

West Dunbartonshire Health and Social Care Partnership

Risk Management Strategy

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Policy Title & Reference	Risk Management Strategy and Framework		
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Title, Version Number & Date of superseded version (if applicable)	Risk Management Policy & Strategy	V1 Final	19 August 2015 Soumen Sengupta
Rationale for Introduction/driver for Change	<p>The Integration Scheme requires that a Risk Management policy and strategy be in place to support integrated service delivery (except for NHS acute hospital service).</p> <p>This risk management strategy and framework supports the policy to provide the IJB with information to aid decision making in relation to the risks associated with the Strategic Plan.</p>		
Summary of Substantive Changes (if applicable)	<p>Align the review period with the lifecycle of the HSCP Strategic Plan (review every 3 years). Next full interim review would be 2022, then every 3 years.</p>		
Summary of Technical changes (if applicable)	HSCP Risk Management Policy now supported by a separate Risk Management Strategy and Framework.		
Lead Officer	Margaret-Jane Cardno, Head of Strategy and Transformation		
Final Trades Union Position			
Consultation and Approval Process	Financial consultation	January 2021	
	Legal consultation	March 2021	
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	Trades Union	March 2021	
	Approval at HSCP Board	20 September 2021	
Accompanying Documentation(incl EIA)	HSCP Strategic plan 2019 - 2022		
Linked Policies and Procedures	<p>Public Bodies (Joint Working) (Scotland) Act 2014</p> <p>Strategic Risk Register</p> <p>WDC Risk Management Framework</p> <p>NHS Risk Management Framework</p> <p>Clinical Care and Governance</p>		

Risk Management Strategy and Framework

1	Introduction	4
2	Risk Management Process.....	5
3	Application of good risk management.....	5
4	Governance Roles and Responsivity.....	6
5	Resourcing the risk management framework.....	7
6	Resourcing those responsible for managing specific risks.....	8
7	Risk management training and development opportunities.....	8
8	Monitoring risk management activity.....	8
9	Monitoring risk management performance.....	8
10	Performance and Effectiveness Controls.....	9
	Background reading / reference documents	10
	Appendix A – Risk Matrix	11
	Appendix B - Risk Impact and Likelihood Description	13

Risk Management Strategy and Framework

The Integration Joint Board's Risk Management Policy includes information on the risk management approach of the Health and Social Care Partnership Board (HSCP Board) including information around the risk scoring matrix and governance roles and responsibilities around Risk Management. The deployment of the policy is detailed in the following risk management strategy and framework.

1 Introduction

- 1.1 This strategy and framework sets out the approach, procedure, process, systems, risk management roles and responsibilities for monitoring and management of Strategic Risks for the HSCP Board.
- 1.2 The primary objectives of this strategy will be to:
- Promote awareness of risk and define responsibility for managing risk within the Health and Social Care Partnership (HSCP);
 - Establish communication and sharing of risk information through all areas of the HSCP;
 - Initiate measures to reduce the HSCP Boards' exposure to risk and potential loss; and,
 - Establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.
- 1.3 This strategy takes a positive and holistic approach to risk management. The scope applies to all risks, whether relating to the clinical and care environment, employee safety and wellbeing, financial risk, business risk, opportunities or threats.
- 1.4 **Strategic risks** represent the potential for the HSCP Board to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within the Strategic Plan, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk.
- 1.5 **Operational risks** represent the potential for impact (opportunity or threat) within or arising from the activities of an individual service area or team operating within the scope of the HSCP Board's activities. Parent bodies will retain responsibility for managing operational risks as operational risks will be more 'front-line' in nature and the development of activities and controls to respond to these risks can be led by local managers and team leaders. Where a number of operational risks impact across multiple service areas or, because of interdependencies, require more strategic leadership, then these can be proposed for escalation to 'strategic risk' status for the HSCP Board.
- 1.6 All risks will be analysed consistently with an evaluation of risk impact (scored 1 to 5) multiplied by likelihood (scored 1 to 5) shown in table.
- | | Risk Impact | Likelihood |
|---|---------------|----------------|
| 1 | Insignificant | Rare |
| 2 | Minor | Unlikely |
| 3 | Moderate | Possible |
| 4 | Major | Probable |
| 5 | Catastrophic | Almost certain |
- 1.7 All risks assessed as scoring 10 or above will be monitored and extreme risk, scoring 16 or above, will be viewed as significant and therefore subject to closer scrutiny by the HSCP Audit and Performance Committee.

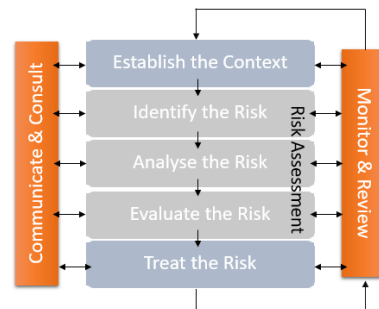
1.8 This document represents the risk management framework to be implemented across the HSCP Board and will contribute to the Board's wider governance arrangements.

2 Risk Management Process

2.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects

2.2 It is proactive in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.

2.3 The HCSP embeds risk management practice by consistent application of the risk management process shown in the diagram, across all areas of service delivery and business activities.



3 Application of good risk management

3.1 Standard procedures (3.2 – 3.10) will be implemented across all areas of activity that are under the direction of the HSCP Board in order to achieve consistent and effective implementation of good risk management.

3.2 Full implementation of the risk management process. This means that risk management information should (wherever possible) be used to guide major decisions in the same way that cost and benefit analysis is used.

3.3 Identification of risk using standard methodologies, and involving subject experts who have knowledge and experience of the activity or process under consideration.

3.4 Categorisation of risk under the headings below:

- Strategic Risks: such as risks that may arise from Political, Economical, Social, Technological, Legislative and Environmental factors that impact on the delivery of the Strategic Plan outcomes.
- Operational Risks: such as risks that may arise from or impact on Clinical Care and Treatment, Social Care and Treatment, Citizen Service, Employee Health, Safety and Well-being, Business Continuity/Supply Chain, Information Security and Asset Management.

3.5 Appropriate ownership of risk. Specific risks will be owned by/assigned to whoever is best placed to manage the risk and oversee the development of any new risk controls required.

3.6 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in Appendix I.

3.7 Consistent response to risk that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (ie to another partner or third party); tolerated as it is; or, treated with cost effective measures to bring it to a level where it

is acceptable or tolerable for the Joint Board in keeping with its appetite/tolerance for risk. In the case of opportunities, the Joint Board may take an informed risk in terms of tolerating it if the opportunity is judged to be (1) worthwhile pursuing and (2) the Joint Board is confident in its ability to achieve the benefits and manage/contain the associated risk.

- 3.8 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision-making in relation to prioritising resources and ease of access to information for risk reporting.
- 3.9 Reporting of strategic risks and key operational risks to the IJB on a six monthly basis.
- 3.10 Routine reporting of risk information within and across teams and a commitment to a 'lessons learned' culture that seeks to learn from both good and poor experience in order to replicate good practice and reduce adverse events and associated complaints and claims.

Risk leadership and accountability

4 Governance Roles and Responsivity

- 4.1 Integration Joint Board: Members of the Integration Joint Board are responsible for:
 - Oversight of the HSCP's risk management arrangements;
 - Receipt and review of reports on strategic risks and any key operational risks that require to be brought to the HSCP's attention; and,
 - Ensuring they are aware of any risks linked to formal reports and recommendations from the Chief Officer and other senior officers of the Health and Social Care Partnership concerning new priorities/policies and the like.
 - Strategic risk registers will be presented to the HSCP Audit and Performance Committee for scrutiny and the HSCP Board for approval on an annual basis.
- 4.2 The Chief Officer has overall accountability for the IJB's risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officer will keep the Chief Executives of the IJB's partner bodies informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of the Strategic Plan or the reputation of the IJB.
- 4.3 The Chief Financial Officer will be responsible for promoting arrangements to identify and manage key business risks, risk mitigation and insurance.
- 4.4 Members of the Senior Management Team are responsible for:
 - supporting the Chief Officer and Chief Financial Officer in fulfilling their risk management responsibilities;
 - receipt and review of regular risk reports on strategic, shared and key operational risks and escalating any matters of concern to the IJB; and,
 - ensuring that the standard procedures set out in this strategy are actively promoted across their teams and within their areas of responsibility.

- 4.5 It is the responsibility of each risk owner to ensure that:
- risks assigned to them are analysed in keeping with the agreed risk matrix;
 - data on which risk evaluations are based are robust and reliable so far as possible;
 - risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
 - risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk;
 - controls that are in place to manage the risk are proportionate to the context and level of risk.
- 4.6 All persons working under the direction of the IJB Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement
- 4.7 Safe working practices developed within their service areas. This approach requires everyone to understand:
- the risks that relate to their roles and activities;
 - how their actions relate to their own, their patient's, their services user's/client's and public safety;
 - their accountability for particular risks and how they can manage them;
 - the importance of flagging up incidents and/or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
 - that good risk management is a key part of the HSCP Board's culture. These operational risks are controlled and monitored by the Council and Health Board rather than the HSCP Board.
- 4.8 Partner Bodies: It is the responsibility of relevant specialists from the partner bodies, (such as internal audit, external audit, clinical and non-clinical risk managers and health and safety advisers) to attend meetings as necessary to consider the implications of risks and provide relevant advice. It is the responsibility of the partner bodies to ensure they routinely seek to identify any residual risks and liabilities they retain in relation to the activities under the direction of the IJB.
- 4.9 Senior Information Risk Owner: Responsibility for this specific role will remain with the Council and the Health Board.

Resourcing Risk Management

5 Resourcing the risk management framework

- 5.1 The Health Board's Director of Finance and Council's Section 95 Officer will ensure that the IJB and its Audit Committee is provided with the necessary technical and corporate support to develop, maintain and scrutinise strategic risk registers.
- 5.2 Much of the work on developing and leading the ongoing implementation of the risk management framework will be undertaken as part of routine activity within the IJB.

5.3 Wherever possible the IJB will ensure that any related risk management training and education costs will be kept to a minimum, with the majority of risk-related courses/ training being delivered through resources already available to the IJB (the partner body risk managers/risk management specialists).

6 Resourcing those responsible for managing specific risks

6.1 Where risks impact on a specific partner body and new risk control measures require to be developed and funded, it is expected that the costs will be borne by that partner organisation.

6.2 Financial decisions in respect of the IJB's risk management arrangements will rest with the Chief Financial Officer.

Training, learning and development

7 Risk management training and development opportunities

7.1 To implement effectively, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying malfunctioning 'systems' rather than people.

7.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJB and in developing risk management maturity. The Senior Management Team will regularly review risk management training and development needs and source the relevant training and development opportunities required.

Monitoring activity and performance

8 Monitoring risk management activity

8.1 The Joint Board operates in a dynamic and challenging environment. A suitable system is required to ensure risks are monitored for change in context and scoring so that appropriate response is made.

8.2 Monitoring will include review of the IJB's risk profile at Senior Management Team level every six months.

8.3 It is expected that partner bodies will use IJB risk reports to keep their own organisations updated on the management of the risks, highlighting any IJB risks that might impact on the partner organisation.

9 Monitoring risk management performance

9.1 Measuring, managing and monitoring risk management performance is key to the effective delivery of key objectives.

9.2 Key risk indicators (KRIs) will be linked where appropriate to specific risks to provide assurance on the performance of certain control measures. For example, specific clinical incident data can provide assurance that risks associated with the delivery of

clinical care are controlled, or, budget monitoring PIs (Performance Indicators) can provide assurance that key financial risks are under control.

- 9.3 The performance data linked to the Strategic Plan will also inform the identification of new risks or highlight where existing risks require more attention.
- 9.4 Reviewing the Joint Board's risk management arrangements on a regular basis will also constitute a 'Plan/ Do/ Study/ Act' review cycle that will shape future risk management priorities and activities of the Joint Board, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the Joint Board.

10 Performance and Effectiveness Controls

- 10.1 The performance and effectiveness controls will inform the review of the strategic risks monitored by the Health and Social Care Partnership Board. The following controls will inform the annual review:
 - A policy is in place to define the aims and purpose of strategic risk management
 - The risk strategy is clearly stated and aligns to the HSCP Strategic Plan
 - Risk management approach comply with the Scottish Government's, West Dunbartonshire Council and NHS Greater Glasgow and Clyde.
 - A process is in place to ensure strategic risk is monitored and revised during the year in response to developments and there is a process in place to revoke/supersede previous versions.
- 10.2 There is a robust process in place for reporting and monitoring arrangements, ensuring they are clear and implemented in practice.

Communication

11 Communicating Risk Management

- 11.1 Communicating, consulting on and reviewing the risk management framework.
- 11.2 Effective communication of risk management information across the Joint Board is essential to developing a consistent and effective approach to risk management.
- 11.3 Copies of the Policy and supporting strategy will be widely circulated via the Senior Management Team and will form the basis of any risk management training arranged by the IJB.
- 11.4 The Integration Joint Board at its meeting of 20 September 2021 approved the Risk Management Policy (version 2.0).
- 11.5 This strategy and framework aligns with the review cycle of the HSCP Strategic Plan and reviewed every three years, to ensure that it reflects current standards and best practice in risk management, and fully reflects the Integration Joint Board's business environment.

Appendices

Appendix A – Risk Matrix

Appendix B - Risk Impact and Likelihood Description

Background reading / reference documents

- Public Bodies (Joint Working) (Scotland) Act 2014
- Integration Scheme, HSCP,
- Ministerial Strategic Group (MSG) Health and Community Care Review of Progress with Integration
- West Dunbartonshire Risk Management Framework
- NHS Greater Glasgow and Clyde Risk Management Framework
- HSCP Risk Management Policy
- Internal Audit of HSCP Risk Management February 2021

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Appendix A – Risk Matrix

Impact of Risk	(5) Catastrophic	5 Adequate	10 Issue	15 Issue	20 Unacceptable	25 Unacceptable
	(4) Major	4 Acceptable	8 Adequate	12 Issue	16 Unacceptable	20 Unacceptable
	(3) Moderate	3 Acceptable	6 Adequate	9 Adequate	12 Issue	15 Issue
	(2) Minor	2 Acceptable	4 Acceptable	6 Adequate	8 Adequate	10 Issue
	(1) Insignificant	1 Acceptable	2 Acceptable	3 Acceptable	4 Acceptable	5 Adequate
	<u>Risk Appetite</u>	(1) Rare	(2) Unlikely	(3) Possible	(4) Probably	(5) Almost certain
Likelihood of Risk						

Likelihood	Consequence/Impact				
	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

>16	Very High
10-16	High
4-9	Medium
1-3	Low
---	Normal Risk Tolerance

Level of risk	How risk should be managed
Very High Risk (16 - 25) Red	Requires active management. High impact/high likelihood: risk requires active management to manage down and maintain exposure at an acceptable level.
High Risk (10 - 15) Amber	Contingency plans. A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from plan.
Medium Risk (5 - 9) Yellow	Good Housekeeping. May require some risk mitigation to reduce likelihood if this can be done cost effectively but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain the same.
Low Risk (1 - 4) Green	Review periodically. Risks are unlikely to require mitigating actions but status should be reviewed frequently to ensure conditions have not

	changed.
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Appendix B - Risk Impact and Likelihood Description

Risk Impact	1	2	3	4	5
	Insignificant	Minor	Moderate	Major	Catastrophic
Financial	<£100k	£100k - £250k	£250k – 500k	£500l - £1,000k	>£1,000k
Reputation	Individual negative perception	Local negative perception	Intra industry or regional negative perception	National negative perception	Sustained national negative perception
Legal and Regulatory	Minor regulatory or contractual breach resulting in no compensation or loss	Breach of legislation or code resulting in a compensation award	Regulatory censure or action, significant contractual breach	Breach of regulation or legislation with server costs/fine	Public fines and censure, regulatory veto on projects/withdrawal of funding. Major adverse corporate litigation
Operational/ Continuity	An individual service or process failure	Minor problems in specific areas or service	Impact on specific citizen group or process	Widespread problems in business operations	Major service of process failure impacting majority or major customer groups.

Likelihood	1	2	3	4	5
	Rare	Unlikely	Possible	Probably	Almost Certain
Definition	Not likely to happen in the next 3 years	Unlikely to happen in the next 3 years	Possible to occur in the next year	Likely to occur in the next year	Very likely to occur in the next 6 months