

## **RISK MANAGEMENT POLICY STATEMENT**

### **Introduction**

#### **What is a Risk**

*An uncertain event or set of events that, should they occur, will have an effect on the achievement of objectives.*

It consists of a combination of the likelihood of a threat, or equally an opportunity, happening and the impact should it happen. Risks are scored and prioritised to ensure they are controlled and managed effectively.

#### **What is Risk Management**

The activities required to identify, understand and control exposure to uncertain events which may threaten the achievement of objectives. Equally, it reflects the activities required to capitalise on opportunities in order to progress the achievement of objectives.

#### **Why is Risk Management Important to the IJB**

The Integration Joint Board (IJB), like all organisations, faces a wide range of risks at all levels of the organisation. The aim of this policy is to communicate why risk management should be undertaken, provide a common risk management language and a description of the approach that will be adopted by the IJB to manage its strategic risks. This policy is supported by the Risk Management Strategy, which is underpinned by the framework, principles, approach and processes set out as professional standards in the Management of Risk (M\_o\_R) Guide and the UK Government Orange Book 'Management of Risks – Principles and Concepts (May 2023)'.

The IJB understands that effective Risk Management is one of the foundations of effective Corporate Governance which has been adopted in its Local Code of Corporate Governance. Compliance with the principles of sound corporate governance requires the IJB to adopt a coherent approach to the identification and effective management of the risks with the outcome that better and more assured risk management will bring many benefits to the IJB, its Partners and the people it serves.

#### **Vision**

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 the Scottish Borders, protecting the health, safety and well-being of everyone who engages with the IJB or for maximising opportunity, delivering innovation and best value, and increasing performance.

The IJB recognises that risk management should be aligned with strategic objectives and will therefore be considered within the strategic planning process. This ensures that the risks to achieving these objectives are identified and prioritised.

The IJB will continue to systematically identify, analyse, evaluate, control and monitor those risks where there is exposure to significant financial, strategic, and reputational damage in relation to the achievement of the IJB's objectives, either through commissioning services from its Partners or arising from its operation as a separate entity.

## **Roles and responsibilities**

### Integration Joint Board

The IJB as a board will:

- approve the Risk Management Framework (i.e. Policy and Strategy) for implementation
- receive and review risk reports on strategic risks to ensure risks to the achievement of objectives are being adequately managed.

The IJB Members will also need to assure themselves that they have adequate information on risks and mitigations linked to report recommendations, to ensure they are fully informed when making decisions covering new priorities, policies and directions.

### IJB Chief Officer (Joint Director Health & Social Care Integration)

The IJB Chief Officer has overall accountability for the IJB's risk management framework, ensuring that suitable and effective arrangements are in place to manage the strategic risks relating to the services delivered under the direction of the IJB. The IJB Chief Officer will:

- regularly review and report the most significant risks threatening IJB strategic objectives, in liaison with the IJB Chief Financial Officer;
- draw to the attention of the IJB any new or escalating strategic risks and associated mitigations to ensure appropriate oversight and action;
- ensure all major decisions, covering new priorities, policies and directions, are subject to a fully considered risk assessment which includes the identification of planned mitigation actions;
- engage with the Chief Executives of the partner organisations to discuss any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes and objectives of the Strategic Framework or the reputation of the IJB;
- foster a supportive culture where all health and social care partnership staff are openly able to discuss and escalate risks appropriately; and;
- support internal and external audits.

### Integrated Risk Forum

The Integrated Risk Forum will review and maintain IJB risk management policy and strategy, ensure these are communicated effectively, and ensure processes are in place to embed these in the IJB's culture and working practices in collaboration with the Partners. The Integrated Risk Forum (comprised of risk professionals from Scottish Borders Council (SBC) and NHS Borders) will be led by the Chief Officer Audit & Risk (SBC).

### Corporate Risk Officer (SBC)

The Corporate Risk Officer (SBC) will support the management of risk in the IJB by: ensuring that the processes and procedures are followed; ensuring that a strategic risk register is in place and reviewed; preparing management reports; offering training and support; and facilitating risk workshops.

### IJB Audit Committee

The IJB Audit Committee will scrutinise the adequacy and effectiveness of the IJB's risk management arrangements and consider the assurances on compliance with an appropriate risk management strategy within annual governance reports.

## **Risk appetite, tolerance and capacity**

Risk appetite is how much risk the IJB is willing to seek and accept, which must be compatible with the level of risk it can tolerate associated with its capacity to bear and manage the consequences of a risk should it materialise. A consistent approach to identifying and analysing risk will be followed, using the IJB Risk Matrix as a guide. This will be supported by the Risk Management Strategy to ensure that the IJB, nor its stakeholders, are exposed to an unknown, unmanaged or unacceptable degree of risk.

## **Risk management process**

Risk management is not a one-off exercise. It is a continuous process because the decision-making processes it underpins are continuous. Risk management must become an integrated part of good management within the IJB, but not be over bureaucratic and a process for its own justification. To these ends it will be aligned with the strategic planning process and the performance monitoring and reporting schedule.

Risk management will be applied to every activity relating to the IJB. It will be part of the decision-making process when developing and reviewing strategic plans, and when commissioning services from Partners through the use of Directions. This will be supported by the Risk Management Strategy to ensure the consistent application of the risk management framework.

## **Reporting for Assurance Purposes**

Reporting, to support fulfilment of roles and responsibilities set within the Policy, will include:

- Bi-annual strategic risk register update reports to the IJB.
- Annual assurance report to the IJB Audit Committee on the application of the risk management framework.

## **Policy Review**

The Risk Management Policy, Strategy and process for the IJB will be reviewed annually to ensure their continued relevance and effectiveness. Assurances and any recommended areas for improvement received from Internal Audit and External Audit, as well as best practice and lessons learned shared across the public sector on risk management, will be considered as part of the annual review process. This policy will be subject to document control, version control, and will be revised every three years to reflect changes in legislation, risk management best practice, and significant changes in corporate governance.