



Aberdeen City Health & Social Care Partnership
A caring partnership



Internal Audit Report

Integration Joint Board

Risk Management

Sandra MacLeod, Chief Officer
Alex Stephen, Chief Finance Officer
Martin Allan, Business Manager
External Audit

EXECUTIVE SUMMARY

Risk management is the process by which risk is identified, evaluated and prioritised followed by the implementation of resources to manage, control and mitigate risks wherever possible. The overall aim of risk management is to reduce the frequency of risk events occurring and to minimise the impact of them when they do occur.

Systems for assurance and escalation are based on an understanding of the nature of risk to an organisation's goals, and to the appetite for risk-taking. How an organisation understands and manages risk is an important part of the development of its governance systems. The Service notes that the innovative nature of Health and Social Care Integration Schemes also requires governance systems which support complex arrangements, such as hosting of services on behalf of other IJBs, planning only of services delivered by other entities, accountability for assurance without delivery responsibility, and other models of care delivery and planning. As such, risk management is fundamental to the running of the Health and Social Care Partnership that is directed by the Integration Joint Board

The objective of this audit was to review the process for identifying risks, managing them (including performance measures against each risk), and reporting to the IJB.

Governance arrangements including the IJB's Scheme of Governance, Committee terms of reference, Board Assurance and Escalation Framework (BAEF) and Risk Management Policy are in place covering key elements of risk management and reporting. At the time of the audit, elements including annual review of the IJB's risk appetite, and review of operational risks by the Clinical Care and Governance Committee, had not been undertaken as set out in governance documentation. The IJB has reviewed and amended terms of reference in November 2019, will be asked to approve an updated risk appetite in January 2020, and the Service notes that the BAEF will be updated shortly to reflect work currently ongoing across the three Integration Joint Boards working with NHS Grampian in respect of risk management policy.

Whilst processes are in place, resulting in a regularly reviewed strategic risk register, the Service has not yet fully coordinated operational risk management recording across the Partnership – with separate systems in place for staff within each Partner organisation. Use of one such system has been reduced in one Partner's wider operations, and assurance is being sought as to its continued availability for the Partnership pending plans to introduce a single system solution. The Service has agreed to work to ensure an appropriate level of standardisation between the two systems in the interim, with a workshop session planned to refresh officers on the different parts of the risk management process.

1. INTRODUCTION

- 1.1 Risk management is the process by which risk is identified, evaluated and prioritised followed by the implementation of resources to manage, control and mitigate risks wherever possible. The overall aim of risk management is to reduce the frequency of risk events occurring and to minimise the impact of them when they do occur.
- 1.2 Systems for assurance and escalation are based on an understanding of the nature of risk to an organisation's goals, and to the appetite for risk-taking. How an organisation understands and manages risk is an important part of the development of its governance systems. The Service notes that the innovative nature of Health and Social Care Integration Schemes also requires governance systems which support complex arrangements, such as hosting of services on behalf of other IJBs, planning only of services delivered by other entities, accountability for assurance without delivery responsibility, and other models of care delivery and planning. As such, risk management is fundamental to the running of the Health and Social Care Partnership that is directed by the Integration Joint Board
- 1.3 The objective of this audit was to review the process for identifying risks, managing them (including performance measures against each risk), and reporting to the IJB.
- 1.4 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Martin Allan, Business Manager

2. FINDINGS AND RECOMMENDATIONS

2.1 Written Policy and Procedures

2.1.1 The policy and procedures regarding Risk Management are covered within the Board Assurance and Escalation Framework (BAEF) approved by the Audit and Performance Systems (APS) Committee in February 2019. This document references and contains details of the separately documented risk management Policy, risk appetite statement, and the strategic and corporate (operational) risk registers which form the risk management framework. The BAEF explains how risks are to be assessed and reported, roles and responsibilities, sets out the initial risk appetite and how it is reviewed, and is publicly available online.

2.1.2 Information and training on how to use the risk management system (DATIX) used by the Aberdeen City Health & Social Care Partnership (ACH&SCP) to record and manage risks at an operational level is accessible through the NHS Grampian (NHSG) Intranet. This limits access for Partnership staff employed by Aberdeen City Council, who do not generally have access to the system.

Recommendation

The Service should review systems and documentation access to ensure all risk owners / managers have access.

Service Response / Action

Agreed. This will be achieved across DATIX for NHSG staff and Pentana for Council staff. There are financial implications around licenses for the use of software which will need to be considered before a singular system for across the Partnership is implemented.

Implementation Date

Implemented

Responsible Officer

Business Manager

Grading

Important within audited area

2.1.3 The BAEF is reviewed annually by the Business Manager, who is in charge of Risk Management, and is then reported to the APS Committee for approval of any updates or changes. The risk appetite statement is to be reviewed at least as often as the strategic plan is reviewed (every three years) and more often when required, though in practice it is reviewed annually along with the BAEF.

2.1.4 The APS Committee terms of reference include that it will "Review risk management arrangements, receive annual Risk Management updates and reports and annually review with the full Board the IJB's risk appetite document". Whilst the Committee was asked to approve and provide comment on a revised risk appetite statement in February 2019, minutes show that it provided comment and required the report to be revised. The IJB has not thereafter (at the end of October 2019) reviewed the revised risk appetite document.

Recommendation

The Service should ensure the IJB reviews and approves changes to the risk appetite.

Service Response / Action

Agreed. The IJB held a workshop on the 19th of November, at which the Board's risk appetite statement was considered and reviewed. The changes to the statement are being brought to the meeting of the IJB on the 21st of January 2020, for approval.

<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
January 2020	Business Manager	Important within audited area

- 2.1.5 While policies and procedures are in place relating to risk management within the Partnership, the Policy document is not widely available despite being referenced within the BAEF. The BAEF however does cover all of the areas which the policy covers, and therefore a separate policy may not be necessary.

<u>Recommendation</u> The Service should review the requirement for a risk management policy separate to the Board Assurance and Escalation Framework.		
<u>Service Response / Action</u> Agreed. Work is currently ongoing across the three Integration Joint Boards working with NHS Grampian to review the overall Risk Management Policy used for all organisations, updates to the IJB BAEF will reflect any changes. It is proposed that the revised BAEF will be reported to the Risk, Audit and Performance Committee on the 28 th of April, 2020.		
<u>Implementation Date</u>	<u>Responsible Officer</u>	<u>Grading</u>
April 2020	Business Manager	Important within audited area

2.2 Strategic Risk Register

- 2.2.1 The strategic risk register sets out what are considered by management to be the most significant risks to achievement of the IJB's strategic plan.
- 2.2.2 The strategic risk register was last updated in August 2019, following which it was approved by the IJB and is available to view publicly online. The strategic risk register contains a wealth of information on the identified risks, including; a description of the risk, the strategic priority that the risk impacts, the leadership team owner, the risk rating, the risk movement (and when this was last reviewed), a rationale for the rating, a rationale for the risk appetite, controls, mitigating actions, sources of assurance, gaps in assurance, current performance and any additional comments. Additionally, the register contains an overview "Risk Summary" at the beginning where risks are described, and their current rating given.
- 2.2.3 Following discussions at the Leadership Team Meeting in September 2019 the strategic and operational (see below) risk registers will now be a standing item on its meeting agenda, allowing for them to be reviewed monthly. This will include recommendations for risks to be removed or added to the registers. When the APS Committee has the risk register on its agenda, a specific risk is reviewed in detail with an intention of covering all risks over a certain period of time.
- 2.2.4 Specific risk identification exercises have been conducted annually with the IJB for the strategic risk register; however, there is no set procedure or practice. Without a planned review schedule, it is possible that new and emerging risks may be missed, and incidents may occur before mitigants and controls can be put in place.

Recommendation

The Service should schedule risk identification exercises.

Service Response / Action

Agreed. This will be added to the BAEF when it is next updated to form part of written procedures. The BAEF is currently being reviewed and will be submitted to the Risk, Audit and Performance Committee in April 2020. For this Committee's information, the IJB at its workshop on the 19th of November reviewed the strategic risks.

Implementation Date

April 2020

Responsible Officer

Business Manager

Grading

Important within audited area

2.3 Operational Risk Register

2.3.1 The operational risk register includes risks anticipated to affect service delivery and outcomes. Elements may be escalated to the strategic risk register if they are considered to have significant potential impact on delivery of the IJB's strategy.

2.3.2 Although elements of the operational risk register were reviewed in August 2019, notes indicate that not all risks were updated at this time. If risk registers are not up to date, mitigations and controls may not be sufficiently in place to avoid an incident or reduce the impact.

Recommendation

The Service should ensure risk owners keep risks up to date.

Service Response / Action

Agreed. This is now a standing item on leadership team meeting agendas which will allow for the Team to scrutinise the details in the Risk Register. In addition, a workshop for Risk Owners is being arranged in early 2020 to refresh officers on the different parts of the risk management process and how controls and mitigations can be used to reduce the impact and likelihood of the risk. The Workshop is proposed to be held by the end of February 2020.

Implementation Date

February 2020

Responsible Officer

Business Manager

Grading

Important within audited area

2.3.3 The operational risk register is to be populated by risks escalated from service risk registers and locality risk registers (once developed). Locality risk registers are not currently in place, pending planned changes which will reduce the number of localities from four to three. Responsibility and reporting lines for locality level risk registers have still to be determined.

2.3.4 There are a limited number of risks relating to the social care operations of the ACH&SCP on the operational risk register. The Service has stated that social care risks are recorded separately on the Pentana system used by Aberdeen City Council. However, the Pentana system is not currently being used by Aberdeen City Council for recording of risk at levels below the Corporate register. If it cannot be used, there is a risk of reduced assurance over the completeness and currency of risks and their associated controls and mitigants from across the Partnership.

Recommendation

The service should ensure operational risks across all areas of the partnership are covered within the operational risk register.

Service Response / Action

Agreed. The Service intends to work with Aberdeen City Council to allow for the continued use of Pentana within the Partnership by Adult Social Care. The Operational Risk registers for Adult Social Care and Health Care will be maintained separately until a single system solution is introduced. In the interim it is the intention that these registers will be presented in the same format and together, thus forming an overall view of the operational risks that the Partnership faces.

Implementation Date

February 2020

Responsible Officer

Lead Social Worker,
Social Work Services
Managers and Business
Manager.

Grading

Significant within audited
area

2.3.5 The operational risk register is stored within the DATIX system for risk management and records the service involved, the speciality, a risk title, the current risk level, the date last reviewed, the handler and the risk owner. A separate page within DATIX, called the assurance framework, which is designed to provide evidence that the risk is being managed and reviewed includes identification of controls in place to reduce the risk, any gaps in controls, the relevant assurance sources and the action plan used for mitigants and controls.

2.3.6 The risk register extract as supplied for this audit does not include the inherent risk, the rationale behind the risk rating, the movement of the risk (whether it has increased, decreased or stayed the same rating since its last review), a description of the risk, the mitigants and controls, areas of assurance, and any gaps in assurance, and therefore does not subscribe to the format established within the BAEF for risk registers. Whilst this information is held on the system, if it is not being reported in the correct format management action and assurance provided to Committees may be affected.

Recommendation

The Service should ensure that risk registers conform to the standardised format.

Service Response / Action

Agreed. Work is ongoing to ensure the output from DATIX and Pentana are the same, and this includes the deliberations of work currently being undertaken by NHSG and the 3 IJB's on a revised risk management policy.

Implementation Date

April 2020

Responsible Officer

Business Manager

Grading

Significant within audited
area

2.3.7 The BAEF states that the operational risk register is reviewed bi-monthly by the Clinical and Care Governance Committee, but there are no records of this having taken place, reducing assurance that risks are being reported and managed at the appropriate level.

Recommendation

The Service should ensure risk registers are reviewed at the appropriate level and frequency.

Service Response / Action

Agreed. When the Scheme of Governance (which included the Terms of Reference of the Clinical Care and Governance Committee) was revised and approved at the meeting of the IJB on the 19th of November 2019 this included changes to how often and where committees would review risks. The Clinical and Care Governance Group will now consider the operational risks and provide assurance to the Committee over their management.

Implementation Date

Implemented

Responsible Officer

Business Manager

Grading

Significant within audited area

2.3.8

The requirement to monitor the Partnership's risk register is included within the Clinical and Care Governance Committee Terms of Reference. Whilst these are not explicit in referencing the operational register, as the APS Committee regularly reviews the strategic register it is unlikely to be appropriate that both Committees undertake the same review. At the meeting of the IJB on the 22nd of May 2018, the IJB agreed to review the terms of reference for the IJB and its committees annually. As at the end of October 2019, no such review has been completed. Assurance may also be required that delegated functions are being fulfilled.

Recommendation

The IJB should ensure that delivery of Committee terms of reference is reviewed annually.

Service Response / Action

Agreed. The Scheme of Governance (which included the Terms of Reference) was revised and approved at the meeting of the IJB on the 19th of November 2019. The next revision is scheduled in the IJB's Committee tracker for consideration in the second half of 2020.

Implementation Date

Implemented

Responsible Officer

Business Manager

Grading

Important within audited area

AUDITORS: D Hughes
C Harvey
C Johnston

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system’s adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.