

**NHS 24
20 JUNE 2024
BOARD MEETING
ITEM NO 10.6
FOR ASSURANCE**

RISK MANAGEMENT ANNUAL REPORT 2023/24

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Action Required: This paper is provided for assurance.

Key Points

The Report provides the Board with a summary of the risk management activity during 2023/24.

NHS 24 Risk Management maturity continues to develop with positive engagement with the Board, Executive and senior management teams.

NHS 24 continues to ensure risk-based decision making informs our strategy and planning.

Governance process

This Report has been presented at the following forums:

- 21/05/24: EMT Business Meeting
- 06/06/24: Audit and Risk Committee
- 10/06/24: Board

Strategic alignment and link to overarching NHS Scotland priorities and strategies

This paper provides assurance to the Board that there is an effective risk management process in place to support delivery of key strategic priorities and supporting documentation below:

- NHS 24 Strategy
- Annual Delivery Plan
- Key Scottish Government Ministerial Priorities
- NHS 24 Realistic Medicine Framework

Strategic alignment and link to Corporate Delivery Plan activity

The Corporate Delivery Plan has been submitted to Scottish Government and feedback is awaited.

Key Risks

Effective risk-based decision making informs our planning.

Financial Implications

There are no direct financial implications associated with this report.

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 note and take assurance from the risk management activity during the period from April 2023 to March 2024.

Risk Management Annual Report 2023/24

OFFICIAL

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

- [1. RISK MANAGEMENT HIGHLIGHTS](#)
- [2. RECOMMENATION](#)
- [3. INTRODUCTION](#)
- [4. BACKGROUND](#)
- [5. RISK MANAGEMENT MATURITY](#)
- [6. GOVERNANCE & REPORTING](#)
- [7. RISK PROFILE](#)
- [8. RISK APPETITE](#)
- [9. CORPORATE ESCALATION PROCESS](#)
- [10. A LOOK AHEAD](#)
- [11. OBJECTIVES 2024/25](#)

Highlights

In line with the Audit and Risk Committee's Terms of Reference, the Committee has the delegated authority of the NHS 24 Board to monitor the effectiveness of risk management arrangements and to assess and manage risk. The Committee therefore plays a key role in monitoring risk management and providing the Board with assurance in this regard.

Below are key highlights from 2023/24, setting out how NHS 24 ensured the effectiveness and continued development of its risk management arrangements to support delivery of annual plans and strategic decision making:

- Ongoing cycle of review with quarterly reporting aligned to Board and Committee meeting schedule. The review of all corporate risks is undertaken at all levels in the organisation including directorate, operational cross-directorate, Executive, Committee and Board level review.
- Bi-annual review and update of strategic risks to monitor risks to delivery of key plans and organisational strategy in an ever-changing landscape.
- Overview of risks to the delivery of key programmes of work by the Strategic Delivery Group to ensure an organisational overview and assessment of cumulative risk.
- Bi-annual review of risk appetite statement was undertaken and approved by the Board. This ensures that it remains aligned to strategic thinking and supports delivery of plans and strategy.
- Development of an operational Information and Cyber Security Risk Register with annual reporting to the Planning & Performance and Audit & Risk Committee for overview and assurance.
- The implementation of a new risk management system late in 2023-24 has assisted the development of reporting to support delivery of strategic and operational plans and mature current risk management arrangements.
- Our risk management and organisational resilience modules sit at 93% and 91% compliance respectively, a slight increase in last year's figures.
- Use of the Corporate Escalation Process to manage cumulative risk across NHS 24.
- NHS 24 continues to adapt to the risks and pressures within the operating environment, implementing technology improvements, estates and sustainability improvements and preparations for future strategic developments in digital and service transformation.

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

1. [RISK MANAGEMENT HIGHLIGHTS](#)
2. [RECOMMENDATION](#)
3. [INTRODUCTION](#)
4. [BACKGROUND](#)
5. [RISK MANAGEMENT MATURITY](#)
6. [GOVERNANCE & REPORTING](#)
7. [RISK PROFILE](#)
8. [RISK APPETITE](#)
9. [CORPORATE ESCALATION PROCESS](#)
10. [A LOOK AHEAD](#)
11. [OBJECTIVES 2024/25](#)

Recommendation

The Committee and Board are asked to note and take assurance from the risk management activity during the period from April 2023 to March 2024.

Introduction

In line with its terms of reference, the Audit and Risk Committee has the delegated authority of the NHS 24 Board to monitor the effectiveness of risk management arrangements and they continue to play an important role in the governance of risk management arrangements within NHS 24.

Like many other NHS Scotland Boards and public sector bodies, NHS 24 continues to manage a broad range of risks. Key areas of risk continue to be service delivery and technology/digital transformation programmes of work, supporting our workforce and organisational capacity and capability to delivery in an environment of every increasing financial and service pressures.

During 2023/24 the current financial climate and NHS Scotland wide pressures has seen an increased focus on risks related to financial challenges and these will continue to be a focus into 2024/25.

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

1. [RISK MANAGEMENT HIGHLIGHTS](#)
2. [RECOMMENATION](#)
3. [INTRODUCTION](#)
4. [BACKGROUND](#)
5. [RISK MANAGEMENT MATURITY](#)
6. [GOVERNANCE & REPORTING](#)
7. [RISK PROFILE](#)
8. [RISK APPETITE](#)
9. [CORPORATE ESCALATION PROCESS](#)
10. [A LOOK AHEAD](#)
11. [OBJECTIVES 2024/25](#)

Risk Management Maturity

The Enterprise Risk Management Framework and the Risk Management Strategy are reviewed on an annual basis to ensure that the risk management systems and processes in place continue to mature and evolve in line with organisational strategy and delivery plans.

The purpose of a robust approach to risk management, set out in the Framework is to ensure that risks are managed consistently at strategic, operational and programme levels throughout the organisation.

Governance & Reporting

The Enterprise Risk Management Framework and Risk Management Strategy were presented to the Audit & Risk Committee on 17 August 2023 for assurance and endorsement. Thereafter, the Risk Management Strategy was presented and approved by the Board at its meeting on 31 August 2023.

A risk report has been presented to each quarterly Board meeting, aligned to the Committee meeting cycle, following a more in-depth review of risks by each Committee from their specific areas of responsibility. This supports Board assurance and provides the Board the ability to make informed decisions.

To support the output of presentation of risks to the Board, NHS 24 has a robust process of engagement, discussion and reporting on the risks we face. Figure 1. demonstrates all the formal structures where risk is reported. At the centre of this is appropriate discussion on the organisational objectives, the risks faced, the steps we need to take to mitigate these, and how this impacts on strategic decision making.

RISK MANAGEMENT ANNUAL REPORT

Figure 1.



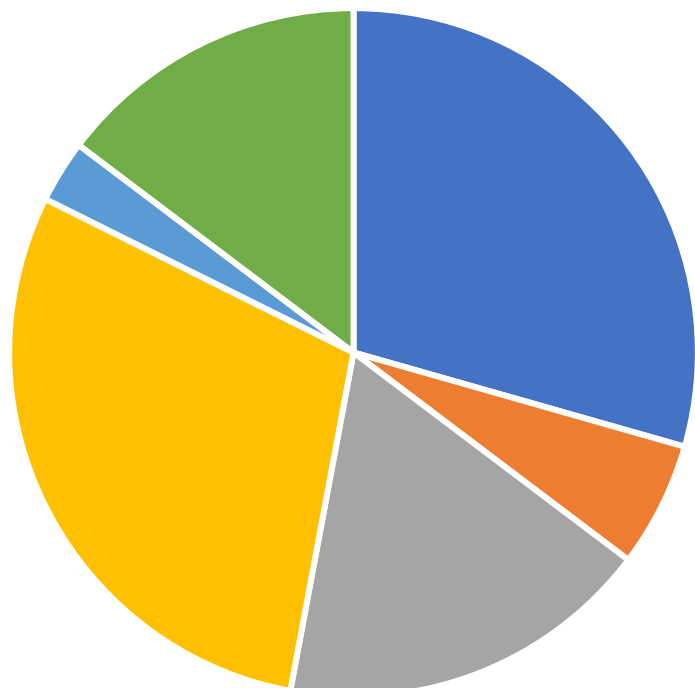
RISK MANAGEMENT ANNUAL REPORT

Corporate Risk Profile March 2023

Corporate Risk Profile March 2024

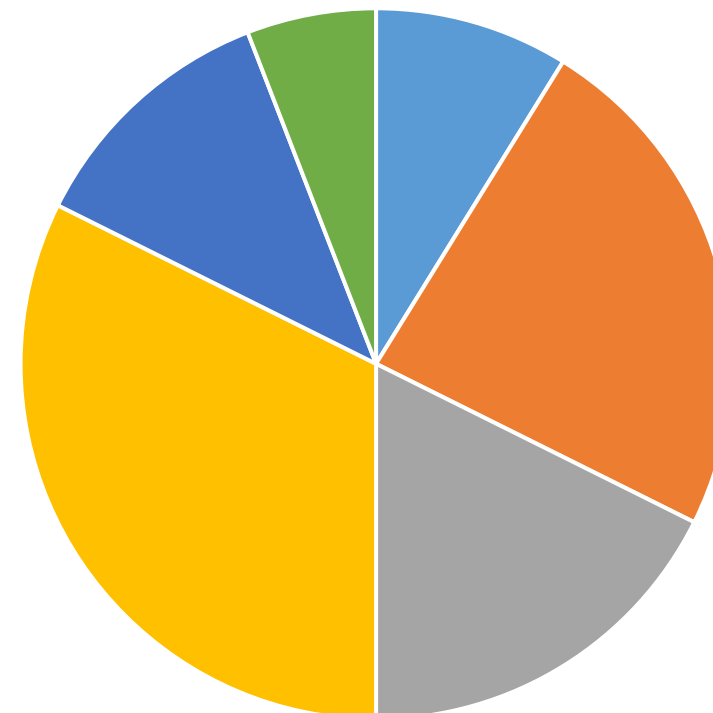
Figure 2.

Risk Profile



■ Technology ■ Finance ■ Workforce ■ Operational ■ Clinical ■ Reputational/Stakeholder

Risk Profile



■ Technology ■ Finance ■ Workforce ■ Operational ■ Clinical ■ Reputational/Stakeholder

Figure 2 above reflects the change in risk profile following the successful implementation of the Connect Programme, recovery from the pandemic, the development of Strategy including the Workforce Strategy and the increased financial and service pressures across the wider NHS Scotland. Key programmes of work are in place (including the Digital and Service Transformation Programmes) to support mitigation of a number of key organisational risks.

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

1. [RISK MANAGEMENT HIGHLIGHTS](#)
2. [RECOMMENATION](#)
3. [INTRODUCTION](#)
4. [BACKGROUND](#)
5. [RISK MANAGEMENT MATURITY](#)
6. [GOVERNANCE & REPORTING](#)
7. [RISK PROFILE](#)
8. [RISK APPETITE](#)
9. [CORPORATE ESCALATION PROCESS](#)
10. [A LOOK AHEAD](#)
11. [OBJECTIVES 2024/25](#)

Risk Appetite

The NHS 24 risk appetite has been kept under review by the Strategic Delivery Group, the Executive Team, and the Audit & Risk Committee, throughout 2023/24 to ensure that the risks NHS 24 are willing to accept in pursuit of its objectives are accurately reflected in the risk profile. With the development of the Strategy and Annual Delivery Plan, the risk appetite has effectively contributed to the decision making on strategic objectives. The Strategy outlines the focus on the internal challenges that need to be addressed by the organisation, whilst providing a critical role in NHS Scotland. The Audit & Risk Committee reviewed the risk appetite statement in August 2023 and February 2024 for this purpose.

Corporate Escalation Process

The purpose of the Corporate Escalation Process is to provide an escalation pathway that the full organisation can use. It identifies specific triggers, risks, actions, roles and responsibilities to respond, recover and to maintain operational continuity. The process was part of a development session for the Board to outline how NHS 24 manage cumulative risks as part of management controls within a 3 lines of assurance model.

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

1. [RISK MANAGEMENT HIGHLIGHTS](#)
2. [RECOMMENATION](#)
3. [INTRODUCTION](#)
4. [BACKGROUND](#)
5. [RISK MANAGEMENT MATURITY](#)
6. [GOVERNANCE & REPORTING](#)
7. [RISK PROFILE](#)
8. [RISK APPETITE](#)
9. [CORPORATE ESCALATION PROCESS](#)
10. [A LOOK AHEAD](#)
11. [OBJECTIVES 2024/25](#)

A Look Ahead

With the development of the 2024/25 Annual Delivery Plan (ADP), NHS 24 will continue to address corporate and strategic risks and ensure the alignment of those risks with the key current deliverables. This will support the focus on delivering long term strategic priorities and opportunities for collaborative working, through avenues such as estates and sustainability, communications and commissioning of new services whilst ensuring that the needs of the public and stakeholders are met.

Financial and wider service pressures continue to be a focus, while our capacity and capability to delivery on Digital and Service Transformation while maintaining and improving services to the population of Scotland. In Q4 2023/24, NHS 24 presented the Annual Delivery Plan and Finance Plan to the Planning and Performance Committee, ensuring the risks associated with the actions and measures within the Plans have been accurately identified, assessed and actively managed by Executive owners in NHS 24. The alignment of strategic, workforce and financial planning with risk management processes will be a key feature of 2024/25.

NHS 24 has established a Climate Emergency and Sustainability Programme which will provide a focus on the risks in this area and work is underway to consider and develop risks in this area.

RISK MANAGEMENT ANNUAL REPORT

CONTENTS

1. [RISK MANAGEMENT HIGHLIGHTS](#)
2. [RECOMMENATION](#)
3. [INTRODUCTION](#)
4. [BACKGROUND](#)
5. [RISK MANAGEMENT MATURITY](#)
6. [GOVERNANCE & REPORTING](#)
7. [RISK PROFILE](#)
8. [RISK APPETITE](#)
9. [CORPORATE ESCALATION PROCESS](#)
10. [A LOOK AHEAD](#)
11. [OBJECTIVES 2024/25](#)

Objectives in 2024/25

NHS 24 will continue to develop reporting to support effective risk management and maturity including a key risk indicator dashboard. This will produce enhanced risk management information to inform decision making and create a better understanding of the risk profile and help embed risk management into business-as-usual processes and decision making.

In 2023/24 the focus for training and education was in the implementation and go live of the new risk management system, with ongoing support and training being provided in this area. The focus for training and education going forward will include the development of the new Risk & Resilience intranet site to provide easy to understand information and quick guides to risk management and resilience. Supporting the risk sections in all avenues of NHS 24 training and development, quality improvement, risk management, quality management, management essentials, and programme management. This will support ongoing process improvements and risk maturity. Engagement with staff and the building of relationships with risk leads will also continue to be a focus through communication articles.

Support the delivery of strategic priorities in the Service and Digital Transformation Programmes by providing a pathway and forum for risks to be considered and inform decision making. This will be supported by the alignment of the risks associated with strategic planning, workforce and financial planning.

The risk management department will continue to provide the Board and Committees with high quality reporting on the risks associated to NHS 24.