

AGENDA ITEM

8

Title/Subject: Risk Management Arrangements
Meeting: Integration Joint Board Audit Committee
Date: 25 September 2018
Submitted By: Chief Officer
Action: For Noting

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Audit Committee with an update on the issues previously raised around risk management arrangements and to set out a proposed way forward, including the consultancy work from Internal Audit.

2. RECOMMENDATION

The Audit Committee are asked:

- 2.1 note the report
2.2 agree the proposed way forward set out in section 5

3. BACKGROUND

- 3.1 The Falkirk Integration Scheme makes specific reference to Risk Management and Support Services. In relation to Risk Management two sections below are of most relevance:

- 13.2 The Parties will commit all necessary resources to support risk management by the Integration Joint Board
- 13.10 The Parties will support the Integration Joint Board to:
 - establish risk monitoring and reporting as set out in the RM framework; and
- maintain the risk information and share with the Parties within the timescales specified.

- 3.2 In relation to Support Services, the Integration Scheme notes that

- 4.4 The Parties will provide the corporate services agreed pursuant to paragraphs 4.2 and 4.3 to the Integration Joint Board, and the provision of such support will be reviewed annually by the Parties and Integration Joint Board to ensure that the necessary support is being provided.

Risk management arrangements form part of the support services that partner organisations provide to the IJB.

3.2 The terms of reference of the Audit Committee require the committee to:

“ensure existence of and compliance with an appropriate Risk Management Strategy. Review risk management arrangements and receive regular risk management updates and reports”.

3.3 The Audit Committee has previously agreed to receive a quarterly update on the Strategic Risk Register and six-monthly updates on the Risk Management Improvement Plan. This timetable of risk reports could be reviewed once the risk level of the IJB reduced.

3.4 In the past the Head of Governance within NHS Forth Valley and the Corporate Risk Coordinator from Falkirk Council worked together to produce a robust risk management system. This system requires ongoing review and updating to ensure our risk landscape is comprehensive and understood by all parties.

3.5 A report to the March 2018 Audit Committee noted that due to capacity pressures, particularly around changes to key personnel within the NHS, it had not been possible to delivery the six monthly Risk Management Improvement Plan reports. A further report to the June 2018 Audit Committee provided further update, including that NHS Forth Valley had identified administrative support for risk management and that Internal Audit had agreed to provide some consultancy support to the IJB. Falkirk Council have committed to continuing the Corporate Risk Coordinator support, noting that appropriate support from NHS Forth Valley will still be required.

4. CURRENT POSITION

4.1 Due to the ongoing review of risk management arrangements at NHS Forth Valley, details of the administration support to be provided to the IJB have not yet been provided, although the Chief Executive of NHS Forth Valley has confirmed that she will provide support to the Falkirk Leadership Team. We have not confirmed how this support will work in practice in terms of risk assessment, preparation of risk improvement plans etc. However, NHS Forth Valley are keen to develop their risk management arrangements further. We are keen to work with NHS Forth Valley to ensure the two sets of risk management arrangements align and complement each other.

5. PROPOSED WAY FORWARD

5.1 The Chief Finance Officer and Chief Internal Auditor met to take forward plans to review risk management arrangements for the IJB. Whilst the risk management process is clearly owned by the IJB, it requires support from the Partners. Internal Audit will be able to help the IJB to improve and refine our approach and set out a measurable plan.

5.2 The work with Internal Audit will help the IJB to:

- Identify principles to adopt which will underpin the risk management system using recognised risk management methodologies. A key principle will be that the Strategic Plan is the starting point for identifying risk. The principles will also clarify the arrangements for Strategic versus Operational risks and

assurance arrangements to and from the Partners.

- Set a timetable to be brought back to the Audit Committee in December 2018 which highlights the work required and an appropriate timeframe for delivery.
- Review the Strategic Risk Register at an early stage in the process – informed by the updated Strategic Plan for 2019-22.
- Provide assurance on the final product- Internal Audit will confirm that the principles and approach to be adopted are adequate and then confirm that the implementation has been effective

5.3 To help improve the work on the Strategic Risk Register it is proposed that a risk management workshop is set up with the Board and potentially other Senior Managers. There is scope for this type of workshop to become an annual event, ensuring a robust Strategic Risk Register is maintained and monitored.

5.4 To help facilitate this work, it is proposed that the Health and Social Care Partnership enhances its risk management resource on a temporary basis. Funding is being identified to help facilitate this and an update will be provided to the IJB and Audit Committee.

6. CONCLUSIONS

6.1 The report summarises the current position with risk management arrangements and the proposed way forward.

Resource Implications

At this stage there are no resource implications arising from this report. The embedding of risk management is currently dependent on the continued resource commitment of partner organisations. However, consideration may need to be given to identifying resource to ensure this essential role is filled.

Impact on IJB Outcomes and Priorities

Key risks are failure to identify and manage the risks associated with achieving the outcomes and priorities detailed within the Strategic Plan and other plans.

Legal & Risk Implications

The key risks are failure to effectively:

- Implement the Risk Management Strategy
- Identify and assess risks associated with delivering the Strategic Plan and other plans
- Meet the requirements of the Integration Scheme
- Mitigate the potential impact on Falkirk Council and/or NHS reputational risk
- Align risk and performance arrangements.
- Provide assurances that risks are being managed effectively.

Consultation

N/A

Equalities Assessment

N/A

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Date: 12 September 2018

List of Background Papers: The papers that may be referred to within the report or previous papers on the same or related subjects.