

Scottish Borders Health and Social Care Partnership Integration Joint Board Audit Committee

18 March 2024

Report by: Chris Myers, Integration Joint Board Chief Officer

IJB RISK MANAGEMENT UPDATE 2023/24



1. PURPOSE AND SUMMARY

- 1.1. **The purpose of this report is to set out to members of the IJB Audit Committee, for their scrutiny and oversight, the risk management arrangements that have been applied in practice during the last 12 months.**
- 1.2. Effective Risk Management is one of the foundations of effective governance and is recognised in the IJB Local Code of Corporate Governance. Compliance with the principles of good governance requires the IJB to adopt a coherent approach to the management of risks that it faces in the achievement of its strategic objectives. Better and more assured risk management will bring benefits to the IJB, its Partners and the people it serves.
- 1.3. Management, led by the IJB Chief Officer, have the primary responsibility to systematically identify, analyse, evaluate, control and monitor the strategic risks relating to the services delivered under the direction of the IJB. Internal Audit is required to give independent assurance on the effectiveness of all internal controls and other arrangements put in place by Management to manage risk. Part of the IJB Audit Committee's role is to scrutinise the adequacy and effectiveness of the IJB's risk management arrangements.
- 1.4. A refreshed IJB Risk Management Policy statement and updated 3-year IJB Risk Management Strategy 2023-2026 were approved by the IJB on 24 January 2024. This will enable the IJB to refine its approach to managing its strategic risks and embed these key aspects into the management practices of the IJB and its Partners.

2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board Audit Committee is asked to: -**
 - a) Note that a refresh of the IJB Strategic Risk Register has been undertaken during 2023/24 to better align with strategic objectives set out in the Strategic Framework, underpinning the objectives of integration and achievement of health and wellbeing outcomes.
 - b) Acknowledge the improvements in the application of risk management within the IJB during 2023/24 that have been reflected in the refreshed IJB Risk Management Policy and the updated 3-year IJB Risk Management Strategy 2023-2026.
 - c) Note the benefits for the IJB that accrue from more systematic and assured risk management.

3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

3.1. It is expected that the proposal will indirectly impact on the Health and Social Care (H&SC) Strategic Framework Objectives and Ways of Working as indicated below because the application of sound risk management practices, through the management and review of the refreshed IJB Strategic Risk Register will underpin, support, and facilitate their achievement.

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
X	X	X	X	X	X

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
X	X	X	X	X	X

4. INTEGRATION JOINT BOARD DIRECTION

4.1. A Direction is not required.

5. BACKGROUND

5.1. The IJB, as strategic commissioner of health and social care services, gives directions to NHS Borders (NHSB) and Scottish Borders Council (SBC) for delivery of the services in line with the Strategic Plan. The Scheme of Integration sets out how the managerial arrangements across the integrated arrangements flow back to the IJB and the Chief Officer. These arrangements are further supported by the IJB’s Local Code of Corporate Governance.

5.2. Effective Risk Management is one of the foundations of effective governance and is recognised in the IJB Local Code of Corporate Governance. Compliance with the principles of good governance requires the IJB to adopt a coherent approach to the management of risks that it faces in the achievement of its strategic objectives. Better and more assured risk management will bring benefits to the IJB, its Partners and the people it serves.

5.3. It is important that the IJB has its own robust risk management arrangements in place because if objectives are defined without taking the risks into consideration, the chances are that direction will be lost should any of these risks materialise. A refreshed IJB Risk Management Policy statement and updated 3-year IJB Risk Management Strategy 2023-2026 were approved by the IJB on 24 January 2024. This will enable the IJB to refine its approach to managing its strategic risks and embed these key aspects into the management practices of the IJB and its Partners.

- 5.4. Management, led by the IJB Chief Officer, have the primary responsibility to systematically identify, analyse, evaluate, control and monitor the strategic risks relating to the services delivered under the direction of the IJB.
- 5.5. The vision within the Risk Management Policy states that: “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.” Knowledge of the strategic risks faced by the IJB and associated mitigations will enable the Board members to be more informed when making business decisions.
- 5.6. Internal Audit is required to give independent assurance on the effectiveness of all internal controls and other arrangements put in place by Management to manage risk, and to make recommendations designed to improve the management and mitigation of risks, in particular where there is exposure to significant financial, strategic, and reputational risk to the achievement of the IJB’s objectives. Internal Audit assurance services are provided to the IJB by Scottish Borders Council’s Internal Audit function, including the appointed IJB Chief Internal Auditor, to meet statutory internal audit requirements.
- 5.7. Part of the IJB Audit Committee’s role is to 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.

6. APPLICATION OF RISK MANAGEMENT WITHIN THE IJB

- 6.1. The vision within the Risk Management Policy states that: “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.”
- 6.2. In accordance with the Risk Management Policy and Strategy, the IJB Chief Officer carries out a review of the IJB Strategic Risk Register on a quarterly basis, supported by SBC’s Corporate Risk Officer. As part of the development of the Strategic Framework, the Strategic Objectives were identified to mitigate the ‘mission critical’ strategic risks and issues impacting on the delivery of the Health and Social Care Partnership and on the health and wellbeing outcomes of the population of the Scottish Borders. The purpose of these sessions was to reframe and refresh the IJB Strategic Risk Register to ensure strong alignment with the role and remit of the IJB, support and underpin the objectives of integration and the specific Strategic Objectives identified in the Framework.
- 6.3. The Risk Management Policy and Strategy states that six monthly risk reviews should be presented to the IJB each year. The first strategic risk update report of 2023 was presented to the IJB at its meeting on 15 March 2023, outlining the progress made during December 2022 to review the IJB Strategic Risk Register in alignment with the development of the new Health and Social Care Strategic Framework 2023-2026. The second strategic risk update report of 2023 was presented to the IJB at its meeting on 15 November 2023 to allow time to be spent on refreshing and reframing the strategic risk register to better align it with the Strategic Objectives set out in the Health and Social Care Strategic Framework 2023-2026. This practice was consistent with that stated as the Vision within the Risk Management Policy “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.”










- 6.4. Reliance is placed on the risk management arrangements within the Partner organisations in respect of the operational delivery of commissioned services. As stated in the IJB Risk Management Strategy, any of these risks that significantly impact on the delivery of the IJB Strategic Commissioning Plan will be escalated to the IJB Chief Officer for consideration.
- 6.5. To facilitate stronger and more cohesive partnership working between the IJB, NHS Borders (NHSB) and Scottish Borders Council (SBC), in the context of risk management, NHSB's Risk Manager has been included in both the discussions held in relation to the IJB Strategic Risk Register during 2023 as well as the risk register development sessions held in October 2023. This new approach has been beneficial in that it has enabled the risk register to be refreshed with input from all three partners and nurture a shared sense of ownership in terms of the work progressed by partners and the impact this then has on the management of IJB Strategic Risks.
- 6.6. To further support and enhance partnership working, an Integrated Risk Forum was established during Summer 2023. The Forum meets monthly and is attended by SBC's Chief Officer Audit & Risk, SBC's Corporate Risk Officer and NHSB's Risk Manager. The Forum enables its members to learn about the risk management arrangements in place within the two organisations, share best practice knowledge and expertise and undertake engagement on key pieces of work such as reviewing and updating the IJB's Risk Management Policy Statement and Risk Management Strategy. It is envisaged that the creation of this Forum and the close partnership working it enables will ultimately support and enhance the effective management of IJB Risks and the achievement of its Strategic Objectives.
- 6.7. At its meeting on 18 December 2023, the IJB Audit Committee considered the refreshed IJB Risk Management Policy statement and updated 3-year IJB Risk Management Strategy 2023-2026, as an opportunity to scrutinise the risk management framework, endorsed them for IJB approval, and recommended a discussion on the risk management approach in practice be arranged as part of an IJB Development Session in 2024.
- 6.8. At its meeting on 24 January 2024 the IJB: approved the refreshed IJB Risk Management Policy statement and updated 3-year IJB Risk Management Strategy 2023-2026; acknowledged the role and responsibilities of the IJB and IJB Audit Committee within the IJB Risk Management Policy; noted the reporting for assurance purposes on the efficacy of risk management arrangements within the IJB Risk Management Policy; and agreed to the proposal by the IJB Audit Committee to have a discussion on the risks management approach in practice as part of an IJB Development Session in 2024.
- 6.9. As the management of risk is an iterative process, the IJB Strategic Risk Register is not a static document and will continue to evolve over time to reflect new and emerging threats and opportunities as well as any new strategic objectives set out in future iterations of the Health & Social Care Strategic Framework. Part of this systematic and continuous process involves revisiting the Strategic Risk Register at regular intervals to assess its continued relevance and where appropriate make changes to ensure that it remains reflective of the IJB's aims and objectives and captures and manages those risks that threaten their achievement. In the same vein this continuous process requires that risks which are no longer relevant should be retired but archived to ensure that an effective audit trail is maintained.

Conclusion

- 6.10. The above demonstrates that appropriate and effective risk management practice is being embraced throughout the IJB, in keeping with the Vision stated in the IJB Risk Management Policy. Knowledge of the strategic risks faced by the IJB and associated mitigations will enable the Board members to be more informed when making business decisions.

7. STRATEGIC RISK REGISTER

7.1. The Table below illustrates the updated IJB Strategic Risk Register that was presented to the Board at its meeting on 15 November 2023 following its refresh during 2023:

Risk Title	Risk Description	Current Risk Score
Increasing Demand & Financial Constraints	If we fail to ensure the effective and efficient delivery of delegated services within available budgets, in the context of increasing demand and resource constraints, then it could lead to poorer Health & Wellbeing Outcomes for the population and result in an inability to support the achievement of the Objectives contained within the Strategic Framework.	25 Almost Certain – Severe 
Operating as a Separate Entity & Close Partnership Working	If the IJB does not operate effectively as a separate entity in partnership with Communities, the Council and the Health Board then there could be a failure in the delivery of the principles of integration and we may not achieve our objectives or deliver positive outcomes.	9 Possible – Moderate 
Legislative & Regulatory Compliance	If the IJB fails to comply with legislative and regulatory requirements it could lead to legal breaches and result in fines and/or prosecution.	8 Unlikely – Major 
National Care Service Bill	SG's National Care Service Bill (ultimately disbanding Scottish IJBs) could result in partners ceasing to engage with the IJB, subsequently leading to negative impacts on the achievement of IJB objectives and the communities it serves.	6 Unlikely – Moderate 
Improving Access to Services	If we do not resolve long waiting times for services (incl. preventative services) then this will adversely impact upon the health and wellbeing outcomes of our communities and could result in inequalities, loss of confidence in the Health & Social Care Partnership. As a result population need could become more acute and we could see a deterioration in outcomes and an increase in resource use.	16 Likely – Major 
Rising to the Workforce Challenge	If the market and workforce conditions in the Scottish Borders are not conducive to attract and sustain External Providers, sufficient salaried workforce and NHS & SBC staff then there is a risk that H&SC provision will be challenging to sustain, resulting in an inability to provide appropriate H&SC services for our population and increased Health Board & Council service provision. This will result in associated increased resource use and negatively impact on people's health and wellbeing, leading to increased failure demand.	16 Likely – Major 
Prevention & Early Intervention	If we fail to evolve from a focus on crisis management to having a strong focus on prevention and early intervention then there is a risk that the health and wellbeing of the population deteriorates resulting in poorer outcomes for the population, increased resources in terms of service delivery and reputational damage.	12 Possible – Major 
Supporting Unpaid Carers by getting Services for the cared for right	If we do not appropriately support the 'cared for' then there is a risk that the health and wellbeing of unpaid carers is negatively affected leading to poorer outcomes, increased demand for care & health support services and increased partnership resource requirements to support this.	16 Likely – Major 
Poverty & Inequalities	A rise in poverty and inequalities, linked to the current economic climate, could lead to an increase in inequality and worsening health and wellbeing amongst our population with poorer outcomes, greater need and higher resource requirements to address this need. This could be compounded if we fail to make best use of community assets and improve the social determinants of health.	12 Possible – Major 

8. Community Health and Wellbeing Outcomes

8.1. The refresh and reframing of the IJB Strategic Risk Register during 2023 to align it with the H&SC Strategic Framework 2023-2026 will indirectly support the delivery of all Community Health and Wellbeing Outcomes through the effective management of associated risks and the progression of actions that will underpin their achievement.

N	Outcome description	Increase / Decrease / No impact
1	People can look after and improve their own health and wellbeing thus live in good health for longer.	Delivery supported by IJB Strategic Risk Register.
2	People, including those with disabilities or long-term conditions, or who are frail, can live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	Delivery supported by IJB Strategic Risk Register.
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	Delivery supported by IJB Strategic Risk Register.
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	Delivery supported by IJB Strategic Risk Register.
5	Health and social care services contribute to reducing health inequalities.	Delivery supported by IJB Strategic Risk Register.
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	Delivery supported by IJB Strategic Risk Register.
7	People who use health and social care services are safe from harm.	Delivery supported by IJB Strategic Risk Register.
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care, and treatment they provide.	Delivery supported by IJB Strategic Risk Register.
9	Resources are used effectively and efficiently in the provision of health and social care services.	Delivery supported by IJB Strategic Risk Register.

8.2. The purpose of this report is to provide assurance to the IJB Audit Committee that the strategic risks to the achievement of objectives are being adequately managed. This report content outlining the application of risk management of the IJB confirms that quarterly risk reviews are being undertaken by the IJB Chief Officer and that the Board is kept informed of the IJB's key risks and the actions undertaken to manage these risks.

Financial impacts

8.3. There are no costs attached to any of the recommendations contained in this report.

Equality, Human Rights and Fairer Scotland Duty

8.4. There are no equalities impacts arising from the report.

Legislative considerations

- 8.5. Good governance will enable the IJB to pursue its vision effectively as well as underpinning that vision with mechanisms for the control and management of risk.

Climate Change and Sustainability

- 8.6. There are no climate change or sustainability impacts arising from this report.

Risk and Mitigations

- 8.7. Risk Management arrangements will assist the IJB in making informed business decisions and provide options to deal with potential problems in line with its agreed Risk Management Strategy within its governance arrangements.
- 8.8. The purpose of this report is to provide assurance to the IJB Audit Committee that the strategic risks to the achievement of objectives are being adequately managed. This report content outlining the application of risk management of the IJB confirms that quarterly risk reviews are being undertaken by the IJB Chief Officer and that the Board is kept informed of the IJB's key risks and the actions undertaken to manage these risks.

9. CONSULTATION

Communities consulted:

- 9.1. While there has been no requirement to undertake formal consultation regarding this report, engagement has taken place with several identified H&SC Partnership staff to seek their views and input on the refreshed IJB Strategic Risk Register. This engagement will continue as the risk register evolves and the key aims of doing so are to raise awareness of IJB Risk Management arrangements, help to nurture shared ownership of Strategic IJB Risks and provide ongoing opportunities for feedback.

Integration Joint Board Officers consulted:

- 9.2. The application of the risk management arrangements of the IJB has been undertaken by the IJB Chief Officer in collaboration with SBC's Chief Officer Audit & Risk, SBC's Corporate Risk Officer and NHSB's Risk Manager.

Approved by:

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Background Papers: The IJB Strategic Risk Update and summary Risk Register presented to the IJB on 15 November 2023 (Item 9).

Previous Minute Reference: IJB Audit Committee 20 March 2023

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