south ayrshire
health & social care
partnership

Integration Joint Board

Risk Management Strategy

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Prepared By:	
	Senior Manager Planning & Performance and NHS and Local Authority Risk Leads
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	Tim Eltringham Chief Officer
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Policy – the risk management approach

The Integration Joint Board (IJB) is committed to a culture where the workforce within its scope is encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently by the appropriate application of good risk management practice.

Appropriate and effective risk management practice will be embraced throughout the IJB as an enabler of success, whether delivering

> **Key benefits of effective risk management:**
> - 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 IJB.

better outcomes for the people of South Ayrshire, protecting the health, safety and wellbeing of everyone who engages with the IJB or for maximising opportunity, delivering innovation and best value, and increasing performance.

In doing so the Integration Joint Board aims to provide safe and effective care and treatment for patients and clients and a safe working environment within the Health and Social Care Partnership. This will also apply to services delivered under the direction of the IJB.

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 addresses significant challenges and enables positive outcomes.

Risk appetite is the amount of risk which is judged tolerable and justifiable. It is the amount of risk that any organisation is prepared to tolerate, or be exposed to at any one point in time.

The IJB will promote the pursuit of opportunities that will benefit the delivery of Strategic Plan objectives. Opportunity related risk must be carefully evaluated in the context of the anticipated benefits for patients, clients, other stakeholders and the IJB.

The Integration Joint Board will receive assurance reports in the form of a Strategic Risk Register from the Chief Officer on the adequacy and the effectiveness of its risk management arrangements and will consequently evaluate the contribution that risk management makes to the wider governance arrangements of the IJB.

The IJB, through this strategy, has established a Risk Management Framework, (which covers risk policy, procedure, process, systems, risk management roles and responsibilities).

This document represents the risk management framework to be implemented by the South Ayrshire Integration Joint Board and is part of the IJB's wider governance arrangements.

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Strategy - implementing the policy

Introduction

The primary objectives of this strategy will be to:

- promote awareness of risk and define responsibility for managing risk within the IJB;
- maximise opportunity to improve service delivery;
- establish communication and sharing of risk information through all areas of the IJB and HSCP;
- initiate measures to reduce the IJB exposure to risk and potential loss; and,
- establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.

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.

Strategic/Corporate[1] risks represent the potential for the IJB to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within its Strategic Plan, and typically these risks require strategic leadership in the development of activities and application of controls to mitigate the risk.

Operational risks represent the potential for impact (opportunity or threat) within or arising from the activites of an individual service area or team operating within the scope of the IJB'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 an operational risk impacts 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 and, where required, the NHS Board or the Council.

All risks will be analysed consistently in acordance with the methodlgy set out at Appendix 1.

Risk management process

Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst mittigating adverse effects[2] It is pro-active 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.
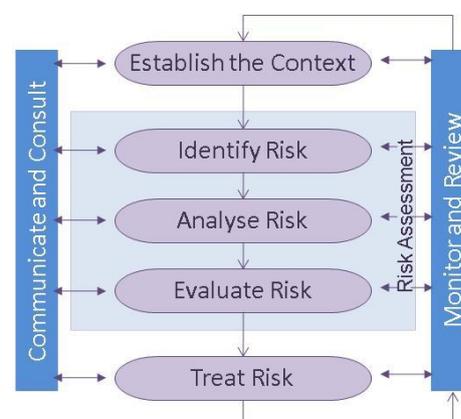
The IJB embeds risk management practice by consistent application of the risk management process

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[1] Differences in terminology of risk currently exists, Strategic is used with the LA whilst Corporate is used with NHS.
[2] Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004

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shown in the diagram above, across all areas of service delivery and business activities. Further information in relation to the Risk Management/Mitigation Process can be found at Appendix 1.

<table>
<tr><td>Application of good risk management across IJB activities</td></tr>
</table>

The following standard procedures will be implemented across all areas of activity that are under the direction of the IJB as set out in the South Ayrshire Integration Scheme in order to achieve consistent and effective implementation of the Risk Managment Strategy.

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.

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

Categorisation of risk under the headings below:

- Strategic Risks: such as risks that may arise from Political, Economical, Social, Technological, Legislative, Environmental or Resource 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, Customer Service, Employee Health, Safety & Well-being, Business Continuity/ Supply Chain, Information Security and Asset Management.

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

Consistent application of the agreed risk matrix will be utilised in the management of risk. This is necessary to analyse risk in terms of consequences and likelihood of occurrence, taking into account the effectiveness of risk control measures (mitigations) in place. The risk matrix to be used is attached in Appendix 1.

Consistent response to risk that is proportionate to the level of risk, means that risk may be terminated; transferred elsewhere (ie to another partner or third party); tolerated as it is; or, mitigated with measures to bring it to a level where it is tolerable for the IJB in keeping with its appetite or 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 (1) worthwhile pursuing; and (2) the IJB is confident in its ability to achieve the benefits and manage/contain the associated risk. Further information can be found at Appendix 1.

The implementation and maintenance of risk registers will be used 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.

Reporting of strategic risks to the IJB will be on a six monthly basis.

Routine reporting of risk information requires within and across teams 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

Governance, roles and responsibilities

This section should be read in conjunction with Ayrshire and Arran Integrated Health and Social Care Partnerships Health and Care Governance Framework

Integration Joint board

Members of the Integration Joint Board are responsible for:

- Oversight of risk through the Performance and Audit Committee;
- Seeking assurances from the Chief Officer that effective risk management arrangements are in place;
- Receipt and review of reports on strategic 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/ emerging risks, opportunities and the like.

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 members of the IJB informed of any significant existing or emerging strategic risks that could seriously impact the IJB's ability to deliver the objectives set out in the Strategic Plan or impact adversley on the reputation of the IJB

Chief Financial Officer

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

Partnership Senior Management Team

Members of the Senior Management Team are responsible for:

- supporting the Chief Officer and Chief Financial Officer in fulfilling his/her risk management responsibilities;
- arranging professional risk management support, guidance and training from partner bodies;
- ensuring the receipt and review of regular risk reports on strategic, shared and key operational risks and escalating any matters of concern to the IJB;
- ensuring the impact of decisions made in terms of risk and opportunities do not have a negative impact on insurance and self-insurance arrangments. Key specialist advisors will be involved in decision making processes at the earliest opportunity, where practicable; and

- ensuring that the standard procedures set out in this document and supporting documentation are actively promoted across teams within their areas of responsibility.

Individual Risk Owners

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

- they understand their responsibiliy in relation to the managment of risk;
- risks assigned to them are analysed in keeping with the agreed risk matrix;
- they measure the effectivness of existing controls;
- risk mitigation in place to manage the risk is proportionate to the context and level of risk;.
- they monitor the timely implementation of additional mitigation where required;
- 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; and
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise.

All persons working within the scope 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 that 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;
- how their actions relate to their own, their patients, their services users / clients 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 the on-going improvement of risk management arrangements; and,
- that good risk management is a key part of the culture of the Integration Joint Board.

Statutory Partners

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 to provide relevant advice. It is the responsibility of the Statutory Partners (the Council and the NHS Board) 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.

Resourcing risk management
Resourcing the risk management framework

The work on developing and leading the on-going implementation of the risk management framework and accociated training for the IJB and employees will be resourced through arrangements made by the Chief Officer.

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Training, learning and development

Risk management training and development opportunities

To implement this strategy, effectively, it is essential for staff 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.

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 Chief Officer and Partnership Management Team will regularly review risk management training and development needs and source the relevant training and development opportunities required.

Monitoring activity and performance

Monitoring risk management activity and performance

A suitable system is required to ensure risk managment activity and performance is monitored. Monitoring will include review of the IJB's risk profile at Senior Management Team level.

The Chief Officer is responsible for providing assurance to the IJB that the Risk Managment Strategy is being applied effectively across the Partnership.

Key Perfomance Indicators (KPIs) 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.

The performance data linked to the Strategic Plan and approved HSCP strategy documents will also inform the identification of new risks or highlight where existing risks require more attention.

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 strategy and drive continuous improvement in risk management across the IJB and the HSCP.

It is expected that the Council and NHS Board 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 their own organisations.

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Communicating risk management

Communicating, consulting on and reviewing the risk management framework

Effective communication of key risk management information across the IJB is essential to developing a consistent and effective approach to risk management.

Copies of this strategy will be widely circulated via the Partnership Senior Management Team and will form the basis of any risk management training arranged by the IJB. It will also be available through the Partnership's public website.

This strategy will be reviewed every three years or earlier, if required, to ensure that it reflects current standards and best practice in risk management and fully reflects the Integration Joint Board's business environment.

Appendix 1 Risk Management – A Quick Guide

Risk Management – A Quick Guide

What is Risk Management and why do we have to do it?

Risk is something that may have an impact on the achievement of objectives. This could be an opportunity as well as a threat. Good risk management means that there is a better understanding of what risks and opportunities an IJB may face and how it can best manage them.

This quick guide provides basic details on the risk management process. More detailed information in relation to using risk register software, directorate risk registers, peer review process, etc. can be found in the supporting Management of Risk Guidance document.

Understanding and managing threats or risks comes down to four very simple questions:

1. What are the worst things that could happen to us?
2. What is the likelihood of them happening?
3. What would be the impact?
4. What can we do about it? (How can we prevent it from happening, or what can we put in place to manage/mitigate it if it should?)

There are several tools which can be used to answer these questions. For simplicity and ease of understanding our approach is to use a simple 4 stage process of identification, assessment, management/mitigation and monitor/review to ensure risks are recorded and effectively managed. This approach is shown in Figure 1 and described in the four sections below.
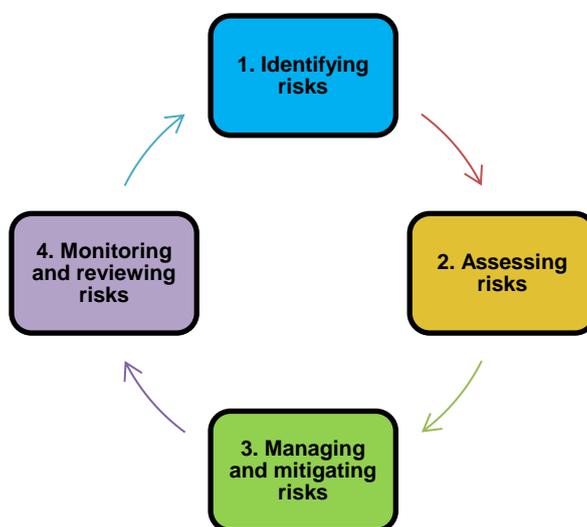
Figure 1 – Four Steps to Managing Risk

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1. Identifying risks

To identify risks think through the things that could prevent or hinder your team from achieving its business objectives. There are three parts to a risk – an event that has a consequence that leads to an impact on objectives. Typical risk phrasing could be:

Loss of…
Failure of…..
Failure to...   *lead to …...*   *results in……*
Lack of…
Development of…
Opportunity for

You will also need to identify whether the risk is:

- Strategic: risks that are significant in size and duration and will impact on the reputation and performance of the IJB as a whole and in particular its ability to deliver on its objectives;
- Operational: risks specific to the delivery of individual services/service performance/project.

2. Assessing risks

Residual/Net risk   =   the level of risk remaining after managing/mitigating it through treatment and/or control measures.

To identify the Residual/Net Risk, identify the consequence score from Figure 2 below after taking account of the mitigations or control measures. This is achieved by multiplying impact and likelihood.

When selecting **impact**, it is important that a holistic analysis of the categories of risk outlined at Figure 1 be considered, in terms of how the issue would impact on the IJB. It can be helpful to utilise a standard 'severity matrix and cost impact analysis' for this purpose. Please see Figure 5 for additional guidance.

When selecting **likelihood**, a consideration of historical information, external drivers, trends and statistics can be useful in determining an appropriate level.

Risks are graded high, medium and low in accordance with the assessed severity of the risk as reflected in the diagram at Figure 4 below.

Proposed mitigations may take time to implement. Dates for achievement should be set and monitored and should be reported to the IJB in accordance with the status icons set out at Figure 3 below.

South Ayrshire Health and Social Care Partnership - Strategic Risk Register

The South Ayrshire Health and Social Care Partnership Strategic Risk Register contains high level risks and has been aligned to the achievement of the outcomes in the Strategic Plan. Risk owners are nominated for each of the risks to ensure there is clear accountability and responsibility in terms of their management. Detail is provided on risk mitigations – both current and proposed. Target dates are recorded in respect of the achievement of the proposed mitigations. A status icon (Figure 3) is also displayed along with a calculation from Risk Owners on percentage completion of the mitigating actions.

This information is closely analysed by the Integration Joint Board (IJB) and assists in determining decisions on reducing or increasing risk ratings using the matrix at Figure 2.
New risk identification is considered against a broad range of risk types and these are represented at Figure 1. It is worth noting that many challenges facing the IJB are determined on a national basis and cannot be influenced locally – on this basis Risk Owners will consider ways to mitigate where possible within the constraints imposed and continue to monitor the situation closely.
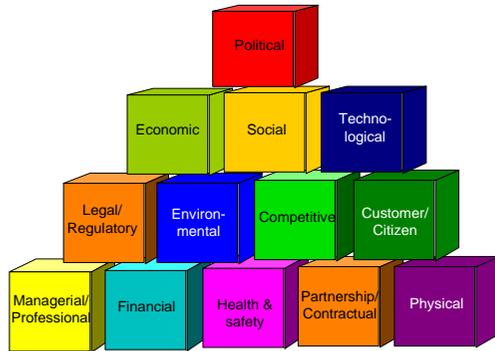
Fig 1

Fig 2

Impact		Likelihood	
1	Minor	1	Unlikely
2	Moderate	2	Possible
3	Major	3	Likely
4	Critical	4	Very Likely
5	Catastrophic	5	Almost Certain

Fig 3

▷	On Target
△	Not on target – some concerns
⬤	Not on target – major concerns

Fig 4

Risk Rating	
Red Zone	High
Amber Zone	Medium
Green Zone	Low

Severity Matrix and Cost Impact Analysis

Fig 5

Severity Scores and Descriptors	1 Minor	2 Moderate	3 Major	4 Critical	5 Catastrophic
Life &Limb	Near miss incident or minor injury to employee, service user or member of the public	Injury / Ill health to employees, service users or members of the public resulting in lost time or small compensation claim	Serious injury or ill-health to employees, service users or members of the public. Council liable	May result in a number of significant injuries and cases of ill-health to employees, service users or members of the public	Single or multiple fatality as a result of Council activity, fatal accident enquiry, enforcement litigation etc
Infrastructure & Property	Minor disruption in operational terms to infrastructure / property	Some damage, impacting on service delivery, costs beyond excess covered by insurance	Loss of use of infrastructure / property for limited period / no alternative arrangements in place	Significant loss of use of infrastructure / property for prolonged period	Complete loss of use of infrastructure / property – rebuild / restructure required.
Business Continuity	Reasonable back up arrangements in place, minor downtime of service /system	Support of services and systems deemed to be borderline – downtime inevitable	Security of systems and performance of services cannot be achieved to a required standard – systems vulnerable and downtime occurs	Significant impact - medium term loss of service and / or system	Complete inability to provide system / service prolonged downtime / no backup in place
Reputation	Minor localised dissatisfaction affecting reputation in pockets	Some public embarrassment but limited damage to service users or reputation	Local adverse public embarrassment leading to considerable damage	Regional or national adverse publicity, loss of confidence in the organisation	Highly damaging adverse publicity, loss of confidence in Council, Scottish Government and / or Audit Scotland involvement
Finance*	0.5% (or less) Budget	0.5 - 2% Budget	2 - 3% Budget	3- 5% Budget	>5% Budget

*These percentages are a guide only, and should be considered within the context of the circumstances underpinning the risk.

3 Managing and Mitigating Risks

A Risk Owner should be identified to manage the risk. This will normally be the person responsible for the delivery of the service activity. They are usually best placed to influence and control the risk management planning process and have an obligation to report on progress. Strategic and Operational Risk Registers will also identify who is ultimately accountable in respect of the management of key risks.

Those undertaking the risk assessment process should record the mitigations that already exist to manage the identified risk. In doing so they should be confident that they are working effectively and are evidence based.

Consideration should then be given to additional mitigations. Once identified these should also be recorded and a clear timescale identified for their achievement.

Additional risk mitigations should be realistic rather than aspirational, and the Risk Owner made aware that they are responsible for progressing these within the timescales prescribed. This step in the risk management process is crucially important and should be evidence based.

It is essential that any planned controls identified through the risk management planning process form part of an agreed action plan that can measurably contribute to future risk mitigation. The overall effectiveness of existing and additional control measures implemented should be available for scrutiny and audit purposes.

4 Monitoring and Reviewing Risks

Nothing stays the same forever. It is important to monitor progress on risk management regularly and assess the effectiveness of any existing or additional mitigations. The risk assessment is a working document and, as business experiences change, this information should be reviewed and updated. Managers and staff must be given responsibility to oversee the process and develop reporting procedures, discussing and helping to implement solutions, as well as monitoring the solutions for effectiveness.

The Strategic Risk Register is formally reviewed, updated and approved by the IJB every 6 months. Risk Owners are requested to provide updates on the status of each risk. The IJB will highlight any new risks which may have strategic significance and nominate Risk Owners to progress a risk management action planning process.

The Operational Risk Register is formally reviewed, updated and approved by the Statutory Partners every 6 months. Risk Owners are requested to provide updates on the status of each risk. They also highlight new risks which may have strategic or operational significance and consider the elevation of operational risks which may be better managed at strategic level.