

<p>NHS 24 BOARD MEETING</p> <p style="text-align: right;">20 OCTOBER 2022 ITEM NO 8.4 FOR APPROVAL</p> <p style="text-align: center;">RISK MANAGEMENT STRATEGY</p>	
Executive Sponsor:	Director of Finance, John Gebbie
Lead Officer/Author:	Head of Risk Management and Resilience, Kevin McMahon
Action Required	This paper is provided for approval.
Key Points for this Committee to consider	<p>The Board is asked to review and approve the risk management strategy.</p> <p>Key objectives to maturing our risk management approach include:</p> <ul style="list-style-type: none"> • Fully embedding a systematic process that will support effective decision-making by ensuring risk governance arrangements are appropriate throughout NHS 24. • Risks are identified, recorded and managed consistently across the organisation. Allowing for improved reporting and business intelligence. • Implement the Respond risk management software. • Consistently apply risk management as a driver for effective performance management. Utilise strategic and operational planning groups already in place to support this. • Enhance stakeholder engagement links to risk management processes to support NHS 24’s corporate management risk and opportunities. • Ensure that risk management makes an active contribution to project and programme management across NHS 24. • Further embed the risk appetite of NHS 24 and consistently apply it to the organisation.

	The strategy is aimed to link across to the maturity action plan and framework to enhance risk management arrangements within NHS 24. Both these documents are reviewed by the Audit & Risk Committee.
Timing/Governance Process	EMT R&O Group reviewed the strategy on the 7 th July 2022, Audit and Risk Committee 11th August 2022.
Strategic alignment and link to overarching NHS Scotland priorities and strategies	Corporate risk management strategy provides assurance to the Board that there is an effective risk management process in place to support delivery of the NHS 24 contribution to our Annual Delivery Plan and Strategic Intent.
Key Risks	The implementation risks are tracked in the maturity plan.
Financial Implications	There are no direct financial implications associated with this report. Any resources required to deliver this strategy will be directed through the SPRA process.
Equality and Diversity	There are no direct equality and diversity (E&D) implications associated with this report. The Participation and Equalities manager actively participates in risk management process.

1. RECOMMENDATION

- 1.1. The Board is asked to approve the risk management strategy. This strategy has been developed with the support of the Operational Risk Management Group and the EMT Risks and Opportunities Group. The Audit & Risk Committee endorsed the strategy at its meeting on 11th August 2022, subject to minor adjustments that have been included in this paper.
- 1.2. The response to the pandemic challenged the implementation of the previous strategy with limited development opportunities available. However, the pandemic demonstrated that risk management is embedded, and is evidence that NHS 24 managed a number of concurrent risks during a very challenging period. This strategy is aimed at continuing to mature our risk management processes across NHS 24, that supports us to manage the number of uncertainties our operating environment presents.



Risk Management Strategy 2022 - 2023

Created by:

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1. Introduction

Risk management is an essential component to the strategic and operational management of NHS 24. It is the process whereby the organisation methodically addresses the risks to the corporate objectives and 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 revised strategy and supporting 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.

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

Our overall mission is to improve the quality of risk management processes to support NHS 24 achieve its overall objectives. This strategy is supported by a risk management framework document, that outlines the operational process, and the risk management maturity plan, that outlines the actions required, to deliver on the strategy. These documents are presented to the Audit & Risk Committee for information.

2. Strategic Drivers

NHS 24 demonstrated effective risk management as services rapidly expanded in response to the pandemic and other national drivers, with NHS24 now providing national healthcare services on a 24/7 basis. The pandemic has demonstrated the pivotal role of NHS 24 as a trusted point of contact for the public to access personalised information, advice and assistance. The impact of COVID on an already strained health and social care system has been significant and reflects the ongoing work in relation to NHS 24’s strategic intent and future strategy.

NHS 24 is currently defining its strategy with a purpose of “Helping to deliver a healthier Scotland by connecting people to health and care advice, information and support - 24/7”.

Our strategic ambition is:

- NHS 24 is the service of choice for accessible high quality, clinically safe and effective services for everyone that needs them. We provide care, information, support and advice 24/7
- NHS 24 provides easy to use services designed with people in mind every time
- NHS 24 has the right people, technology, infrastructure and working environment to support staff to deliver excellence

- NHS 24 provides sustainable, valued services closer to home; the right care at the right place

Our focus in NHS 24 centres on the points of high quality, safe effective services that follows the principles of right care, right place, and that we provide a technology and infrastructure environment that supports staff to deliver this care. The clarity of strategic objectives, priorities and deliverables is crucial to effective risk management.

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.

Risks in NHS 24 are considered in relation to achieving strategic deliverables, Annual Delivery Plan and Programme Objectives. As outlined in our clinical roadmap NHS 24 continues to manage the delivery of quality services (against a context of continuing/post pandemic) while delivering a programme of service re-design and adding capacity it is essential that we continue to ensure safety and quality is a priority.

3. Risk Management Objectives

The risk management team have developed a maturity plan that outlines the actions required within key areas that will support the implementation of the risk management strategy. The overall objectives for risk management are detailed below.

NHS 24 Risk Management Objectives

The NHS 24 risk management objectives are:

- Risk management is an embedded systematic process that will support effective decision-making by ensuring risk governance arrangements are appropriate throughout NHS 24.
- Risks are identified, recorded and managed consistently across the organisation, allowing for improved reporting and business intelligence.
- Implement the Respond risk management software.
- Enhance the risk management capability through training and development for multiple management levels and specialisms across NHS 24.
- Consistently apply risk management as a driver for effective performance management. Utilise strategic and operational planning groups already in place to support this.
- Further establish stakeholder engagement links to risk management processes to enhance NHS 24's corporate 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 service development to encourage leadership and accountability of horizon scanning when considering opportunities and risks to current and future 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 NHS 24 risk appetite will be reviewed annually by the Board to embed clear communication throughout the organisation.

4. NHS 24 Values



Fig.1

The NHS 24 values demonstrate the organisation’s commitment to risk management. The values support staff in this process by embedding openness, honesty and responsibility. The organisation 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 strategic leadership and risk leads influence risk based planning.

5. NHS 24 Approach to Risk Management

NHS 24’s methodology for achieving the objectives in section 3 is outlined in the NHS 24 Enterprise Risk Management Framework. The basic principle of the framework is to enable an integrated and consistent approach to risk management, outline the governance arrangements, and 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”** The ERM framework is provided to the Audit & Risk Committee on an annual basis for assurance.

NHS 24 will aim to continually improve the quality of the information within its risk registers through increased ownership of risks within risk registers, greater 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 continue to be developed to best demonstrate key risks to NHS 24.

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. Operational & Strategic Planning

Risk management supports decision-making and assurance throughout the organisation. Clearly defined operational and strategic plans within NHS 24 will support the development of risk management. By continuing to embed planning structures and empower managers NHS 24 will ensure risk management matures.

7. Risk Management Software

The updated Respond risk management software will allow for improved data collection on risk. That will allow for enhanced reporting on risk management information. This will benefit decision-making and assurance.

An implementation plan will require training and development of risk leads and managers across the organisation. This will be developed as part of the Respond programme and reflected in the maturity plan.

8. Training, Learning & Development

The training requirements of staff are considered in the risk management training priorities to provide the key skills and capabilities to NHS 24 staff. Training will be supported by the Operational Risk Management group. The purpose of the training is to drive the development and awareness of risk management.

9. Stakeholder Engagement & Reputation

NHS 24 engage with a wide range of stakeholders through a number of mechanisms and methods. The benefits of a risk based approach to stakeholder engagement is that it will provide consistency of narrative, early indicators 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. Consideration within the maturity plan will ensure stakeholder and reputation risks are proactively managed.

10. 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 outwith 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.

11. 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 enhance the risk management information presented to the appropriate committee for assurance.

NHS 24 Risk Management Governance Structure

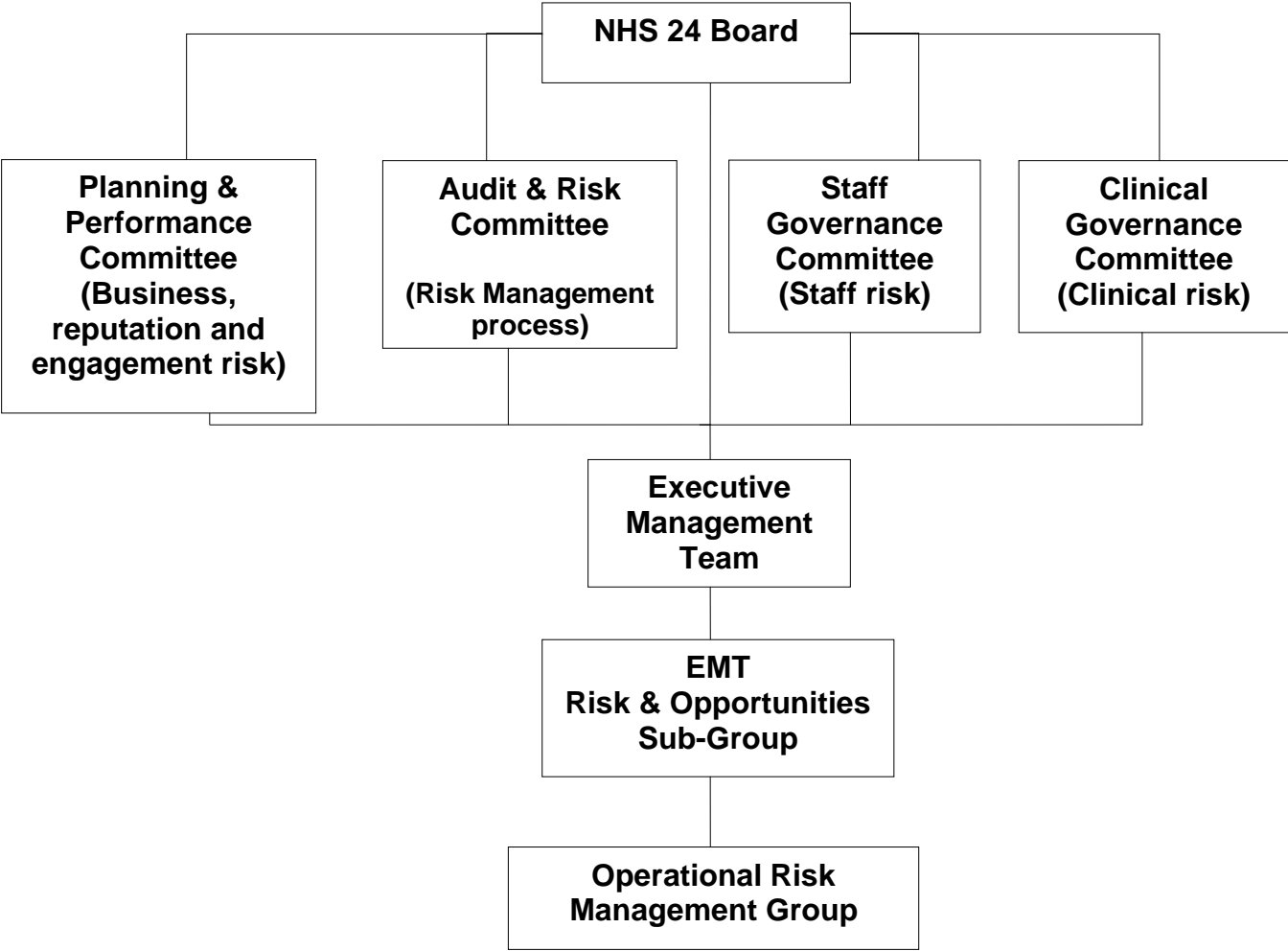


Fig.2 NHS 24 Risk Management Governance Structure

The above diagram shows 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 2.

12. 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.

13. 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 continue to 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 objectives of the organisation that score 10 and above will be reported to the Board on a quarterly basis.

Reporting to the Audit & Risk Committee

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

Reporting to the Board Sub-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.

OFFICIAL

Annual Report

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

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