



Dumfries and Galloway Integration Joint Board

Risk Management Strategy 2023

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Appendix 1 – Risk Matrix

1. Background

- 1.1 Dumfries and Galloway Integrated Joint Board has been delegated a range of Health and Social Care functions by NHS Dumfries and Galloway and Dumfries and Galloway Council.
- 1.2 Although the responsibility for the operational delivery of these functions to rest with the Partners (NHS Dumfries and Galloway and Dumfries and Galloway Council) the responsibility for preparing and delivering a Strategic Plan rests with the IJB. The IJB must then consider a risk management strategy to identify and manage the risk associated with the preparation and delivery of the Strategic Plan.

2. Scope

- 2.1 The IJB's risk management will centre on the business of the IJB. That is the preparation and delivery of the IJB's Strategic Plan. The IJB's risk register will not contain operational risks unless these risks may impact on the business of the IJB.
- 2.2 Operational risks - that is the risks around service delivery managed by the partners and implemented through the IJB's directions, will continue to be managed by the appropriate partner. The appropriate partner being the partner delivering the service or the Dumfries and Galloway Health and Social Care partnership if the service is being delivered by both partners.

3. Introduction

- 3.1 The primary objectives of this strategy will be to:
 - promote awareness of risk and define responsibility for managing risk within the Integration Joint Board;
 - establish communication and sharing of risk information through all areas of the Integration Joint Board;
 - initiate measures to reduce the Integration Joint Board's exposure to risk and potential loss; and,
 - establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review through the Audit, Risk and Governance Committee.
- 3.2 Strategic risks represent the potential for the IJB to achieve (opportunity) or fail to meet (threat) its desired outcomes and objectives as set out within the Strategic Plan, and typically these risks require strategic leadership in the development of activities and application of controls to manage the risk.
- 3.3 All risk will be analysed in terms of impact on the IJB, the functions delegated to it and the likelihood of occurrence. This analysis will produce an evaluation of risk as being Low, Medium, High or Very High. The IJB's response in relation to adverse risk, or 'risk appetite' is such that:

- 'Low' risk is broadly acceptable without any further action to prevent or mitigate risk;
 - 'Medium' risk is tolerable with control measures that are cost effective;
 - 'High' risk may be tolerable providing the IJB is assured that adequate and effective control measures are in place; and,
 - 'Very High' risk is unacceptable and measures should be taken to reduce, transfer or treat the risk to a more tolerable position.
- 3.4 High and Very High risk will be subject to closer scrutiny by the Audit, Risk and Governance Committee.
- 3.5 Risks with current score of MEDIUM will be reviewed 6 monthly and LOW risks annually however all risks regardless of risk score can be reviewed and updated at any time if there are changes in the situation affecting the risk.
- 3.6 This document represents the risk management framework to be implemented across the IJB and will contribute to its wider governance arrangements.

4. Risk Management Objectives

- 4.1 Risk Management is about the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects. It is proactive in understanding risk and uncertainty, it learns and builds upon existing good practice and is a continually evolving process that has an important role in ensuring that defensible and beneficial decisions are made.
- 4.2 The specific risk management objectives of the IJB are to:
- Integrate governance and risk management into the planning and oversight of the operational delivery of the functions delegated to the IJB
 - Create a consistent approach to risk across Services using the adopted process
 - Promote practical measures to reduce the IJB's exposure to risk and potential loss
 - Define clear lines of responsibility for the management of risk
 - Produce a system for monitoring the effectiveness of the risk management framework
 - Provide a system for feedback on the management of key risks to the IJB
 - Comply with legislative requirements and
 - Comply with the requirement of Corporate Governance

5. Standard Procedures

- 5.1 Standard procedures should be fulfilled in order to achieve a consistent approach to effectively implementing risk management.
- 5.2 Full implementation of the continuous risk management process, embedding risk management within IJB's processes so that an assessment of risk as well as costs and benefits becomes routine wherever possible.

- 5.3 Consistent application of the agreed risk matrix to analyse risk in terms of likelihood of occurrence and potential impact, taking into account the effectiveness of risk control measures in place. The risk matrix to be used is attached in **Appendix 1**.
- 5.4 Implementation and maintenance of risk registers as a means of collating risk information in a consistent format allowing comparison of risk evaluations, informed decision making in relation to prioritising resources and ease of access to information for risk reporting.
- 5.5 Reporting of strategic risks will be to the IJB Audit, Risk and Governance Committee on a quarterly basis with an annual summary reported to the IJB.

6. Formal Groups

6.1 The IJB will receive a report from the Audit, Risk and Governance Committee annually laying out the Risk Register, the risks and the management actions to mitigate them and confirmation that this process is providing an appropriate level of assurance.

6.2 Audit, Risk and Governance Committee will scrutinise and review the effectiveness of the implementation of the risk management processes within the IJB. It will also scrutinise and review the Risk Register.

6.3 Internal audit is an independent appraisal structure. Internal Audit will:

- Review, appraise and report on the adequacy and effectiveness of Risk Management arrangements within the IJB
- Take into account the IJB's Risk Register when identifying areas to be included in the Annual Audit Plan.

7. Risk Register

7.1 The Chief Officer will establish a Risk Register and they will have responsibility for maintaining the Register.

7.2 The information to be contained in the Risk Register will be:

- Risk ID
- Risk Title
- Risk Description
- Current Risk Score
- Current Controls
- Executive Lead / Person Responsible for Risk
- Date reviewed
- Committee to review

8. Risk Appetite

8.1 Dumfries and Galloway Health and Social Care IJB recognises that it is both operating in, and directly shaping, a collaborative health and social care economy where safety, quality and sustainability of services are of mutual benefit to local communities, to stakeholders and to organisational stakeholders. It also recognises that its appetite for risk will change over time, reflecting a longer term aspiration to

develop innovation in local service provision based on evidence of benefits and on a culture of continuing, planned engagement with the public and other stakeholders, including those involved in service delivery. As a result, the IJB is working towards a mature risk appetite over time.

- 8.2 It recognises that achievement of its priorities will involve balancing different types of risk and that there will be a complex relationship between different risks and opportunities. The risk appetite approach is intended to be helpful to the board in decision-making and to enable members to consider the risks to organisational goals of not taking decisions as well as of taking them. The board has identified several broad dimensions of risk which will affect the achievement of its strategic priorities. The IJB will set a level of appetite ranging from “none” up to “significant” for these different dimensions. Higher levels of all risk types may be accepted if specific and effective controls are demonstrably in place and there are clear advantages for integration objectives.

The dimensions of risk and corresponding risk appetite are:

Dimension of Risk	Corresponding Risk Appetite
Financial risk	Low to moderate. It will have zero tolerance of instances of fraud. The Board must make maximum use of resources available and also acknowledge the challenges regarding financial certainty.
Regulatory compliance risk	It will accept no or minimal risk in relation to breaches of regulatory and statutory compliance.
Risks to quality and innovation outcomes	Low to moderate (quality and innovation outcomes which predict clearly identifiable benefits and can be managed within statutory safeguards)
Risk to harm to clients and staff	Similarly, it will accept minimal risks of harm to service users or to staff. By minimal risks, the IJB means it will only accept minimal risk to services users or staff when the comparative risk of doing nothing is higher than the risk of intervention
Reputational risk	It will accept moderate to high risks to reputation where the decision being proposed has significant benefits for the organisation's strategic priorities. Such decisions will be explained clearly and transparently to the public.
Risk relating to commissioned and hosted services	The IJB recognises the complexity of planning and delivery of commissioned and hosted services. The IJB has no or minimal tolerance for risks relating to patient safety and service quality. It has moderate to high tolerance for risks

	relating to service redesign or improvement where as much risk as possible has been mitigated.
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8.3 The IJB has an appetite to take decisions which may expose the organisation to additional scrutiny and interest. Wherever possible, decisions will be taken following consultation/co-production with the public and other key stakeholders. Concerted efforts will be made to explain reasons for decisions taken to the public transparently in a way which is accessible and easy to understand. This risk appetite statement will be reviewed regularly, at least as often as the IJB's strategic plan is reviewed and more often when required.

9. Governance, roles and responsibilities

9.1 Integration Joint Board

Members of the IJB are responsible for:

- oversight of the IJB's risk management arrangements
- receipt and review of an annual summary report on risk
- consideration of strategic risks and any key operational risks that require to be brought to the IJB's attention; and,
- ensuring they are aware of any risks linked to recommendations from the Chief Officer concerning new priorities/ policies and the like. This will be facilitated by a 'Legal and Risk Implications' section on all reports to the IJB and its Committees.

9.2 IJB Audit, Risk and Governance Committee

The Committee, on behalf of the IJB, are responsible for:

- Receipt of a quarterly report on the current status of the Corporate Risk Register
- Review and scrutiny of the risk management arrangements for strategic and key operational risks within the HSCP on behalf of the IJB
- Providing assurance to the IJB as required on the risk management arrangements for the IJB and within the HSCP

9.3 Chief Officer

The Chief Officer has overall accountability for the IJB's risk management framework, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the IJB. The Chief Officer will keep the Chief Executives of the partner bodies informed of any significant existing or emerging risks that could seriously impact the IJB's ability to deliver the outcomes of the Strategic Plan or the reputation of the IJB.

9.4 Chief Financial Officer

The Chief Financial Officer will be responsible for promoting arrangements to identify and manage key business risks, risk mitigation and insurance.

9.5 Health and Social Care Senior Leadership Group

The Senior Leadership Group responsible for:

- supporting the Chief Officer and Chief Financial Officer in fulfilling their risk

management responsibilities;

- arranging professional risk management support, guidance and training from partner bodies;
- receipt and review of regular risk reports on strategic, shared and key operational risks and escalating any matters of concern to the IJB; and,
- ensuring that the standard procedures set out in section three of this strategy are actively promoted across their teams and within their areas of responsibility

9.6 Individual Risk Owners

It is the responsibility of each risk owner to ensure that:

- risks assigned to them are analysed and assessed in keeping with the agreed risk matrix;
- data on which risk evaluations are based are robust and reliable so far as possible;
- risks are defined clearly to make explicit the scope of the challenge, opportunity or hazard and the consequences that may arise;
- risk is reviewed not only in terms of likelihood and impact of occurrence, but takes account of any changes in context that may affect the risk;
- controls that are in place to manage the risk are proportionate to the context and level of risk;
- risks assigned to or owned by them are reviewed and updated in line with the reporting and monitoring arrangements of the IJB

9.7 All persons working under the direction of the IJB

Risk management should be integrated into daily activities with everyone involved in identifying current and potential risks where they work. Individuals have a responsibility to make every effort to be aware of situations which place them or others at risk, report identified hazards and implement safe working practices developed within their service areas. This approach requires everyone to:

- understand the risks that relate to their roles and activities;
- understand how their actions relate to their own, their patient's, their services user's/ client's and public safety;
- understand their accountability for particular risks and how they can manage them;
- understand the importance of flagging up incidents and/ or near misses to allow lessons to be learned and contribute to ongoing improvement of risk management arrangements; and,
- understand that good risk management is a key part of the IJB's culture.

9.8 Partner Bodies

It is the responsibility of relevant specialists from the partner bodies, (such as internal audit, external audit, clinical and non-clinical risk managers and health and safety advisers) to attend meetings as necessary to consider the implications of risks and provide relevant advice. It is the responsibility of the partner bodies to ensure they routinely seek to identify any residual risks and liabilities they retain in relation to the activities under the direction of the IJB.

9.9 Senior Information Risk Owner

Responsibility for this specific role will remain with the individual partner bodies.

10. Resourcing of the Risk Management Framework

- 10.1 Much of the work on leading development and maintenance of the risk management framework for the IJB will be resourced through the Senior Management Team's arrangements.
- 10.2 Wherever possible the IJB will ensure that any related risk management training and education costs will be kept to a minimum, with the majority of risk-related courses/ training being delivered through resources already available to the IJB (e.g. the partner body risk managers/ risk management specialists).

11. Financial Decisions

- 11.1 Financial decisions in respect of the IJB's risk management arrangements will rest with the Chief Financial Officer.

12. Risk management training and development opportunities

- 12.1 To implement effectively this policy and strategy, it is essential for people to have the competence and capacity for managing risk and handling risk judgements with confidence, to focus on learning from events and past experience in relation to what has worked well or could have been managed better, and to focus on identifying malfunctioning 'systems' rather than people.
- 12.2 Training is important and is essential in embedding a positive risk management culture across all activities under the direction of the IJB and in developing risk management maturity. Risk Management Training will be provided by NHS Dumfries and Galloway Patient Safety and Improvement Team.

This document will be fully reviewed every 3 years to ensure that it reflects current standards and best practice in risk management, fully reflects the IJB's business environment and aligns with the IJB Strategic Plan. The next full review of this will be carried out in 2026.

Severity x Likelihood = Risk Criteria e.g. Moderate x Possible = Medium Risk	Likelihood of Occurrence Chance of event occurring within the next year				
Severity of Consequence Most predictable consequence if the event in question was to occur	Rare (<i>Little chance of occurrence</i>) (can't believe this event would happen – will only happen in exceptional circumstances (5-10 years))	Unlikely (<i>Probably won't occur</i>) (not expected to happen, but definite potential exists – unlikely to occur (2-5 years))	Possible (<i>May occur</i>) (may occur occasionally, has happened before on occasions – reasonable chance of occurring (annually))	Likely (<i>Probably will occur</i>) (strong possibility that this could occur – likely to occur (quarterly))	Almost Certain (this is expected to occur frequently/ in most circumstances – more likely to occur than not (daily/weekly/ monthly))
Negligible, e.g. ♦ Minor injury, not requiring first aid ♦ No media coverage, little effect on staff morale ♦ Financial losses, damage or claims less than £1k ♦ Budgetary impact less than £10k ♦ No impact on service delivery ♦ Reduced quality of client experience	Low	Low	Low	Medium	Medium
Minor, e.g. ♦ Minor temporary injury or illness, first aid treatment required ♦ Local media short term coverage, minor effect on staff morale/public attitudes ♦ Unsatisfactory client experience directly related to patient care – rapidly resolvable ♦ Short term disruption to service with minor impact ♦ Financial loss £1k-£10k ♦ Budgetary impact £10k-£100k	Low	Low	Medium	Medium	Medium
Moderate, e.g. ♦ Significant injury or ill health requiring medical intervention – temporary incapacity ♦ Long term local media coverage, moderate impact on staff morale and public perception ♦ Client outcome or experience below reasonable expectations in a number of areas ♦ Some disruption in services with unacceptable impact on client care ♦ Financial loss £10K - £100K ♦ Budgetary impact £100k-£1m	Low	Medium	Medium	High	High
Major, e.g. ♦ Single avoidable death or long term incapacity or disability ♦ National media coverage, public confidence in the Organisation undermined ♦ Significant impact on ability to deliver service objectives, service may have to be discontinued ♦ Financial loss £100k-£1m ♦ Budgetary impact more than £1m	Medium	Medium	High	High	Very High
Extreme, e.g. ♦ Multiple or repeated avoidable fatalities or major permanent incapacity/disability ♦ National media coverage, public confidence in the Organisation undermined ♦ Sustained loss of service with serious impact on delivery of client care, major contingency plans invoked ♦ Corporate obligations not met ♦ Financial loss more than £1m ♦ Budgetary impact more than £1m	Medium	High	High	Very High	Very High
Low	Low: No additional risk controls required. The person responsible shall document assurance that existing controls or contingency plans remain effective and ensure any weaknesses are addressed				
Medium	Medium: Further action shall be taken to reduce the risk but the cost of control should be proportionate. The person responsible shall ensure additional risk control measures are introduced within a defined timescale. Assurance that risk controls or contingency plans are effective shall be documented and evaluated by the relevant Head of Service and any weaknesses addressed				
High	High: Further action, possibly urgent and requiring considerable resources, shall be taken to reduce the risk. Responsibility for introducing risk control measures within a set timescale shall be explicitly defined by the appropriate Director or General Manager and followed up through the performance review process. Assurance that risk controls or contingency plans are effective shall be documented and evaluated by the relevant Director or General Manager				

Very High

Very High: If confirmed to be unacceptable, the risk should be escalated immediately to Director level. An immediate action plan should be drawn up with Executive level leadership. If appropriate, suspension of the activity until the risk has been reduced should be considered. The risk and the action taken to reduce it to an acceptable level should be taken to the next available Board