



Risk Management Strategy 2020 - 2021

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CONTENTS

1. INTRODUCTION 2

2. NHS 24 STRATEGIC OBJECTIVES 2

3. RISK MANAGEMENT OBJECTIVES 3

4. NHS 24 VALUES 5

5. OUR APPROACH TO RISK MANAGEMENT 5

6. RISK MANAGEMENT SOFTWARE 6

7. TRAINING, LEARNING & DEVELOPMENT 6

8. OPERATIONAL & STRATEGIC PLANNING 6

9. STAKEHOLDER ENGAGEMENT & REPUTATION 6

10. PROJECT & PROGRAMME MANAGEMENT 7

11. ASSURANCE 7

12. GOVERNANCE & ACCOUNTABILITY 7

13. PROCEDURES 9

14. REVIEW & REPORTING 9

1. Introduction

The purpose of this document is to outline how NHS 24 will further embed its risk management processes to support the NHS 24 achieve its corporate objectives. The risk management strategy drives risk management forward and integrates it within the culture and values of the organisation.

Risk is defined as the "effect of uncertainty on objectives", whether positive opportunity or negative threat, or a deviation from what is expected. Risk has to be assessed and managed in respect of the combination of likelihood of something happening, and the impact arising. Risk is inextricably linked to objectives of the organisation.

Risks are considered in relation to achieving the annual operating plan objectives and strategic objectives of the organisation.

Risk management is an essential component to the strategic management of NHS 24. It is the process whereby the organisation methodically addresses the risks to the corporate activities. Risk management is a continuous process that supports the development and implementation of the NHS 24 strategy. Integrating a risk aware culture will support the development of strategic risk management into tactical and operational objectives.

This Strategy and Framework applies to all services provided by NHS 24 to all systems and processes that support these services, and to all NHS 24 employees, contractors and 3rd party suppliers will be made aware of the risk management process within the organisation.

2. NHS 24 Strategic Objectives

NHS 24 published its 2017-2022 Strategy and 5-year business case in June 2017. In June 2019, NHS 24 commenced a review of its 2017-2022 Strategy to confirm its strategic direction is still valid for NHS 24, the wider health and care service in Scotland and other public and third sector partners, and to consider any impact arising from Scottish Government priorities and policy developments advised since our Strategy was approved in 2017. The progress review of the NHS 24 Strategy has helped frame the development of our key priorities to the end of 2020/21 and into 2021/22.

Annual Operational Plan (AOP) 2020/21-23

Before the COVID-19 pandemic, NHS 24 had, in consultation with SG, developed its key strategic objectives and associated priorities, in the form of our 3 Year Operational Plan which would further evolve and provide the NHS 24 core plan until 2023.

Our Strategic Objectives

As part of the development of our 3 Year Operational Plan, and review of our 2017-2022 Strategy, NHS 24 developed revised strategic objectives alongside the ministerial priorities and current programmes of work. We identified two strategic objectives, as follows:

- 1) Continuous development and delivery of high quality accessible, safe **SERVICES**
- 2) Making a valued contribution to sustainable **WHOLE HEALTH & CARE SYSTEM REFORM**

To support the delivery of these, we also identified two enabling objectives:

- 3) Adaptable, engaged, skilled **WORKFORCE**
- 4) An integrated **INFRASTRUCTURE** to enable delivery of our services



Fig 1. NHS 24 Revised 2020/21-23 Strategic Objectives

In addition, following the 2019 review of the Strategy and development of the 2020/21-23 AOP, the timeline for a fuller Strategy Refresh is under development.

3. Risk Management Objectives

In February 2020, NHS 24 Audit & Risk Committee approved a risk management maturity review undertaken by Grant Thornton our internal auditors. The scope of this report was to support the development of Risk Management arrangements by considering how NHS 24 compare their arrangements to industry best practice. This evaluated NHS 24 against industry standard to identify potential opportunities to further enhance and embed risk management within NHS 24. The recommendations from this report have informed the objectives of this strategy and will inform the operational plan to further improve risk management.

NHS 24 Risk Management Objectives

The NHS 24 risk management objectives are to:

- Risk management is an embedded systematic process that will support effective decision-making by ensuring risk governance arrangements are appropriate throughout NHS 24.
- Implement the Respond tool to enable risks to be identified, recorded and managed consistently across the organisation.
- Enhance the risk management capability through a training and development programme for multiple management levels and specialisms.
- Through the strategic and operational planning mechanisms in place consistently apply risk management as a driver for effective performance management.
- Understand stakeholder engagement processes across NHS 24 to ensure risk management is more explicit in management risk and opportunities.
- Ensure that risk management makes an active contribution to project and programme management across NHS 24.
- Risk Management supports our decision-making, planning and performance arrangements, by providing appropriate information for assurance to the respective management and governance structures.
- Further embed the risk appetite of NHS 24 and consistently apply it to the organisation.

Risk management supports organisational change and service development to ensure leadership and accountability of horizon scanning when considering opportunities and risks to improve services. Risk management supports a culture of openness and honesty to enable safe services and learning from events and decisions to promote a quality improvement culture.

NHS 24 will commit to increase staff awareness of risk management, the responsibilities and values required to embed an effective framework. The risk appetite statement will be reviewed annually by the Board to embed clear communication throughout the organisation.

Risk management is integral to strategic decision making. As NHS 24 continue to adapt to achieve their strategic priorities, risk is a key component of the programme management.

4. NHS 24 Values



Fig.2

The NHS 24 values demonstrate the organisations commitment to risk management. The values support staff in this process by embedding openness, honesty and responsibility. The organisation will not seek to apportion blame and will encourage risks to be identified and promote responsibility to empower staff to manage the risks appropriately.

Risk management is the responsibility of all staff in the organisation. Teamwork is encouraged across directorates to manage risks, where various expertise is required to mitigate a risk.

The values and ethics are required to ensure decision-making is conducted with integrity, are compliant with regulations and are transparent. NHS 24 will embed these values by ensuring executive directors and risk leads influence risk based decision-making.

5. Our Approach to Risk Management

NHS 24's methodology for achieving the objectives in section 4 will be outlined in the NHS 24 Enterprise Risk Management Framework. The basic principles of the framework are to enable an integrated and consistent approach to risk management, outline the governance arrangements, explain how risks are identified, managed and escalated.

An ERM framework is defined as: *“Enterprise Risk Management (ERM) is a framework implemented to embed the board’s response towards risk. ERM allows the organisation to measure and respond to issues & risks as they arise”*

NHS 24 will aim to continually improve the quality of the information within its risk registers. Specific actions such as increased ownership of risks within risk registers, improved challenge and scrutiny from risk leads. This aims to increase consistency across NHS 24 and the application of the information collated. The presentation of risk management information will be developed and include a dashboard of key risk areas to NHS 24.

The Board has overall responsibility to ensure there is a risk management process in place. The process will be implemented with the support of managers and staff. The commitment of staff to identify and manage risk is key to the ongoing success of the organisation.

Risk is a key component of the business and strategic management process. By consistently applying risk management across NHS 24 business planning processes where NHS 24 implements and monitors the NHS 24 strategy.

6. Risk Management Software

The Respond risk management software will allow NHS 24 to be consistent across the organisation. An implementation plan will require training and development of risk leads and senior managers across the organisation.

As part of the Connect programme, a project has been established to implement Respond across NHS 24. As part of the risk management module rollout a training plan will enable NHS 24 to educate staff on the consistent application of the tool. It will contribute towards identifying and recording risks. The new system will enable NHS 24 to improve the information it produces to support decision making and assurance.

7. Training, Learning & Development

The training requirements of staff are considered in the risk management training plan to provide the key skills and capabilities to NHS 24 staff. The document will be reviewed annually by the Operational Risk Management group. The purpose of the training is to drive the development and awareness of risk management. The EMT will provide leadership in support training and education of risk.

8. Operational & Strategic Planning

Clearly defined operating and strategic plans within NHS 24 will support the development of risk management. By continuing to embed both areas within NHS 24 will ensure risk management matures as a decision making tool. The risk management team will continue to review current management processes to ensure risks are accurately discussed and managed. This will include a contribution to the risk strategy refresh in 2020.

9. Stakeholder Engagement & Reputation

NHS 24 engage with a wide range of stakeholders. A number of mechanisms are in place to facilitate feedback on the services NHS 24 provide. The benefits of the feedback as they may provide early warning signals of a potential threat or opportunity to NHS 24. At a strategic level, the EMT will consider stakeholder engagement in pursuit of their strategic objectives. Operationally, local processes will ensure that risks are captured, managed and monitored through the risk management framework. Further consideration within the framework to ensure stakeholder and reputation risks are proactively managed.

10. Project & Programme Management

There is a recognition of the importance of the contribution effective risk management can make on the success of a programme or project. The risk management department will continue to support the Service Development Directorate to deliver programmes. By providing training, quality assurance and input to projects and programmes we will aim to provide consistency across the change portfolio.

11. Assurance

Assurance is a key component of risk management. Management controls, local business processes and policies control the initial issues. Risk management allows a structured process that will support the uncertainties out with the daily management controls.

The second level of control provides oversight and challenge to management processes used in the first line. This is supported by appropriate governance and reporting mechanisms. The Audit & Risk Committee is a key element in the process that is provided with risk management information in order to seek assurance over the risk management process. Section 11 outlines the Governance and Accountability responsibilities.

A third control of assurance includes the internal and external audit process. The Audit & Risk Committee appoint independent internal auditors who will develop and deliver on an annual audit programme for the organisation.

The internal audit service also provides the NHS 24 Board with independent assurance on:

- management processes
- management of corporate risks, including the effectiveness of the controls and other responses to these

It also provides NHS 24 with the opportunity to improve. Risk management has a key role in supporting the internal audit recommendations as a quality improvement mechanism.

External audit will focus review of financial statements to ensure they are a 'true and fair' account of past financial performance and current financial position. External audit will also focus beyond the financial aspects and ensure the organisation is discharging its regulatory obligations and internal guidelines. The risk management contribution will be to enable the external auditors to have the appropriate information on management of specific threats to NHS 24.

12. Governance & Accountability

Within NHS 24, the following governance arrangements apply in relation to risk management. Detailed responsibilities are outlined within the NHS 24 ERM framework. A key focus for improvement of risk governance is to ensure the correct risk management information is presented to the appropriate committee for assurance. Continual improvement in this area will support decision making within the organisation. Ensuring the responsibilities are clear and assurance on the arrangements in place are effective.

NHS 24 Risk Management Governance Structure

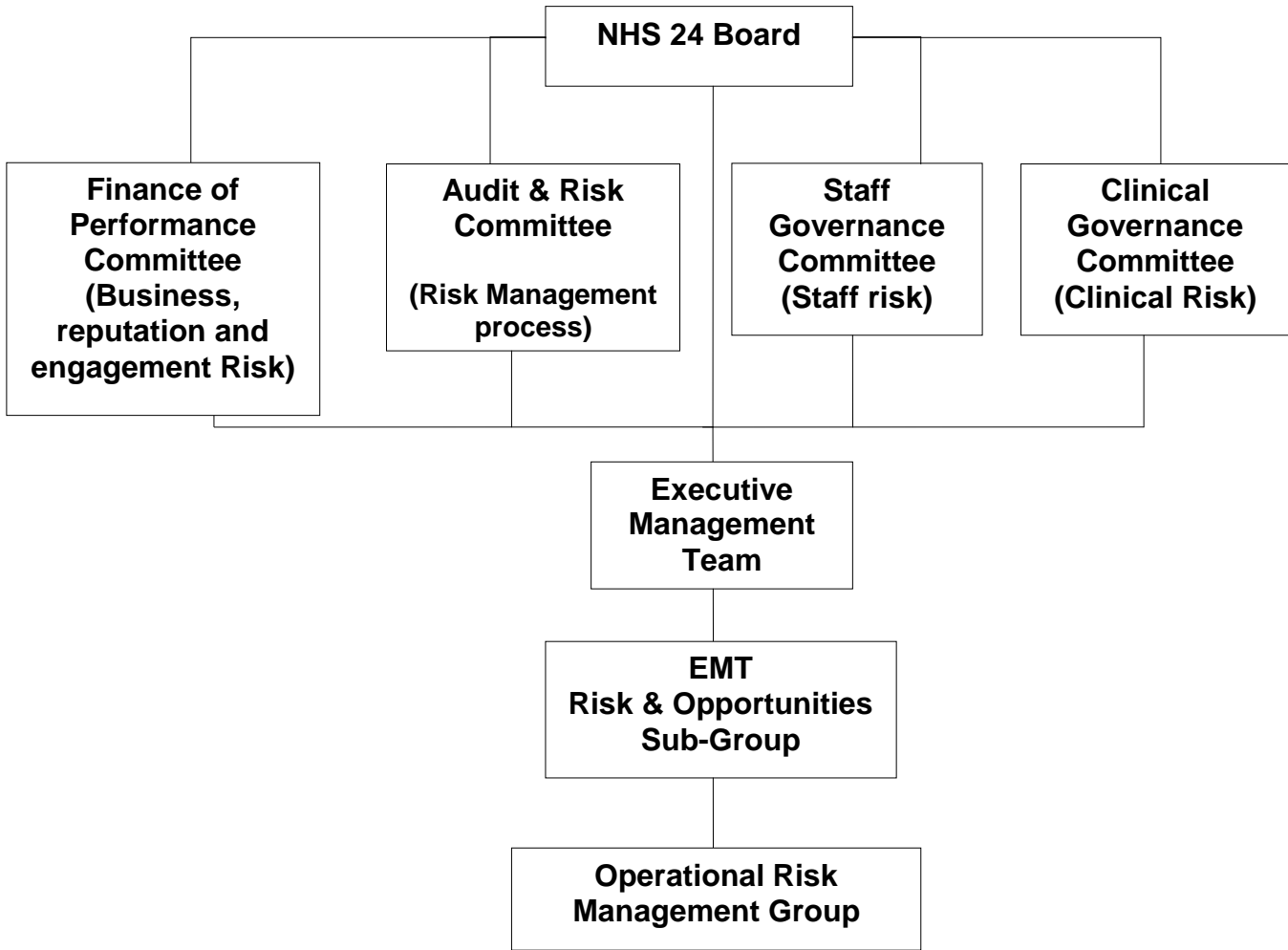


Fig.3 NHS 24 Risk Management Governance Structure

The above diagram show the governance arrangements in NHS 24 and how they are organised from the Operational Risk Management Group that will focus on the NHS 24 directorate responsibilities, through the EMT sub-group that manages the strategy development. The Board and the Committees are responsible for governance and overall assurance to all stakeholders. The framework document outlines the responsibilities of the Committees and groups outlined in figure 3.

13. Procedures

The following documented procedures are in place to provide a consistent understanding, approach and deployment of the risk management principles within NHS 24.

Enterprise Risk Management (ERM) Framework

The purpose of the ERM Framework is to provide the methodology, structure and approach that NHS 24 will follow when managing risks.

Risk Appetite Statement

The risk appetite statement outlines NHS 24's approach to risk.

EMT Risks & Opportunities sub-group Terms of Reference

Defines the responsibilities of the strategic risks and opportunities within NHS 24 are managed and how this links into the rest of the organisation, the committees, and the Board.

Operational Risk Management Group (ORMG) Terms of Reference

Defines how the operational aspect of risk management within NHS 24 is governed and how this links into the rest of the organisation, the committees, and the Board.

14. Review & Reporting

The following are the main reports regularly produced by the organisation relating to risk. Appropriate trend analysis and presentation of risk management information will be developed and monitored for improvement to best illustrate the Board risk profile.

The reporting requirements vary dependent on the type of risk. Risk will be a key focus of each governance committee and will be reflected in the terms of reference of each Committee.

Reporting to the Board

Risks to the strategic objectives of the organisation will be reported to the Board on a quarterly basis. The risks that are of high impact/Consequence will also be presented to the Board. This will include risks that are scored as a 12 and above. The information presented will be continually reviewed and enhanced where possible.

Reporting to the Audit & Risk Committee

The Audit & Risk Committee has oversight of all types of risk within the organisation. All risks that score 10 or more will be reported to the Audit & Risk Committee for their consideration and review and comment.

Reporting to the Governance Committees

Relevant risks are reported to the relevant governance committee (as outlined in figure 4.) on a quarterly basis. A risk may be referred to more than one governance committee

dependent on the primary and secondary category of risk. The ERM framework outlines the reporting requirements.

Annual Report

The risk management annual report will be presented to the Audit & Risk Committee annually.