

Agenda Item 4

Strategic Risk Register



Falkirk Integration Joint Board Audit Committee

17 June 2022

Strategic Risk Register

For Consideration and Comment

1. Executive Summary

- 1.1 This paper provides an update on the IJB's strategic risk register.
- 1.2 No new risks have been added to the register since the last version presented to the Audit Committee on 11th March 2022
- 1.3 As a result, there are currently 9 live risks recorded in the register, 8 are currently considered as high risk and 1 as medium risk.

2. Recommendations

The Audit Committee is asked to:

- 2.1 Consider and comment on the high-level summary of the strategic risk register presented at section 4.1.
- 2.2 Consider and comment on the detailed [strategic risk register](#).

3. Background

- 3.1 Effective risk management is a fundamental aspect of good corporate governance and plays a key role in supporting delivery of the IJB's strategic plan and associated priorities.
- 3.2 The IJB is responsible for implementing a governance framework and system of internal control which is designed to identify, respond to and manage risk. Material risks which cannot be mitigated to an acceptable level are included in and monitored as part of the IJB's strategic risk register.
- 3.3 The strategic risk register is routinely reviewed and updated by the HSCP Senior Leadership Team and Audit Committee on a quarterly basis and is presented to the IJB biannually.

4. Strategic Risk Register

- 4.1 9 active strategic risks have been identified for 2022/23 (8 are considered as high risk and 1 as medium risk) as summarised in the table below. There has been no change in status of the risks reported and no new risks have

been added since the update that was presented at the last meeting.

Risk Heading	Lead Officer(s)	Current Risk (with controls)	Target Risk (after actions)	Last Reviewed	Change
1. Funding and /or demographic pressures	Chief Finance Officer	High	High	May 2022	↔
2. Governance arrangements	Chief Officer	Medium	Medium	May 2022	↔
3. Partnerships	Heads of Integration/Senior Service Manager	High	Low	May 2022	↔
4. Capacity and infrastructure	Chief Officer Heads of HR	High	Low	May 2022	↔
5. Assurance	Senior Service Manager/Medical Director/CSWO	High	High	May 2022	↔
6. Commissioning	Heads of Integration/ Head of Procurement, Housing & Property	High	Low	May 2022	↔
7. Whole Systems Transformation	Director of Acute Services/Heads of Integration	High	Low	May 2022	↔
8. Resilience & Business Continuity	Heads of Integration/Chief Finance Officer	High	Medium	May 2022	↔
9. Primary Care	General Manager (primary care)	High	Medium	Mar 2022	↔

Risk Categories	Delivery of Strategic Plan (Risks 1-4)					
	Performance, Oversight & Quality Control (Risks 5-6)					
	Specific High Level Risks (Risks 7-9)					
Risk Rating Key	no change	↔	reduced	↓	increased	↑

- 4.2 The detailed risk register is provided by following this [link](#). This should be read in conjunction with the risk assessment scoring matrix at appendix 1.
- 4.3 Note that a meeting was held with NHS Forth Valley and Clackmannanshire and Stirling IJB colleagues on 3 May 2022 to progress a range of longstanding residual actions in respect of integration. A renewed action plan is currently being prepared to ensure that full integration of key health services is achieved as soon as possible. As part of this, NHS Forth Valley's Corporate Risk Manager will undertake a detailed review of risk associated with integration. This review is intended to be completed by 27 June 2022, further information will be shared with the IJB and Audit Committee

thereafter.

5. Conclusions

- 5.1 9 active strategic risks have been identified for 2021/22 at this stage. These will continue to be subject to regular review as part of the IJB's risk management framework.

Resource Implications

There are no specific resource implications arising from this report. However, it is recognised that the ability to successfully incorporate risk management policies and procedures across the IJB is reliant on the provision of specific support from both Partners in line with the requirements of the Integration scheme.

Impact on IJB Outcomes and Priorities

The ability to effectively respond to and manage risk is critical to the achievement of IJB outcomes and priorities.

Directions

A new Direction or amendment to an existing Direction is not required as a result of the recommendations of this report.

Legal & Risk Implications

There are a number of legal and risk implications relating to:

- the potential adverse impact on achievement of the IJB's strategic plan and associated priorities if an effective risk management strategy is not embedded across the organisation
- the ability to meet the requirements of the integration scheme
- Corporate assurance that risks are being managed effectively
- potential financial, operational, and reputational risks to the IJB, Falkirk Council and NHS Forth Valley.

Consultation

The Strategic Risk Register has been developed in consultation with the Senior Leadership Team, IJB Audit Committee, Falkirk Council and NHS Forth Valley.

Equalities Assessment

N/A

6. Report Author

- 6.1 Jillian Thomson, Chief Finance Officer

7. List of Background Papers

7.1 None

8. Appendices

Appendix 1	Risk Assessment Scoring Matrix
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APPENDIX 1

In using the matrix (overleaf) you should consider the potential areas of impact that your risk presents to Falkirk IJB and score appropriately. The final assessment of the impact of your risk is not an aggregation of your scores - it is based on your highest score in any one of the following categories. They are provided as a guide and professional assessment will determine the most applicable impact score. The highest scoring impact will determine the risk category and target score for the risk.

Impact – What could happen if the risk occurred? Assess for each category and use the highest score identified.

The impact scale is from an organisational level perspective. It reflects the key areas that if impacted could prevent the organisation achieving its priorities and objectives. The scale is a guide and cannot cover every type of impact therefore judgement is required.

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Patient or Service user Experience	Reduced quality patient experience/clinical outcome not directly related to delivery of clinical care	Unsatisfactory patient experience/clinical outcome directly related to care provision – readily resolvable	Unsatisfactory patient experience/ clinical outcome, short term effects – expect recovery less than 1wk Increased level of care/stay less than 7 days	Unsatisfactory patient experience /clinical outcome, long term effects - expect recovery over more than 1week Increased level of care/stay 7 -15 days	Unsatisfactory patient experience/clinical outcome, continued ongoing long term effects
Objectives/ Project	Barely noticeable reduction in scope/quality/ schedule	Minor reduction in scope/quality/ schedule	Reduction in scope/quality/project objectives or schedule	Significant project over-run	Inability to meet project/corporate objectives, reputation of the organisation seriously damaged

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Injury /illness (physical and psychological) to patient/service user/visitor/staff/carers	Adverse event leading to minor injury not requiring first aid No staff absence	Minor injury or illness, first aid treatment required Up to 3 days staff absence	Agency reportable, e.g. Police (violent and aggressive acts) Significant injury requiring medical treatment and/or counselling RIDDOR over 7- day absence due to injury/dangerous occurrences	Major injuries/long term incapacity /disability (e.g. loss of limb), requiring, medical treatment and/or counselling RIDDOR over 7- day absence due to major injury/dangerous occurrences	Incident leading to death(s) or major permanent incapacity
Complaints/Claims	Locally resolved verbal complaint	Justified written complaint peripheral to clinical care	Below excess claim. Justified complaint involving lack of appropriate care	Claim above excess level. Multiple justified complaints	Multiple claims or single major claim Complex Justified complaint
Service/ Business Interruption	Interruption in a service which does not impact on the delivery of patient care or the ability to continue to provide service	Short term disruption to service with minor impact on patient care/service provision	Some disruption in service with unacceptable impact on patient care Temporary loss of ability to provide service Resources stretched Potentially impaired operating capability Pressure on service provision	Sustained loss of service which has serious impact on delivery of patient care resulting in major contingency plans being invoked Potentially impaired operating capability Temp service closure	Permanent loss of core service/ facility Disruption to facility leading to significant “knock on” effect -- Inability to function
Staffing and Competence	Short term low staffing level temporarily	Ongoing low staffing level	Late delivery of key objective/service /care due to lack of staff	Uncertain delivery of key	Non-delivery of key objective/

Category	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
	<p>reduces service quality (less than 1 day)</p> <p>Short term low staffing level (>1 day), where there is no disruption to patient care</p>	<p>reduces service quality</p> <p>Minor error due to lack of/ ineffective training/ implementation of training</p>	<p>Moderate error due to lack of/ ineffective training / implementation of training</p> <p>Ongoing problems with staffing levels</p>	<p>objective/service/care due to lack of staff</p> <p>Major error due to lack of/ ineffective training / implementation of training</p>	<p>service/care due to lack of staff.</p> <p>Loss of key staff Critical error due to lack of/ ineffective training/ implementation of training</p>
Financial (including Damage/Loss/Theft/ Fraud)	Negligible organisational/ personal financial loss up to £100k	Minor organisational/ personal financial loss of £100k - £250K	Significant organisational/personal financial loss of £250k - £500k	Major organisational/personal financial loss of £500k - £1m	Severe organisational financial loss of more than £1m
Inspection/ Audit	Small number of recommendations which focus on minor quality improvement issues	Recommendations made which can be addressed by low level of management action	<p>Challenging recommendations that can be addressed with appropriate action plan</p> <p>Improvement Notice</p>	<p>Enforcement/prohibition action</p> <p>Low Rating</p> <p>Critical report</p>	<p>Prosecution</p> <p>Zero rating</p> <p>Severely critical report</p>
Adverse Publicity/ Reputation	<p>Rumours, no media coverage</p> <p>Little effect on staff morale</p>	<p>Local media coverage – short term</p> <p>Some public embarrassment</p> <p>Minor effect on staff morale/public attitudes</p>	<p>Local media - long-term adverse publicity</p> <p>Significant effect on staff morale/public perception of the organisation</p> <p>Local MSP/SEHD interest</p>	<p>National media adverse publicity less than 3 days</p> <p>Public confidence in the organisation undermined</p> <p>Use of services affected</p>	<p>National/International media/ adverse publicity, more than 3 days</p> <p>MSP/MP/SEHD concern (Questions in Parliament)</p> <p>Court Enforcement/Public Enquiry/FAI</p>

Likelihood – What is the likelihood of the risk occurring? Assess using the criteria below.

Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
It is assessed that the risk is <u>very unlikely</u> to ever happen.	It is assessed that the risk is <u>not likely</u> to happen.	It is assessed that the risk <u>may</u> happen.	It is assessed that the risk is <u>likely</u> to happen.	It is assessed that the risk is <u>very likely</u> to happen.
Will only occur in exceptional circumstances	Unlikely to occur but potential exists	Reasonable chance of occurring - has happened before on occasions	Likely to occur - strong possibility	The event will occur in most circumstances

Risk Assessment Table – Multiply likelihood score by impact score to determine the risk rating (score).

LIKELIHOOD	5	Medium 5	High 10	High 15	Very High 20	Very High 25
	4	Medium 4	Medium 8	High 12	High 16	Very High 20
	3	Low 3	Medium 6	Medium 9	High 12	High 15
	2	Low 2	Medium 4	Medium 6	Medium 8	High 10
	1	Low 1	Low 2	Low 3	Medium 4	Medium 5
		1	2	3	4	5
		IMPACT				

Review Timescales – When a risk rating has been assigned the criteria below should be used to assess the review timescales.

Very High or High	Requires monthly monitoring and updates.
Medium	Requires quarterly monitoring and updates.
Low	Requires 6 monthly monitoring and updates.