



REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 15th March 2022

BY: Interim Chief Finance Officer

SUBJECT: Risk Register - update

1 PURPOSE

This paper lays out the IJB's risk register.

2 RECOMMENDATIONS

The Committee is asked to:

- i. Note the current risk register
- ii. Undertake an extended discussion of the IJB's risk register and the management of the IJB's risks at its next meeting in June '22.
- iii. Invite the partners to provide additional risk management expertise to the committee
- iv. Change the risk level on risk 5127 'EU Exit' from Medium to Low.
- v. Request a review of the current Risk Management and policy.

3 BACKGROUND

- 3.1 As a key part of its governance process the IJB maintains a risk register. This risk register examines the risks that impact on the business of the IJB itself and not the operational risks that the IJB's partners manage unless those risks are considered so significant that they could impact on the business of the IJB – that is impact on the ability of the IJB to deliver its strategic plan.

- 3.2 The current version of the risk register is attached. Members are asked to consider if there are additional risks that require to be added to the register and consider if the management actions identified against these current risks provide assurance that these risks are being appropriately managed.
- 3.3 A discussion took place at the last meeting of the committee as to an appropriate mechanism to ensure that risks in the 'operational' registers (those of the partners, East Lothian Council and NHS Lothian) which might impact on the IJB are clearly visible to the IJB and that (if appropriate) risks on the IJB's register should be visible to the partners. This was discussed further outwith the meeting and it is proposed that this matter be discussed in detail at the June meeting of the committee along with appropriate proposals from management.
- 3.4 The CIA had also mentioned at the previous meeting that an audit of the IJB's risk management process was underway and the output from this is planned to be available at the June meeting which will support the discussion as above.
- 3.5 Further to the discussion around the risk management process, it has been suggested that the IJB approaches its partners to provide input into best practice of the management of risks (and risk registers) and that, if possible, one of the partners' risk management specialists attends the June meeting to provide further support to the committee.
- 3.6 The current risk register is attached as appendix 1. It is proposed that the level of risk around risk number 5127 'EU Exit' is reduced to low given the operational experience of the partners since the EU exit process has been actioned. The committee is asked to support this change.
- 3.7 The IJB agreed its current risk management strategy and policy at its meeting on 28th June 2018. These documents are attached as an appendix to this report for convenience. As part of its review of risk management, it is recommended that a review of this risk management strategy and policy is also undertaken.

4 ENGAGEMENT

The IJB makes its papers and reports available on the internet

5 POLICY IMPLICATIONS

This paper is covered within the policies already agreed by the IJB.

6 INTEGRATED IMPACT ASSESSMENT

There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

Financial – there are none.

Personnel – there are none.

8 BACKGROUND PAPERS

None

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DATE	March 2022

Appendices

1. Risk Register
2. Current Risk Management Strategy and Policy

East Lothian HSCP IJB Risk Register

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	Description	Progress	Start date	Due date	Done date
5045	COVID-19	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to COVID-19 and the response to this.	<ol style="list-style-type: none"> 1. IJB Board/Committee meetings now operating in a virtual manner. 2. Controls in place within HSCP to evidence the response. 3. Part of Partners response to pandemic, NHS Lothian Tactical Response and East Lothian Council CMT. 4. IJB Members Briefings in place. 	Very High (20)	Medium (9)	Macdonald, Alison X	Gorman, Iain	11/05/2020	01/06/2021	COVID-19 Response	IJB Chief Officer and Head of Operations actively part of East Lothian Council COVID -19 CMT Meeting and NHS Lothian Gold Command Meetings. 01/06/21: These meetings vary depending on the COVID response required. NHS Lothian Gold Command is currently stood down.	11/05/2020	31/03/2022	
5220	Demographic Pressures	There is a risk that because the population of East Lothian has increased over the past few years, the projections predict a further increase. Because of this the pressure is further compounded by the percentage of that population over the age of 65 will also increase from the current position. This will lead to increased demand for the health and social care services in East Lothian that have been delegated to the IJB.	This will be managed through the IJB's Strategic Planning processes	High (16)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	20/08/2021	07/03/2022	Demographic Challenge				
5127	EU Exit	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to the impact the EU Exit may have on Partners.	East Lothian HSCP established a local EU Exit Group to assess service-related risks across all functions arising from departure from the EU. This is chaired by Iain Gorman, Head of Operations. In addition, the HSCP provided regular Impact Assessment Report Updates and was represented at the NHS Lothian EU Exit Strategic Group, the remit for which is to manage EU Exit communication strategy and reporting requirements; assess and monitor current, potential and future risks and impact to NHS Lothian service. The NHS Lothian Group has paused meetings at times when updates showed no major issues.	Medium (9)	Medium (9)	Macdonald, Alison X	Gorman, Iain	04/03/2021		Mitigate risks associated with Brexit	26/02/21: Following a number of meetings and assessment of risks relating to Brexit as low for East Lothian HSCP services and in light of COVID, the HSCP Group was paused during much of 2020. Following no change in updates the scheduled January 13th was cancelled, with services areas asked to highlight if any Brexit-related issues arise, so these can be acted on. Future meetings will be arranged as required.	04/03/2021	31/12/2021	
										Creation of appropriate financial planning processes	Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB	17/06/2016	30/09/2016	30/03/2017
										Financial Reporting	Ongoing throughout current financial year. 7/1/20: Regular financial reporting takes place. Agreement to close risk and add to controls.	01/04/2017	31/03/2020	07/01/2020
										IJB and Policy Decisions	This action has now become a control	01/04/2017		16/05/2019
			<ol style="list-style-type: none"> 1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 							Development of a longer term rolling financial plan for the IJB	This went to IJB in June 2019 and was accepted. 23/11/20: A further update of the IJB rolling financial plan was presented to the IJB in October 2020. This iteration of the plan will require to be refined once clarity on the impact COVID-19 has on the IJB delegated functions moving forward.	16/05/2019	31/03/2022	

3924	Financial resources may be insufficient to sustain the Strategic Plan	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	<p>3. Regular financial monitoring reports to IJB</p> <p>4. Scheme of integration risk sharing and dispute resolution processes</p> <p>5. IJB Chief Finance Officer in post</p> <p>6. Strategic Planning Group in place</p> <p>7. Efficiency and recovery plans are developed in year by operational teams to "break even".</p> <p>8. There is a programme of meetings and discussion between IJB, Council and Health Board leading to an IJB financial planning process being approved by the IJB and supported by Council and Health Board</p> <p>9. The IJB take a lead role in policy decisions to support the Financial Plan.</p> <p>10. Developed a longer term rolling financial plan for the IJB.</p> <p>11. IJB now holds a general reserve.</p>	High (12)	Medium (9)	Macdonald, Alison X	Flanagan, Claire	26/02/2016	01/06/2021	Annual National and Scottish Budget Allocation	<p>7/1/20: Annual budget settlement is currently unclear. Awaiting further information.</p> <p>23/11/20: Scottish Government Annual Budget for 2021/22 to be set February 2021 will require to work with Partners to assess the impact this will have on the IJB.</p> <p>26/02/2021: Scottish Government Budget announced and correspondence from Scottish Government has been received by the IJB and Partners. Awaiting formal budget offers from Partners. Paper on budget offers will be updated at the next IJB meeting.</p> <p>08/05/21: IJB agreed budget offer from both Partners at April 2021 meeting. This business was followed by an IJB budget challenge 2021/22 development session. Process for setting 22/23 budget underway. Budget setting for 22/23 to be agreed at IJB meeting of 24/3/22</p>	07/01/2020	31/12/2021	
5279	Impact of National Care Service Proposals	There is a risk that the NCS consultation could have a significant impact on the IJB, indeed the IJB could be replaced by a new body.		High (16)	High (12)	Macdonald, Alison X	Macdonald, Alison X	29/11/2021			The Scottish Government has now published the result of its consultation on the NCS.			
4018	Impact of Partners' Decisions	There is a risk that Partners reach decisions on priorities and services (including service reviews) that impact negatively on the IJB leading to an inability to deliver the Strategic Plan	<p>1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers</p> <p>2. Involvement in Partners' service reviews</p> <p>3. Good working relationships and regular formal /informal meetings</p> <p>4. Participation in MSG self-evaluation to inform improvement actions for better partnership working.</p>	High (12)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	26/02/2021	Clarity and monitoring of directions	<p>Action extended to cover the period April 2017to March 2018.</p> <p>16/05/19 directions for 2019-2020 currently in review.</p> <p>23/12/19: Directions agreed at IJB on 31/10/19 - ongoing action.</p> <p>7/1/20: Directions being finalised for publication.</p> <p>25/02/20: Directions (including links) will be taken to the Core and Extended CMT on 18th March.</p> <p>26/02/2021: Development Session ran on the 27th Aug 2020 on Directions, the fitness of purpose of the current directions, the potential impact of Covid on directions, how direction will support remobilisation plans locally and nationally. A paper on Directions following this session was presented to the IJB at the September business meeting of the IJB.</p>	03/04/2017	30/06/2021	
4947	NHSL Recovery Plan	There is a risk that the EL IJB will not provide satisfactory services due to acute waiting times, delayed discharges and mental health. There is a risk that we will fail to meet the 4 hour performance target for unscheduled care which could mean that patients fail to receive appropriate care due to volume and complexity of patients, staffing, lack and availability of beds, lack of flow leading to a delay to first assessment, a delay in diagnosis and therefore in treatment for patients and a reputational risk for the organisation. Scottish Government has escalated these risks to Level 3 & 4.	<p>1. Extra capacity available in ELCH.</p> <p>2. Winter Plan</p> <p>3. Chief Officer on Recovery Board for Unscheduled Care and MH/LD.</p> <p>4. NHSL Project Management support has been recruited.</p> <p>5. Proactive teams are managing the situation on a daily basis.</p> <p>6. Contribute to tele-conferencing.</p>	High (16)	High (12)	Macdonald, Alison X	Macdonald, Alison X	19/12/2019	26/02/2021	Involvement in a Collaborative Approach with all 4 IJB's	<p>25/02/20: (1) Remits of groups and sub-groups in place (2) Operational delivery groups established and attended appropriately.</p> <p>26/02/2021: Paper on the NHSL recovery programme was presented to the A&R Committee in March 2021. Committee has asked to receive regular updates.</p>	07/01/2020	31/12/2020	
			<p>1. The Strategic Plan sets out clear priorities</p> <p>2. IJB directions are clear about actions</p>							Develop Joint Workforce Plan	This will be taken to IJB in May 2019 for approval. Joint Workforce Plan approved at IJB on 23/5/19.	01/04/2017	03/06/2019	28/05/2019
										Financial investments in additional capacity		17/06/2016	31/01/2018	16/05/2019

3925	Operational resources may be insufficient to deliver the Strategic Plan	There is a risk that the IJB fails to achieve its targets due to insufficient access to key services and resources e.g. General Practice, Care at Home, Care Homes, Health Visiting, Housing, acute services etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external review and reputational damage	<p>required by NHS and Council</p> <p>3. The Partnership Management Team is focussed on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan</p> <p>4. NHS Lothian is focussed on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan</p> <p>5. NHS Lothian and East Lothian Council are focussed on ensuring adequate resources are in place for non-delegated but related functions (e.g. housing), to deliver the Strategic Plan</p> <p>6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk Committee.</p> <p>7. Care at Home contracts in place.</p> <p>8. Use of Integrated Care Fund to increase capacity and improve terms and conditions.</p> <p>9. Use Primary Care Transformation Fund to improve access in west of county.</p> <p>10. Joint Workforce Plan approved at IJB on 23/5/19.</p>	High	High	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	07/01/2020	Care at Home contracts	Contracts in place	01/04/2017	30/09/2017	16/05/2019
3926	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be de-stabilised as a consequence of membership change or policy change as a result of elections and Public Sector reform leading to conflicting priorities and/or inability to make decisions	<p>1. Standing orders that control members' behaviour</p> <p>2. Code of Conduct</p> <p>3. Scheme of Integration which includes a dispute resolution mechanism</p> <p>4. Ensuring that membership changes are not all planned at the same time e.g. stakeholder member changes are separate from voting member changes, NHS membership changes on a different cycle from the East Lothian Council membership changes</p>	Medium (4)	Medium (4)	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	26/02/2021	IJB Induction Review and IJB Members Annual Discussion	<p>7/1/20: AM will speak to Cllr Fiona O'Donnell and find out if regular meetings are taking place with IJB members.</p> <p>25/2/20: Cllr O'Donnell has met with IJB members. Induction plans to be reviewed in light of new members - Public Consultant and Independent Sector reps.</p> <p>23/11/20: IJB Standing Orders circulated to IJB members November 2020. IJB now operating virtually due to ongoing COVID-19 pandemic</p>	31/05/2017	31/12/2021	



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 28 June 2018

BY: Chief Finance Officer

SUBJECT: Risk Management Strategy and Policy

1 PURPOSE

- 1.1 This report lays out the IJB's risk management strategy and the IJB's risk policy.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Agree the draft risk management strategy; and
 - ii. Agree the draft risk management policy

3. BACKGROUND

- 3.1 At its meeting of November 2015, the IJB received a paper entitled 'Risk Management Approach'. This paper recognised that the IJB's Integration Scheme required the IJB to develop and shared risk management strategy with NHS Lothian and with East Lothian Council.
- 3.2 The IJB agreed that the Audit and Risk committee would progress this work and report back to the IJB. The IJB has set up a risk register which has been regularly reviewed by the A&R committee and has worked with colleagues in East Lothian and NHS Lothian to share risk management process and intelligence. A set of Audit and Risk information sharing principles were agreed by the last meeting of the A&R which simply agree that all the Lothian IJBs and NHS Lothian will share all and any Internal Audit reports – the risk registers already being public documents
- 3.3 That said, the IJB does not currently have a formal risk management strategy and a policy to implement that strategy.

- 3.4 This matter was also raised by the IJB's external auditors in their annual report for 2016/17. This noted that The IJB should develop its own risk management strategy to ensure it is complying with the Integration Scheme.
- 3.5 Its important to recognise that the IJB is not an operational delivery unit. The delivery of the functions delegated to the IJB is carried out under the auspices of one or other of the partners (NHS Lothian and East Lothian Council) and each of these partners has its own governance process, statutory responsibilities for service delivery, audit and risk committees and risk registers.
- 3.6 The IJB will therefore limit its own risk management strategy to those risks that are wholly IJB risks and not operational risks that are more correctly managed elsewhere. Therefore to take assurance on risk management for operational service delivery risks from the risk management processes of East Lothian Council and NHS Lothian.
- 3.7 This then raises the issue of what is considered to be a wholly IJB risk? In general, wholly IJB risks relate to the ability of the IJB to prepare and deliver its strategic plan. The risks the IJB must manage are therefore the risks in delivering the IJB's own business. The operational and delivery risk of delivering the functions delegated to the IJB will remain to be managed by the partners. However, if the risks in the delivery of the partners business become so significant as to impact upon the delivery of the IJB's functions then the IJB will require to be appraised of these risks and the actions being taken to manage them.
- 3.8 This raises the second key issue – when does an operational risk become a strategic one? There are significant operational – issues around the recruitment of GPs and around the recruitment of homecare staff for example – which could, if not properly managed, impact on the IJB's business. The IJB therefore, requires to be appraised of 'significant' operational risks although the Chief Officer and the Audit and Risk Committee wish also to add such risk onto the IJB's risk register. It has to be remembered that the management of such risks will remain with the operational partner and therefore the IJB are simply noting the position.
- 3.9 The IJB's Risk management Strategy is therefore that those risk that are wholly IJB risks (as above) will be managed through the IJB's risk register which will be regularly scrutinised by the Audit and Risk Committee. The IJB's Chief Officer, Chief Financial Officer and Chief Internal Audit supported by other IJB members and the partnership management team will inform the Audit and Risk committee of operational risks that may be so significant that they will impact on the IJB's business. Operational risks within the partners will continue to be managed by the Partners and the IJB will take assurance from these processes. The draft risk strategy is attached as appendix 1.
- 3.10 The IJB's risk policy will follow the same principles as NHS Lothian's (attached as appendix 2) but as above covering only the business of the IJB.

- 3.11 As a general principle, any governance process has to be commensurate with the resources that a body has available to support it. Hence the proposition that the IJB concentrates its risk management on its own business and takes assurance from the risk management processes of its partners. The IJB has to use its resources carefully and it's worth noting that the IJB's risk register has 5 key risks.
- 3.12 At its December 2018 meeting, the committee agreed to have a workshop to further discuss risk appetite and also what assurance can be obtained from the data available to the IJB. This workshop took place in January 2018 directly after the IJB's workshop on financial planning. In general the broad principles discussed above were agreed.
- 3.13 The Risk Strategy and risk management policy were then agreed by the IJB's Audit and Risk committee at its March 2018 meeting and the A&R risk commend these schedules to the IJB.

4. ENGAGEMENT

The strategy and the policy, having been adopted by the IJB will be published on the IJB's website.

5 POLICY IMPLICATIONS

- 5.1 This paper is offers a new policy for the IJB for agreement.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

- 7.1 Financial – there are none.
- 7.2 Personnel – there are none.

7 BACKGROUND PAPERS

- 7.1 None

Appendices

1. IJB's Risk Strategy
2. IJB's Risk Management Policy

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DATE	20 June 2018

East Lothian
Integration Joint Board



Risk Management Strategy

December 2017

CONTENTS

- 1. BACKGROUND
- 2. POLICY STATEMENT
- 3. SCOPE
- 4. RISK MANAGEMENT PHILOSOPHY AND OBJECTIVES
- 5. BENEFITS OF EFFECTIVE RISK MANAGEMENT
- 6. STANDARD PROCEDURES
- 7. STRUCTURAL ARRANGEMENTS AND RESPONSIBILITIES.....
- 8. MONITORING AND REVIEWING RISK MANAGEMENT ACTIVITY
- 9. RISK REGISTERS
- 10. STRATEGY IMPLEMENTATION, COMMUNICATION AND REVIEW
- 11. OUTPUTS AND BENEFITS OF THE RISK MANAGEMENT STRATEGY

1. Background

East Lothian Integration Joint Board has been delegated a range of Health and Social Care functions by NHS Lothian and East Lothian Council.

Although the responsibility for the operational delivery of these functions continues to rest with the partners (NHS Lothian and East Lothian Council) the responsibility for preparing and delivering a Strategic Plan rests with the IJB. The IJB must then consider a risk management strategy to identify and manage the risks associated with the preparation and delivery of the Strategic Plan

When risk is well managed it often goes unnoticed. If it is poorly managed or not managed at all the consequences can be significant and high profile. Effective risk management is needed to prevent such failures.

2. Policy Statement

- 2.1 The members of the Integration Joint Board and the members of the partnership management team who support them are encouraged to develop new initiatives, improve performance and achieve their goals safely, effectively and efficiently by consistent application of tried and tested methodologies for identifying and managing opportunity and risk.
- 2.2 In doing so the IJB aims to make the most of opportunities to:
- achieve high standards of performance;
 - deliver high quality services for service users;
 - Support the partners in providing an environment that meets Health & Safety requirements for the people it employs;
 - Support the partners to protect assets and liabilities against potential losses, and
 - minimise uncertainty in achieving its goals and objectives.

3. Scope

- 3.1 The Chief Officer has overall accountability for risk management.
- 3.2 The IJB's risk management will centre on the business of the IJB. That is the preparation and delivery of the IJB's Strategic Plan. The IJB's risk register will not contain operation risks unless these risks may impact on the business of the IJB
- 3.3 Operational risks – that is the risks around service delivery managed by the partners and implemented through the IJB's directions - will continue to be managed by the appropriate partner. The appropriate partner being the partner delivering the service or the East Lothian Health and Social Care partnership if the service is being delivered by both partners.
- 3.4 The Chief Officer, Chief Finance Officer, Chief Internal Auditor, members of the IJB and partnership staff who support the IJB will be responsible for identifying any operational risks that are sufficiently significant to impact upon the business of the IJB and which can then be entered on the IJB's risk register. However, such a risk will continue to be managed by the appropriate partner(s) and the IJB will require the partner(s) for assurance around the management of that risk.
- 3.5 The IJB is signatory to an Internal Audit information sharing agreement between NHS Lothian, Edinburgh IJB, West Lothian IJB and Midlothian IJB. This agreement will also provide intelligence to the IJB around any other operational or IJB specific risks which can then be added to the IJB's risk register as required.

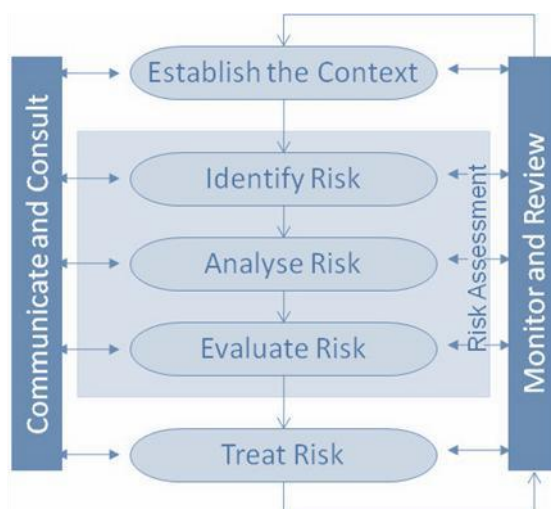
- 3.5 All risk will be analysed in terms of impact on the IJB, the functions delegated to it and the likelihood of occurrence. This analysis will produce an evaluation of risk as being Low, Medium, High or Very High. The IJB's response in relation to adverse risk, or 'risk appetite' is such that:
- 'Low' risk is broadly acceptable without any further action to prevent or mitigate risk;
 - 'Medium' risk is tolerable with control measures that are cost effective;
 - 'High' risk may be tolerable providing the IJB is assured that adequate and effective control measures are in place; and,
 - 'Very High' risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position.

High and Very High risk will be subject to closer scrutiny by the Audit and Risk Committee.

4. Risk Management Philosophy and Objectives

4.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects¹. 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 to play in ensuring that defensible and beneficial 'risk-aware' not 'risk-averse' decisions are made. It ensures that the IJB support its partners to provide high quality services and all staff are aware that every effort has been made to maximise their opportunities to succeed.

4.2 The IJB uses the risk management process shown below².



4.3 Risk Management Objectives

The specific risk management objectives of the IJB are to:

- (i) integrate governance and risk management into the planning and oversight of the operational delivery of the functions delegated to the IJB;
- (ii) create a consistent approach to risk across all services using the adopted process;
- (iii) promote practical measures to reduce the IJB's exposure to risk and potential loss;

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

² Australia/ New Zealand Risk Management Standard, AS/NZS 4360: 2004 and ISO 31000 (2009)

- (iv) define clear lines of responsibility for the management of risk.
- (v) provide a system for monitoring the effectiveness of the risk management framework;
- (vi) provide a system for feedback on the management of key risks to the IJB;
- (vii) comply with legislative requirements; and
- (viii) comply with the requirements of Corporate Governance

4.4 The fundamental principles of Risk Management are to:

- ensure that the Risk Management process takes account of and links to the IJB's objectives;
- to keep the IJB and appropriate senior managers advised of any significant risk management issues;
- to promote an open and fair reporting culture;
- agree clear roles and definitions relating to the accountability, management, escalation and communication of key risks; and
- approach the assessment of risks and opportunities consistently.

5. Benefits of Effective Risk Management

5.1 Effective risk management will contribute to delivering significant benefits for the IJB. The primary benefit is that appropriate, defensible, timeous and best value decisions are made. Such 'risk-aware' decisions should be based on a balanced appraisal of strengths, weaknesses, opportunities and threats, and should enable acceptance of a certain level of risk in order to achieve a particular goal or reward.

5.2 Defensible decision-making means that:

- all reasonable steps in the decision-making process will have been taken;
- all relevant information will have been collected and thoroughly evaluated;
- reliable assessment methods will have been used;
- decisions (and supporting rationales) will have been clearly documented, and
- processes will have been put in place to monitor the effectiveness of the decision outcomes.

5.3 Other benefits would include:

- high achievement of objectives and targets;
- better use and prioritisation of the IJB's resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation;
- avoid duplication of Risk Management issues which affect the partners and bring them together to benefit from good practice.

6. Standard Procedures

6.1 Standard procedures should be fulfilled in order to achieve a consistent approach to effectively implementing risk management.

6.1.1 Full implementation of the continuous risk management process, embedding risk management within IJB's processes so that an assessment of risk as well as costs and benefits becomes routine wherever possible.

- 6.1.2 Identification of risk using standard methodologies and involving managers throughout the service with detailed knowledge of the service and the environment in which it operates.
- 6.1.3 Routine reporting of risk information to the Audit and Risk committee with appropriate escalation to the IJB as required.
- 6.1.4 Periodic re-assessment of individual risks, proportionate to significance of risks (i.e. low and medium risks fully reassessed every two years and significant [high and very high] risks annually) including routine audit of robustness of measures implemented to control risks.
- 6.1.5 Fully document the risks in the risk register and to monitor and carry out an annual review of corporate and service risk registers to ascertain progress and to check for contextual changes affecting the risks.
- 6.1.6 Ongoing proactive identification of new and/or potential risks as a general responsibility of all service areas specifically those where risk is inherently discussed as part of their remit.

6.2 **Formal Groups**

- 6.2.1 **The IJB** will receive a report from the Audit and Risk committee annually laying out the risk register, the risks and the management actions to mitigate them and confirmation that this process is providing an appropriate level of assurance.
- 6.2.2 **Audit and Risk Committee** will scrutinise and review the effectiveness of the implementation of the risk management processes within the IJB. It will also scrutinise and review the Risk Register.
- 6.2.3 Internal Audit is an independent appraisal function within the IJB. Internal Audit will:
 - review, appraise and report on the adequacy and effectiveness of Risk Management arrangements within the IJB, and
 - take into account the IJB's Risk Register when identifying areas to be included in the Annual Audit Plan.

Structural Arrangement and responsibilities

Individuals

7.4.1 Chief Officer

The Chief Officer has ultimate responsibility for ensuring that there are suitable and effective arrangements in place to manage the Council's risks.

7.4.2 IJB Members and any partnership officers supporting the IJB

All IJB members and any partnership officers supporting the IJB should be encouraged to be involved at all levels in identifying current and potential risks where they work. They should make every effort to be aware of situations which place themselves or others at risk, report identified hazards and implement risk reduction measures developed by their service. Risk assessments should encompass all facilities used to deliver services and be completed using the knowledge and experience of all relevant staff and where appropriate service users. This approach will support the formal risk review conducted annually by all services and enable staff to:

- understand the risks that relate to their roles and their activities;
- understand their accountability for particular risks and how they can manage them;
- understand how they can contribute to continuous improvement of risk management;
- understand that risk management is a key part of the IJB's culture;
- report systematically and promptly to the Chief Officer any perceived new risks or failures of

existing control measures

9. Risk Registers

- 9.1 The Chief Officer will establish a Risk Register and they will have responsibility for maintaining the Register.
- 9.2 The information to be contained in both the Corporate Risk Register and the respective Service Risk Registers will be:
- risk identification number;
 - risk description (linked to the achievement of business objectives);
 - likelihood/impact rating;
 - risk rating;
 - controls in place;
 - potential residual risk;
 - planned actions;
 - service or person responsible for planned actions/managing the risk;
 - timescale for completion of action, and
 - evidence of regular review.

10. Strategy Implementation an, communication and review

- 10.1 The IJB's Risk Management Strategy was first discussed by the IJB's Audit and Risk Committee at its December 2017 meeting and presented to the IJB at its February 2018 meeting. The Strategy accurately represents arrangements for managing risk within the IJB at the time of approval. Implementation of this strategy will be underpinned by Risk Management Guidance and the Risk Management Action Plan.
- 10.2 This strategy will be reviewed at periodic intervals of at least every 3 years to ensure that it reflects current standards and best practice in risk management and fully reflects the rapidly changing environment in local government.
- 10.3 This Strategy, having been adopted by the IJB, will be published on the IJB's website

11 . Outputs and Benefits of the Risk Management Strategy

- 11.1 Embedding a Risk Management culture throughout East Lothian IJB is vital to the success of this strategy. The anticipated outputs and benefits of the Risk Management Strategy are:
- Improved service delivery;
 - Better value for money;
 - Improved corporate governance and compliance systems;
 - Improved decision making;
 - Enhanced understanding of the IJB's vulnerabilities;
 - Improved use of resources;
 - Enhanced strategic awareness;
 - Compliance with legislation/ regulation;
 - Adds value to the activities of the organisation, and
 - Increases the probability of success in achieving business objectives.
- 11.2 These outputs and benefits will protect and enhance East Lothian IJB's reputation, which will in turn increase public trust.

East Lothian
Integration Joint Board



RISK MANAGEMENT POLICY

RISK MANAGEMENT

POLICY Executive

Summary

Key elements

The aim of this policy is to embed risk management within the IJB and ensure effective risk management structures are in place, including:-

- A consistent approach to the identification, assessment and management of
- Assurance that all risk control and mitigation measures will be effective, appropriate, proportionate, affordable and flexible. Risk controls will not be implemented where the cost and effort is disproportionate to the expected benefits.
- The requirement of all members of the IJB and staff supporting the IJB to take responsibility for effective management of risk in all aspects
- The promotion of an open and transparent culture to promote the positive identification and management of risk in the organisation.

Minimum Implementation Standards

The IJB shall have a record of its Risks (a risk register) and the Chief Officer is responsible for implementing this policy. The Chief Officer will ensure :-

- There is a process to systematically consider the relevance and management of existing and new risks in their area.
- That all members of the IJB and any officers supporting the IJB are clear of their roles and responsibilities in regard to implementing this policy.

Why is Risk Management Important?

Risk Management can be defined as the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and review progress.

What is a Risk?

Risk can be defined as the combination of the probability of an event and its consequences (ISO/IE Guide73) and how the threat of that event or action will adversely affect the IJB's ability to achieve its objectives, perform its duties or meet the expectations of its stakeholders. Inherent risk, for the

purpose of this document, can be defined as the exposure arising from a specific risk before any action is taken to manage it and residual risk the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective.

Risk exists where there is uncertainty of outcome, either in terms of the assurance on the processes the IJB has in place, or in the IJBs's achievement of its performance organisational objectives and targets.

Risk Management is therefore a process that helps the whole organisation identify areas that require attention and remedial action.

What Should Risk Management Achieve?

Risk management is a central part of any organisation's strategic management. It is the process whereby organisations methodically address the risks attaching to their activities, with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

It should reduce the probability of failure, and increase the probability of success. Risk Management protects and adds value to the IJB and its partners by supporting the organisations objectives by:

- providing a framework that enables future activity to take place in a consistent and controlled manner
- improving decision making and planning and prioritisation by comprehensive and structured understanding of business activity, opportunity and threat

When a risk has been identified, action must be taken to either:

- **Treat:** Eliminate the risk completely, or reduce it to the point where the risk is at an acceptable level.
- **Tolerate:** Where the risk is unavoidable, formally conclude that the risk is of a type that any further action would be disproportionate to the level of risk exposure, and that the risk is therefore at an acceptable level.
- **Transfer the Risk** e.g. insurance cover
- **Terminate the Activity**

The IJB and those officers who support it must be aware that when they have treated the risk they have a responsibility to manage the residual risk through effective systems of controls and monitoring.

When the risk management process has concluded, the IJB should either have an improved response to its assurance need, or improved

organisational performance.

RISK MANAGEMENT POLICY

- The IJB shall have a record of its risks – a risk register
- The IJB shall prioritise its response to its risks in a manner that recognises the objectives of the IJB, and the nature and significance of the risks that are presented.
- The IJB and the Audit and Risk committee shall regularly monitor the current risks, and seek assurance that action is being taken to manage the risks.
- The IJB shall maintain an open and transparent culture to promote the positive identification and management of risk in the organisation.