

OFFICIAL



Item No. 16

Meeting Date Wednesday 19th February 2020

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

Report By: Allison Eccles, Head of Business Development
Contact: Steven Blair, Principal Officer, Business Development
Tel: 0141 287 6752

REVIEW OF IJB RISK MANAGEMENT POLICY & STRATEGY

Purpose of Report:	The purpose of this report is to inform the Finance, Audit and Scrutiny Committee of the findings of the desktop review of the IJB Risk Management Policy and Strategy and the recommendations for amendments to the policy.
Background/Engagement:	<p>The IJB Risk Management Policy and Strategy has been in place since the formal establishment of the Glasgow City IJB in 2016.</p> <p>The last major review of the Policy was approved by the IJB at its meeting on 24 January 2018. A further review was reported to this Committee at its meeting on 5 September 2018.</p> <p>At its meeting on 4 September 2019 this Committee requested that a desktop review of the Policy be carried out and findings reported to this Committee.</p>
Recommendations:	<p>The IJB Finance, Audit and Scrutiny Committee is asked to:</p> <ul style="list-style-type: none">a) note the content of this report, andb) note and approve the proposed amendments to the IJB Risk Management Policy and Strategy.

OFFICIAL

OFFICIAL

Relevance to Integration Joint Board Strategic Plan:

The Integration Scheme for Glasgow City IJB requires that a Risk Management policy and framework is in place and that it is reviewed regularly.
The risk management framework provides the IJB with information to aid decision making in relation to the Strategic Plan

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	The maintenance of a risk management framework within the Partnership aligns with Outcome 9 (Resources are used effectively and efficiently in the provision of health and social care services).
Personnel:	N/A
Carers:	N/A
Provider Organisations:	N/A
Equalities:	N/A
Fairer Scotland Compliance:	N/A
Financial:	N/A
Legal:	N/A
Economic Impact:	N/A
Sustainability:	N/A
Sustainable Procurement and Article 19:	N/A
Risk Implications:	There are no risks to the IJB arising from the recommendations of this report.

OFFICIAL

Implications for Glasgow City Council:	None. The Social Care risk register will continue to comply with the Glasgow City Council Risk Management Strategy and Policy.
---	--

Implications for NHS Greater Glasgow & Clyde:	None. The Health risk register will continue to comply with the NHS GGC Risk Management Policy.
--	---

1. Purpose

- 1.1. The purpose of this report is to inform the Finance, Audit and Scrutiny Committee of the findings of the desktop review of the IJB Risk Management Policy and Strategy and the recommendations for amendments to the policy.

2. Background

- 2.1. The Integration Scheme for Glasgow City IJB requires that a Risk Management policy is established and reviewed regularly. The Policy itself states that a review is carried out annually.
- 2.2. The IJB Risk Management Policy and Strategy (the Policy) has been in place since the formal establishment of the Glasgow City IJB in 2016.
- 2.3. The last major review of the Policy was carried out by a short life working group consisting of IJB members and Partnership officers. The recommendations of this review were considered and approved by the IJB at its meeting on [24 January 2018](#). A further desktop review was carried out by Partnership officers and reported to this Committee at its meeting on [5 September 2018](#).
- 2.4. At its meeting on [4 September 2019](#) this Committee requested that Partnership officers carry out a desktop review of the Policy and report the findings to this Committee.

3. Findings and proposed amendments to the IJB Risk Management Policy

- 3.1. On reviewing the Policy, it was found that:
 - The numbering of paragraphs in the policy was incorrect
 - There were out of date references to Finance and Audit Committee (the previous title for this Committee)
 - There were out of date references to Strategy, Operations and Resources Group which no longer exists in the Partnership business architecture.
 - A recommendation from a previous [Internal Audit report to the IJB](#) on the IJB Risk Management arrangements was there should be clearer linkages between the IJB Strategic Plan and the Policy and IJB risk register
 - The Integration Scheme requires only regular review, whilst the Policy states an annual review be carried out. Other IJBs in the Greater Glasgow & Clyde region have review periods of 2 or 3 years for their equivalent Policy. A 3 year review period would align the Policy with the lifecycle of the IJB's Strategic Plan.

OFFICIAL

OFFICIAL

- 3.2. Taking the findings into account, the proposed amendments to the Policy are:
- Correct all paragraph numbering and formatting in the Policy
 - Update references to Finance and Audit Committee to read Finance, Audit and Scrutiny Committee.
 - Remove references to the Strategy, Operations and Resources Group.
 - Add confirmation of review frequency of medium and low risks and clarify that risks can be reviewed at any time outside of formal review cycle.
 - Insert the Strategic Plan priorities to para 2.4 of the Policy
 - Amend paras 10.3 and 10.4 of the Policy to state that full review be carried out every 3 years, and to clarify that this is in line with the lifecycle of the IJB Strategic Plan (next full review would be due in 2022)
- 3.3. A draft version of the updated Policy, with all amendments as detailed above, is attached as Appendix A.

4. Recommendations

- 4.1. The IJB Finance, Audit and Scrutiny Committee is asked to:
- a) note the content of this report, and
 - b) note and approve the proposed amendments to the IJB Risk Management Policy and Strategy.

OFFICIAL



Glasgow City Integration Joint Board

Risk Management Policy and Strategy

Version No.	2.2	Review Date:	19/02/2020
Date Effective:	19/02/2020		

CONTENTS

Policy – the risk management approach	2
Strategy - Implementing the policy	3
1. Introduction.....	3
2. Application of good risk management across the IJB activities	4
 <u>Realising the risk management vision</u>	5
3. Risk management vision and measures of success	5
 <u>Risk leadership and accountability</u>	6
4. Governance, roles and responsibilities	6
 <u>Resourcing risk management.....</u>	7
5. Resourcing the risk management framework.....	7
6. Resourcing those responsible for managing specific risks	7
 <u>Training, learning and development.....</u>	8
7. Risk management training and development opportunities.....	8
 <u>Monitoring activity and performance</u>	8
8. Monitoring risk management activity	8
9. Monitoring risk management performance.....	8
 <u>Communicating risk management.....</u>	9
10. Communicating, consulting on and reviewing the risk management framework.....	9
Appendix 1 Risk Matrix	10

Version No.	2.2	Review Date:	19/02/2020
Date Effective:	19/02/2020		

Policy – the risk management approach

- 1.1 The Glasgow City Integration Joint Board (IJB) is committed to a culture where its workforce is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by appropriate application of good risk management practice.
- 1.2 In doing so the IJB aims to provide safe and effective care and treatment for patients and service users, and a safe environment for everyone working within the Joint Board and others who interact with the services delivered under the direction of the Joint Board.
- 1.3 The IJB believes that appropriate application of good risk management will prevent or mitigate the effects of loss or harm and will increase success in the delivery of better clinical and financial outcomes, objectives, achievement of targets and fewer unexpected problems.
- 1.4 The IJB purposefully seeks to promote an environment that is risk 'aware' and strives to place risk management information at the heart of key decisions. This means that the IJB can take an effective approach to managing risk in a way that both address significant challenges and enable positive outcomes.
- 1.5 In normal circumstances the IJB's tolerance for risk is as follows:

Key benefits of effective risk management:

- appropriate, defensible, timely and best value decisions are made;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- high achievement of objectives and targets;
- high levels of morale and productivity;
- better use and prioritisation of resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation; and
- a positive reputation established for the Joint Board.

The Integration Joint Board would, in normal circumstances, tolerate risk that is LOW or MEDIUM (up to a current risk score of 9). Above this, risks will subject to increased monitoring, scrutiny and the implementation of appropriate control actions to mitigate either the consequences or likelihood (or both) of the risk.

This can be seen clearly in the following matrix:

Likelihood	Consequence				
	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

- 1.6 The IJB promotes the pursuit of opportunities that will benefit the delivery of the Strategic Plan. Opportunity-related risk must be carefully evaluated in the context of the anticipated benefits for patients, services users and the IJB.

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

- 1.7 The IJB will receive assurance reports (internal and external) not only on the adequacy but also the effectiveness of its risk management arrangements and will consequently value the contribution that risk management makes to the wider governance arrangements of the IJB.
- 1.8 The IJB, through the following risk management strategy, has established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

Strategy - Implementing the policy

1. Introduction

- 1.1. The primary objectives of this strategy will be to:
- promote awareness of risk and define responsibility for managing risk within the Integration Joint Board;
 - establish communication and sharing of risk information through all areas of the Integration Joint Board;
 - initiate measures to reduce the Integration Joint Board's exposure to risk and potential loss; and,
 - establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.
- 1.2. 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, business risk, opportunities or threats.
- 1.3. **Strategic risks** represent the potential for the IJB 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.
- 1.4. **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 IJB's activities. Partner 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 IJB.
- 1.5. All risks will be analysed consistently with an evaluation of risk as being:
- 1 - 3 = LOW**
4 - 9 = MEDIUM
10 - 16 = HIGH
>16 = VERY HIGH

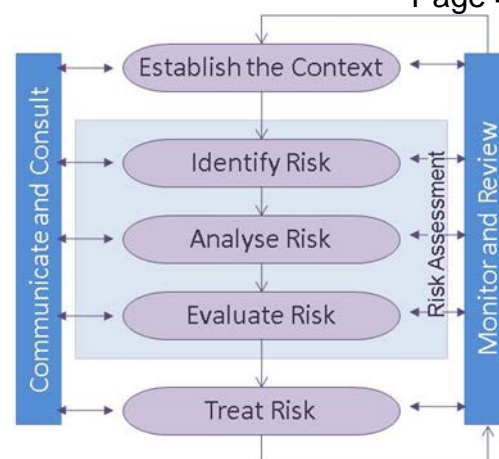
Any risk with a current risk score of VERY HIGH or HIGH would be deemed to be 'significant' and therefore subject to quarterly review and scrutiny by the IJB via its Finance, Audit and Scrutiny Committee through agreed processes. Risks with a current score of MEDIUM or LOW are reviewed less often (6 monthly and annually respectively), however all risks regardless of risk score can be reviewed and updated at any time if there are changes in the situation affecting the risk.

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

- 1.6. This document represents the risk management framework to be implemented across the IJB and will contribute to its wider governance arrangements.

Risk management process

- 1.7. Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects¹. 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.
- 1.8. The IJB embeds risk management practice by consistent application of the risk management process shown in the diagram on the right, across all areas of service delivery and business activities.



2. Application of good risk management across the IJB activities

- 2.1. Standard procedures (paras 2.2 through 2.11) will be implemented across all areas of activity that are under the direction of the IJB in order to achieve consistent and effective implementation of good risk management.
- 2.2. 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.
- 2.3. Identification of risk using standard methodologies, and involving subject experts who have knowledge and experience of the activity or process under consideration.
- 2.4. Categorisation of risk under the headings below:
- **Strategic Risks:** such as risks that may arise from Political, Economic, Social, Technological, Legislative and Environmental factors that impact on the delivery of the IJB's Strategic Plan priorities:
 - Prevention, early intervention and harm reduction
 - Providing greater self determination and choice
 - Shifting the balance of care
 - Enabling independent living for longer
 - Public Protection
 - **Operational Risks:** such as risks that may arise from or impact on Clinical Care and Treatment, Social Care and Treatment, Customer Service, Employee Health, Safety & Well-being, Business Continuity, Supply Chain, Information Security and Asset Management.
- 2.5. Appropriate ownership of risk. Specific risks will be owned by whoever is best placed to manage the risk and oversee the development of any new risk controls required.
- 2.6. 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 1.
- 2.7. Consistent response to risk that is proportionate to the level of risk. This means that risk may be terminated; transferred elsewhere (i.e. to another partner or third party); tolerated as it is; or,

¹ Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

treated with cost effective measures to bring it to a level where it is acceptable or tolerable for the IJB in keeping with its tolerance for risk. In the case of opportunities, the IJB may 'take' an informed risk in terms of tolerating it if the opportunity is judged to be:

- a) worthwhile pursuing, and;
 - b) the IJB is confident in its ability to achieve the benefits and manage/contain the associated risk.
- 2.8. 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.
 - 2.9. Reporting of strategic risks and key operational risks to the IJB Finance, Audit and Scrutiny Committee on a **quarterly** basis with an **annual** summary of the risk management framework to the IJB.
 - 2.10. Operation of a procedure for movement of risks between risk registers maintained within the Glasgow City HSCP will be facilitated by **the Head of Business Development** with regular review by the **Senior Management Team**.
 - 2.11. 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.

Realising the risk management vision

3. Risk management vision and measures of success

Appropriate and effective risk management practice will be embraced throughout the Integration Joint Board as an enabler of success, whether delivering better outcomes for the people of Glasgow protecting the health, safety and well-being of everyone who engages with the IJB and Glasgow City HSCP or for maximising opportunity, delivering innovation and best value, and increasing performance.

- 3.1. In working towards this risk management vision the IJB aims to achieve and demonstrate a level of maturity where risk management is embedded and integrated in the decision making and operations of the IJB.
- 3.2. The measures of success for this vision will be:
 - **good financial outcomes for the IJB**
 - **successful delivery of the strategic plan, objectives and targets**
 - **successful outcomes from external scrutiny**
 - **fewer unexpected/ unanticipated problems**
 - **fewer incidents/ accidents/ complaints**
 - **fewer claims/ less litigation**

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

Risk leadership and accountability

4. Governance, roles and responsibilities

4.1. Integration Joint board

Members of the IJB are responsible for:

- oversight of the IJB's risk management arrangements;
- receipt and review of an annual summary report on the risk management framework;
- consideration of strategic risks and any key operational risks that require to be brought to the IJB's attention; and,
- ensuring they are aware of any risks linked to recommendations from the Chief Officer concerning new priorities/ policies and the like. This will be facilitated by a 'Risk Implications' section on all reports to the IJB and its Committees.

4.2. IJB Finance, Audit and Scrutiny Committee

The Finance, Audit and Scrutiny Committee, on behalf of the IJB, are responsible for:

- Receipt of a quarterly report on the current status of the risk registers maintained within the Glasgow City HSCP, including the IJB Risk Register;
- Review and scrutiny of the risk management arrangements for strategic and key operational risks within the HSCP on behalf of the IJB
- Providing assurance to the IJB as required on the risk management arrangements for the IJB and within the HSCP

4.3. Chief Officer

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 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.

4.4. Chief Financial Officer

The Chief Financial Officer will be responsible for promoting arrangements to identify and manage key business risks, risk mitigation and insurance.

4.5. Senior Management Team

The Senior Management Team (or a nominated person – refer to 5.1) are responsible for:

- supporting the Chief Officer and Chief Financial Officer in fulfilling their risk management responsibilities;
- arranging professional risk management support, guidance and training from partner bodies;
- 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 section three of this strategy are actively promoted across their teams and within their areas of responsibility.

4.6. Individual Risk Owners

It is the responsibility of each risk owner to ensure that:

- risks assigned to them are analysed and assessed 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;

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

- 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;
- risks assigned to or owned by them are reviewed and updated in line with the reporting and monitoring arrangements of the IJB.

4.7. 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 safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their services user's/ client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand 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,
- understand that good risk management is a key part of the IJB's culture.

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 individual partner bodies.

Resourcing risk management

5. Resourcing the risk management framework

- 5.1. Much of the work on leading development and maintenance of the risk management framework for the IJB will be resourced through the Senior Management Team's arrangements (referred to in 4.5) and led by the Head of Business Development.
- 5.2. 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 (e.g. 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.

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

Training, learning and development

7. Risk management training and development opportunities

- 7.1. To implement effectively this policy and strategy, 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 Head of Business Development will, on behalf of the Senior Management Team, 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 IJB 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 by the Senior Management Team level on a quarterly basis.
- 8.3. It is expected that partner bodies will use risk update reports to the Finance and Audit Committee and IJB 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. The Finance, Audit and Scrutiny Committee may, as part of its scheduled scrutiny of performance in service areas, request additional information about the arrangements for risks associated with that service area including activity within the service area to assess and mitigate the level of risk to it.
- 9.3. The Finance, Audit and Scrutiny Committee will be supported to carry out focussed scrutiny of specific risk items by existing IJB governance arrangements.
- 9.4. Reviewing the IJB'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 IJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the IJB.

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

Communicating risk management

10. Communicating, consulting on and reviewing the risk management framework

- 10.1. Effective communication of risk management information across the IJB is essential to developing a consistent and effective approach to risk management.
- 10.2. Copies of this policy and strategy will be widely circulated via the Senior Management Team and will form the basis of any risk management training arranged by the IJB.
- 10.3. This version of the policy (version 2.2) was approved by the Finance, Audit and Scrutiny Committee at its meeting of **19 February 2020**.
- 10.4. This policy will be fully reviewed every 3 years to ensure that it reflects current standards and best practice in risk management, fully reflects the IJB's business environment and aligns with the IJB Strategic Plan. The next full review of this Policy should therefore be carried out in **2022**.

Document Title:	Risk Management Policy and Strategy	Owner:	Chief Officer
Version No.	2.2	Superseded Version:	2.1
Date Effective:	19/02/2020	Review Date:	19/02/2020

Appendix 1 Risk Matrix

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

	1	2	3	4	5
Likelihood	Extremely Unlikely	Unlikely	Possible	Likely	Almost certain
Consequence/Impact	Negligible/Insignificant	Minor	Moderate	Major	Extreme/fundamental

Version No.	2.2		
Date Effective:	19/02/2020	Review Date:	19/02/2020