

*Scenario:* A care home receives a significant fine for non-compliance with CQC standards.

*Impact Analysis:* Assess the financial impact of the fine and the potential reputational damage. Explore strategies for improving compliance.

**Infection Outbreak**

*Scenario:* An outbreak of a contagious disease occurs in one of the homes.

*Impact Analysis:* Evaluate the implications for resident safety, staff workloads, and operational continuity. Assess the need for emergency funding and resources.

**Cybersecurity Breach**

*Scenario:* A data breach compromises resident & financial information.

*Impact Analysis:* Understand the potential legal and financial consequences, including penalties for GDPR violations. Assess reputational damage and recovery strategies.

**Employment Tribunal Scenario: Unfair Dismissal**

*Scenario:* An employee is terminated after raising concerns about unsafe working conditions.

*Impact Analysis:* Evaluate the potential legal ramifications of the dismissal, including claims for unfair dismissal under employment law. Assess the financial implications, such as potential compensation awards and legal fees. Consider reputational damage to the organisation, employee morale, and strategies for addressing workplace safety issues to prevent future claims.

By systematically assessing likelihood and impact, utilising a risk matrix, and conducting scenario planning, Cornerstone Care Solutions Ltd can prioritise actions to mitigate risks effectively and enhance overall resilience.

1. **Monitoring and Reporting**

**Key Risk Indicators (KRIs)**

Develop a comprehensive set of KRIs to proactively identify and mitigate risks associated with the care homes. Cornerstone Care Solutions Ltd ’s KRIs include:

**Staff Turnover Rates**

*Definition:* Percentage of staff leaving the organisation within a specific period.

*Thresholds:* Establish benchmarks based on industry standards; investigate reasons for turnover above a certain percentage.

*Action:* Implement retention strategies such as employee feedback mechanisms and improved onboarding processes.

**Occupancy Levels**

*Definition:* Percentage of available beds that are occupied.

*Thresholds*: Monitor occupancy trends; establish alerts for occupancy below a predetermined level (e.g., 85%).

*Action:* Evaluate marketing and outreach efforts, address service quality, and adjust pricing strategies.

**Financial KPIs**

*Definition:* Key indicators such as profit margins, revenue growth, and expense ratios.

*Thresholds:* Regularly assess against budget forecasts and historical performance.

*Action:* Conduct financial reviews to identify variances and implement corrective measures.

**Incident Reports**

*Definition:* Number and nature of incidents reported (e.g., medication errors, falls).

*Thresholds:* Track trends; review when incidents exceed a certain threshold (e.g., three incidents in a month).

*Action:* Enhance training and monitoring protocols to improve safety.

**Regulatory Compliance**

*Definition:* Number of compliance breaches or issues identified during inspections.

*Thresholds:* Establish acceptable limits; immediate review for any breaches.

*Action:* Conduct regular training and audits to ensure compliance with regulatory standards.

1. **Risk Dashboard**

**Monthly Reporting to the Board**

Format: Develop a user-friendly dashboard that visually summarises the status of identified risks, KRIs, and associated action plans.

Content: Include trend analysis, risk ratings, and updates on actions taken or planned. Highlight any significant changes in risk status.

Engagement: Provide insights into how risks are being managed and encourage discussions on strategic responses to emerging risks.

Reporting: Operations Director to collate monthly report and give a full overview to the Services Board.

**Quarterly Risk Review by the Services Board**

Quarterly Meetings

Attendees: Include Services Board and Operations Director

**Agenda:**

* Review the status of all identified risks and KRIs.
* Discuss trends and patterns identified in monthly reports.
* Assess the effectiveness of current risk mitigation strategies.
* Adjust risk management plans based on changes in the operating environment or business objectives.

**Documentation:**

Record outcomes and action items from each meeting to ensure accountability and follow-up on decisions made.

**Continuous Improvement:**

Utilise findings from the review to refine risk management processes, training programs, and operational practices across Cornerstone Care Solutions Ltd .

By establishing these structured monitoring and reporting processes, Cornerstone Care Solutions Ltd can maintain a proactive approach to risk management, ensuring a safe and compliant organisation

1. **Review and Update of the Risk Management Framework**

Annual Review Process

**Purpose and Objectives**

Define the goals of the annual review, ensuring that the risk management framework aligns with Cornerstone Care Solutions Ltd ’s evolving objectives, regulatory requirements, and best practices in the care sector.

**Establish a Review Committee**

*Composition:* Include representatives from key departments (e.g.,board, operations, finance, standards, HR, and support services (consultants)).

*Role of the committee:* Facilitate the review process, gather input, and ensure that diverse perspectives are considered.

**Data Collection**

*Performance Metrics:* Gather data on key risk indicators (KRIs), incident reports, compliance audit results, and feedback from staff and residents and stakeholders where required.

*External Insights:* Review industry benchmarks, regulatory changes, and risk management trends relevant to the care sector.

*Stakeholder Feedback:* Conduct surveys or focus groups with staff, residents, and families to gather insights on perceived risks and the effectiveness of current practices.

**Evaluation of Current Framework**

*Effectiveness Assessment:* Analyse how well the current framework has identified and mitigated risks over the past year. Look for patterns in risk occurrences and responses.

*Strengths and Weaknesses:* Identify what aspects of the framework are working well and what needs improvement. Focus on areas such as communication, training, and documentation.

**Update Procedures and Policies**

*Revise Risk Assessment Tools:* Update risk assessment matrix and methodologies to incorporate new insights and address identified gaps. Agreeing the impact of the risks.

*Enhance Training Programs:* Modify training content to reflect any changes in procedures or emerging risks, ensuring all staff are equipped to recognise and manage risks effectively.

**Documentation of Changes**

*Framework Update Report:* Prepare a comprehensive report detailing the outcomes of the review, including identified risks, effectiveness of mitigation strategies, and any recommended changes.

*Approval Process:* Present the report to the board for review and approval, ensuring senior leadership is engaged in the risk management process.

**Communication and Implementation**

*Dissemination of Updates:* Share the updated framework with all staff members, highlighting key changes and their implications for daily operations.

*Implementation Plan:* Develop a clear action plan for implementing updates, including timelines, responsible parties, and necessary resources.

**Continuous Improvement**

*Ongoing Monitoring:* Set up mechanisms to continuously monitor the effectiveness of the revised framework throughout the year.

*Feedback :* Create channels for departments to provide ongoing feedback on the risk management processes, ensuring adaptability and responsiveness to new challenges.

**Scheduled Follow-Ups**

*Mid-Year Review:* Conduct a mid-year check-in to assess the implementation of changes and gather early feedback on their effectiveness.

*Adjustments as Needed:* Be prepared to make further adjustments based on feedback and any new risks that arise.

By establishing a structured annual review process for the risk management framework, Cornerstone Care Solutions Ltd can ensure it remains relevant, effective, and aligned with the their goals and the needs of residents and staff. This proactive approach will enhance the overall resilience of Cornerstone Care Solutions Ltd against risks while fostering a culture of safety and compliance.