

REPORT

Edinburgh Integration Joint Board Risk Register

Edinburgh Integration Joint Board

13 December 2022

Executive Summary

The purpose of this report is to present the latest iteration of the Edinburgh Integration Joint Board (EIJB) risk register and EIJB Risk management policy for endorsement.

Recommendations

It is recommended that the Edinburgh Integration Joint Board:

- a. Notes that the risk cards were discussed and reviewed by the Executive Management Team in November 2022 and the Audit and Assurance Committee on 5 December 2022.
- b. Consider, discuss and agree the risk cards.
- c. Notes that the EIJB risk management policy was endorsed by the Audit and Assurance Committee on 20 September 2022 and presented to EIJB for endorsement.

Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council and NHS Lothian	

Main Report

Background

1. As a key part of its governance process, the risk register documents the risks that impact the Edinburgh Integration Joint Board's (EIJB) ability to deliver its objectives. Members of the EIJB Audit and Assurance Committee (AAC) are responsible for the oversight of risk management arrangements; this includes receipt, review, and scrutiny of reports on strategic risks and escalation of any issues that require to be brought to the attention of the EIJB. The AAC Committee reviews the EIJB risk register on a quarterly basis and refers it to the EIJB twice yearly (in June & December).

Risk update

2. As per the review process, the Operations Manager has met with all Executive Leads and the risk cards (Appendix 3) have been updated to reflect the current position and the controls have been refined. The risk cards were presented to the Executive Team on 10 November 2022 and were presented to AAC on 5 December 2022 for endorsement.
3. The risk cards at appendix 3 were presented to AAC on the 5 December and there was considerable discussion about the content contained with the risk cards. Committee members felt that the risk rating required to be reviewed and further work needed to be undertaken to address those risks that were outwith risk appetite / scored as very high risks with clear actions to bring within risk appetite. It was agreed that there would be a development session with committee members in January / February 2023 to resolve the points highlighted at AAC.



4. The following improvements have been made to the risk cards since they were last presented to the EIJB in 2021 and endorsed by AAC:
- The EIJB risks have been reworded to make the risks clearer.
 - The inclusion of a RAG status (Appendix 1) to show progress towards the EIJB target risk rating with the following criteria:
 - i. Red - there are delays to additional actions and these need to be achieved for the risk to achieve its target rating and these are detailed under additional actions that require to be completed.
 - ii. Amber – where additional actions are in progress, however they have not been achieved yet.
 - iii. Green - the target risk rating has been achieved
 - An exercise has been taken to understand the level of assurance available for each of the controls. Three levels of assurance have identified (and included at appendix 2 and contained within the risk cards):
 - i. Level 1 (Operational) - The lowest level of assurance and relates to local assurances provided by operational management, self-assessment.
 - ii. Level 2 (Executive) - Moderate level of assurance and relates to assurances provided by executive management/ Board, independent assessment (internal) e.g., clinical audit.
 - iii. Level 3 (External)- The strongest level of assurance and relates to e.g., external Reviews, external audit, external inspections etc.

EIJB Risk Management Policy

5. Alongside the revised risk cards, also included within this report is the EIJB risk management policy (Appendix 4) which was agreed by AAC on 20 September and formalises the approach to risk management for the EIJB and includes details on roles and responsibilities and a section on risk appetite which concludes the work undertaken with the Good Governance Institute (GGI). This policy also addresses two of the management actions relating to the EIJB risk management internal audit which was presented to Audit and Assurance Committee in August 2022.

Next steps

6. It is proposed that there will be a workshop with the EIJB on its risk management approach in January / February 2023. The Chief Finance Officer and Operations Manager will continue to embed risk management policy across the EIJB and look to further refine and develop the risk cards.



Implications for Edinburgh Integration Joint Board

Financial

7. There are no direct financial implications arising from this report, however it is important that all financial risks are closely monitored and escalated appropriately.

Legal / risk implications

8. The risk cards included at Appendix 3 highlights the current EIJB risks. The risk cards are a core component of the internal control system and is used as a systematic structured method of recording all risks that threaten the delivery of EIJB strategic objectives/priorities.

Equality and integrated impact assessment

9. There are no direct equalities implications arising from this report.

Environment and sustainability impacts

10. There are no direct environment or sustainability implications arising from this report.

Quality of care

11. The management and mitigation of risks in key areas including strategic planning and commissioning and the issuing of directions should impact positively on the quality of care delivered.

Consultation

12. The EIJB risks were developed following consultation with the Executive Team AAC members, Chief Internal Auditor, representatives from the three Lothian EIJBs and the Council's Risk Officer.

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Background Reports

None

Appendices

Appendix 1	Risk Rating Overview
Appendix 2	Risk Assurance Levels
Appendix 3	Risk Cards
Appendix 4	Risk Management Policy

Appendix 1 - Risk Rating Overview

ID	Risk Type	Risk Appetite	Risk	Sep (22) RAG	Dec (22) RAG	Target Rating	Path to target risk
1.	Strategic Planning and Commissioning						
1.1	Strategic & People	Medium – Very High	There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives.	Very High	Very High	High	
1.2	Strategic & People	Medium – Very High	There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.	High	High	Med	
1.3	Financial	Low - High	There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.	High	High	High	N/A
2.	Issuing of Directions						
2.1	Strategic	Medium – Very High	There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.	High	High	Med	
3.	Management and Role of the EIJB						
3.1	Strategic	Medium – Very High	There is a risk that the EIJB is unable to operate effectively as a public body.	Med	Med	Low	
3.2	Strategic	Medium – Very High	There is a risk that the EIJB's workforce strategy is not delivered.	High	High	Med	
3.3	Strategic	Medium – Very High	There is a risk that the EIJB doesn't have an appropriate level of infrastructure delegated from NHS Lothian and the City of Edinburgh Council to operate effectively.	High	High	Med	
3.4	Regulatory	Low	There is a risk that the EIJB has insufficient assurance from assurance providers to support effective delivery of scrutiny responsibilities.	Med	Low	Low	
3.5	Regulatory	Low	There is a risk that the EIJB does not comply with the necessary legislative and regulatory requirements.	Med	Low	Low	

Appendix 2 – Risk Assurance Levels

Level 1 – Operational

The lowest level of assurance and relates to local assurances provided by operational management, self-assessment.

Level 2 - Executive

Moderate level of assurance and relates to assurances provided by executive management/ Board, independent assessment (internal) e.g., clinical audit.

Level 3 - External

The strongest level of assurance and relates to e.g., external Reviews, external audit, external inspections etc.

Appendix 3 - Risk Cards

1. Strategic Planning and Commissioning						
Risk 1.1 There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives.						
Strategic Objective: Deliver an affordable, sustainable, and trusted health and social care system for Edinburgh.		Source of objective: <ul style="list-style-type: none"> EIJB Strategic Plan Financial planning undertaken alongside development of strategic plan Engagement with stakeholders 		Risk Owner: Chief Officer Risk Contributor: Service Director – Strategic Planning (SD-SP)		
Historical Risk Score						
						
Sept 2020	Nov 2020	Jan 2021	June 2021	Sept 2021		
						
						
						
						
						
						
						
				Target Risk		
Current Risk Score & Risk Appetite						
Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite		
Almost Certain	Extreme	Very High	December 2022	Medium to Very High		
Current Risk Score			Target Risk Score			
Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
Risk Assessment						
<i>Likelihood</i> - The EIJB has a budget gap because the income delegated by the City of Edinburgh Council and NHS Lothian (partners) is less than that projected cost of services and a savings and recovery programme has been agreed by the EIJB. Therefore, there is an almost certain risk that the EIJB doesn't deliver on its strategic objectives.						
<i>Consequence</i> - The current Strategic Plan's four key elements (Edinburgh Pact, Three Conversations, Home First and Transformation) are key parts of delivering the EIJB strategic objectives of delivering an affordable and sustainable health and social care system. If these key elements are not deliverable, the consequences would have extreme implications for the delivery of the EIJB strategic objectives.						
How would this risk happen?			What would the potential outcome be?			
<ul style="list-style-type: none"> Insufficient resources (finances, workforce, infrastructure, etc.) delegated by the Council and/or NHS Lothian. Strategic priorities beyond current organisational experience. Lack of stakeholder support. 			<ul style="list-style-type: none"> If strategic priorities (prevention and early intervention; tackling inequalities; person-centred care; managing resources effectively; best use of capacity; and right care, right place, right time) are not adequately managed, the planned 			



<ul style="list-style-type: none"> • Underestimation of the complexity of issues. • Unable to make strategic decisions based on the quality or availability of data available. • Irregular assessment of objectives leading to unidentified impact of operational effectiveness. • New regulations changing direction of travel. • External forces (major incidents) presenting unexpected threats /opportunities (e.g., pandemic). • Impact of Scotland leaving the UK. • Impact of implementation of the National Care Service or similar resulting in a need to change priorities / direction of travel. • Not involving appropriate stakeholders in strategy/policy development. • Insufficient or ineffective representation from third sectors / stakeholders on the EIJB and its committees. • Poor relationships with providers in either the private or third sector. • Failure to make best use of the expertise, experience, and creativity of partners, third sector and private sector. • Insufficient asset planning arrangements leading to failure or delays in delivering the strategic plan. 	<p>improvements in health and wellbeing of people in Edinburgh would be negatively impacted.</p> <ul style="list-style-type: none"> • Reputational damage to the EIJB.
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Activity undertaken since September 22 Audit and Assurance Committee meeting:

- Update report on the development of a performance framework to measure performance against our refreshed Strategic Plan (in draft) presented to P&D Committee on 14 Sept.
- Update on progress against Directions considered by P&D Committee (14 Sept) and recommendation approved to close 2 Directions as achieved. Three directions ‘delayed’ with all others on track.
- Reporting to both EIJB and Policy and Sustainability Committee in relation to current system pressures and actions being taken to mitigate pressures. There are also currently 2 inspections running concurrently which affect staff groups who are responsible for implementing actions to address systems pressures.
- Regular engagement with external providers, to help the new care at home model.
- Work continues to make health and care an attractive career path and recruit to vacant posts.

What are we doing to currently manage the risk? (Controls in place)

Key Control/s		Assurance that control/s are effective	Level of Control
1.	Weekly System Pressures meetings, Whole System Oversight Board, and support from Scottish Government in place to manage ongoing system pressures. Risks considered, reviewed, and escalated as appropriate.	Yes	Level 1 – Operational Assurance Level 3 – External Assurance
2.	A range of activity continues to increase the social care workforce, including active ongoing recruitment of key frontline staff & Additional £300m funding has been targeted to increase recruitment to key posts within the Partnership to address systems pressures.	Yes	Level 1 - Operational Assurance



3.	Use of interim beds to support flow within the acute setting where this in an individual's best interest.	Yes	Level 1 – Operational Assurance	
4.	Development of the care at home procurement exercise and market shaping work involving a range of care at home providers which will make best use of the market.	Yes	Level 1 – Operational Assurance	
5.	Establishment of a daily data driven Command to drive forward immediate/short-term change that increases capacity of internal homecare service.	Yes	Level 1 – Operational Assurance	
6.	A range of third sector providers and key stakeholders are involved in shaping the future bed-base strategy / review and community mobilisation transformation project.	Yes	Level 1 – Operational Assurance	
7.	Programme management support in place to support the innovation and sustainability programme (which includes bed based review, community mobilisation projects).	Yes	Level 1 – Operational Assurance	
8.	Joint Strategic Needs Assessment (JSNA) is in place to ensure the EIJB strategic plan reflects the population needs and takes account of key areas that will affect the EIJB, including poverty, and dementia).	Yes	Level 1 – Operational Assurance	
9.	The publication of the 2020/21 annual performance report provides assurance on progress with key EIJB strategic objections contained within the Strategic Plan.	Yes	Level 1 – Operational Assurance	
10.	Risks and potential approaches are highlighted to EIJB Chair & Vice Chair at regular 1:1s with Chief Officer.	Yes	Level 2 – Executive Assurance	
11.	Regular engagement meetings with partners (EIJB, CEC Head of Finance, NHS Lothian Director of Finance, Chief Executives from both Council and NHS Lothian) to monitor performance, strategic direction and to foster good relationships and better understanding of partner organisation perspectives.	Yes	Level 2 - Executive Assurance	
12.	Governance arrangement for financial plan is in place and will be aligned to the strategic plan.	Yes	Level 2 - Executive Assurance	
13.	Regular reporting of directions to Performance and Delivery Committee	Yes	Level 2 - Executive Assurance	
14.	EIJB Risk Management Policy in place.	Yes	Level 1 – Operational Assurance & Executive Assurance	
15.	Performance against EIJB strategic objectives is regularly reported to the Performance and Delivery Committee and annually to the EIJB.	Yes	Level 2 - Executive Assurance	
Additional controls or actions needed to manage this risk / achieve target risk.		Action Owner	Delivery Date	Update
1.	Development of new performance framework has started in line with the production of the next 3-year strategic plan. It is due to be completed by the end of 2022.	SD-SP	March 2023	On track for publication by March 2023

1. Strategic Planning and Commissioning

Risk 1.2 **There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.**

Objective: Ensure that the Edinburgh element of delegated Pan-Lothian services are delivered in line with EIJB's Directions.	Source of objective: <ul style="list-style-type: none"> EIJB Directions Integration Scheme EIJB Strategic Plan Financial Plan Annual Performance Report Review of Directions 	Risk Owner: Chief Officer Risk Contributor: Service Director – Strategic Planning (SD-SP)
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Historical Risk Score



Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Moderate	High	Dec 2022	Medium to Very High

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
	Consequence						Consequence						

Risk Assessment

Likelihood - Gaps remain in how the EIJB plans for hosted and set aside services, therefore the likelihood of this risk materialising is likely.

Consequence - Hosted and set aside services represent a moderate proportion of overall delegated services and elements of planning for hosted and set aside services are currently in place, therefore the consequence is moderate.

How would this risk happen?

- Conflicting priorities between managers of services and EIJB requirements/Directions.
- Conflicting priorities between Mid, East, West Lothian, and Edinburgh IJB.
- Unclear communication between relevant parties.
- Lack of clarity in Directions.
- Impact of external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic).

What would the potential outcome be?

- Outcome for people in Edinburgh are poorer.
- Resources are not the right place to deliver the EIJBs objectives.
- Pathways are confused due the different requirements of four EIJBs.



<ul style="list-style-type: none"> Impact of implementing the National Care Service or similar on financial planning. 				
Activity undertaken since September 22 Audit and Assurance Committee:				
<ul style="list-style-type: none"> Strategic Planning Group considered latest iteration of the draft Strategic Plan and associated appendices in October. This included detail on client group planning and innovation and sustainability future plans. Review of Governance of Directions will inform new EIJB directions policy. Budget Working Group met in October Work continues to develop bed base for learning disabilities, mental health, rehab, and older people beds. Annual Performance Report published, highlighting improvements in delegated services. 				
What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control	
1.	Consultation on the new strategic plan is in place, which will be shared with a wide range of stakeholders which will include set aside and hosted services	Yes	Level 1 – Operational Assurance	
2.	Regular (monthly) Chief Officer meetings attended by all four EIJBs and officers from NHS Lothian provide a forum to reach consensus, influence delegated services and raise any relevant issues.	Yes	Level 2 - Executive Assurance	
3.	Lothian Strategic Framework in place which sets out how the health and care service in Lothian will be set out over the next five years.	Yes	Level 1 – Operational Assurance	
4.	Specific service forums are established to consider and agree major service changes which impact on more than one EIJB.	Yes	Level 1 – Operational Assurance	
5.	EIJB Directions Policy in place (with directions template). Directions monitored via Performance and Delivery Committee, with annual review undertaken in June 2021 by the EIJB. Last undertaken on 9 th August 22	Yes	Level 2 - Executive Assurance	
6.	Financial reporting mechanisms in place for hosted and set aside services and reported to EIJB regularly.	Yes	Level 2 - Executive Assurance	
7.	Programme Recovery Board for Unscheduled care and Mental Health and Learning Disability Services has been established by NHS Lothian. These groups have cross cutting representation and are chaired by EIJB Chief Officers.	Yes	Level 2 - Executive Assurance	
8.	Budget Setting Protocol agreed by EIJB, NHS Lothian and the Council in place which will have an impact on Directions set by the EIJB in line with strategic intentions.	Yes	Level 1 – Operational Assurance	
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Implications for hosted and set aside services will be picked up through the Transformation Programme as required.	SD-SP	Ongoing	Ongoing
2.	Structural gaps in hosted and set aside services planning to be addressed through the Partnership's new management structure.	CO	June 2023	Due to Covid and existing systems pressures, the restructure for hosted services have been delayed.

1. Strategic Planning and Commissioning

Risk 1.3 **There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.**

Objective: Using available resources to deliver an affordable and sustainable health and care service for the people of Edinburgh.	Source of objective: <ul style="list-style-type: none"> EIJB Strategic Plan Financial Plan & regular updates Annual Performance Report 	Risk Owner: Chief Officer Risk Contributor Chief Finance Officer (CFO) & Service Director – Strategic Planning (SD-SP)
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Historical Risk Score



Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Major	High	Dec 2022	Low – High

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
	Neg	Min	Mod	Maj	Ext		Neg	Min	Mod	Maj	Ext		
	Consequence						Consequence						

Risk Assessment

Likelihood - The projected costs for delegated services in 2021/22 outstrip the budget offers from CEC and NHS Lothian leading to a continued savings requirement. Although a comprehensive Savings and Recovery Programme has been adopted and will assist in mitigating the risk, the financial plan remains unbalanced at the current time. The EIJB recognised that the additional measures which would be required to balance the plan would have a significant negative impact on performance gains and outcomes for people, therefore the likelihood of this risk materialising is likely.

Consequence - The EIJB and its partners face a significant financial challenge over the next few years. Driven by growing demand, higher costs, increasing expectations for the delivery of health and social care, and a reduction of financial resources available and the consequence of this risk materialising is major.



<p>How would this risk happen?</p> <ul style="list-style-type: none"> • In year reduction in funding due to need of Council and/or NHS Lothian requirement to balance their overall budgets. • Unanticipated increase in costs of delegated services. • Failure to deliver agreed savings programmes. • Poor budget management. • Full financial impact of COVID-19 not fully reimbursed by Scottish Government. • Unanticipated financial impacts, other external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic). • Unable to make strategic decisions based on the quality or availability of financial data available. • Impact of Scotland leaving the UK. • Impact of the development and implementation of the National Care Service (NCS) 	<p>What would the potential outcome be?</p> <ul style="list-style-type: none"> • Reprioritising spending. • Strengthen budgetary control. • Identify additional savings and recovery schemes. • Fail to maximise outcomes for people in Edinburgh. • Short term decision making to balance budget which compromises longer term objectives and increases costs in the longer term.
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Activity undertaken since September 22 Audit and Assurance Committee:

- Update report on the development of a performance framework to measure performance against our refreshed Strategic Plan (in draft) presented to P&D Committee on 14 Sept.
- Additional resource has been brought in to help the Chief Finance Officer with the savings programme.
- Budget Working Group met in October 2022 as part of development of the 23/24 budget process

What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	Performance and Delivery Committee scrutinise financial performance. Approach to monitoring progress with savings and recovery plan agreed with P&D.	Yes	Level 2 - Executive Assurance
2.	Chief Finance Officer supported by Council and NHS Lothian finance teams agreed financial objectives/priorities for the year with key stakeholders.	Yes	Level 1 – Operational Assurance
3.	Financial Plan in place and agreed by EIJB for 22/23 budget. At this point the plan had a deficit of £17m, this has now reduced to £11m as reported to the Edinburgh Integration Joint Board in August 2022. Work remains ongoing to balance the plan in collaboration with partners.	Yes	Level 1 – Operational Assurance
4.	Finance is a standing item on the EIJB agenda. Latest update presented on x October 22 with regular reporting to Partnership Executive Team and governance forums within CEC & NHSL	Yes	Level 2 - Executive Assurance
5.	EIJB Budget Working Group has been established to work on the budget setting process.	Yes	Level 2 - Executive Assurance
6.	Operational financial monitoring undertaken monthly by both NHS Lothian and the Council with regular dialogue between finance teams and operational budget holders	Yes	Level 1 – Operational Assurance
7.	Savings Governance Framework in place in line with requirements highlighted in recent Internal Audit Reports.	Yes	Level 1 – Operational Assurance



8.	Partnership Savings Governance Group chaired by Chief Officer meets monthly to scrutinise progress against the savings and recovery programme.	Yes	Level 2 - Executive Assurance	
9.	Regular tripartite meetings in place. Attended by: CO, CFO CEC Head of Finance, NHS Lothian Head of Finance).	Yes	Level 2 - Executive Assurance	
10.	Additional funding allocated for financial impact of COVID-19 following regular submissions to SG on via the mobilisation planning process. Although no further funding will be allocated in 22/23, current projections indicate that costs will be met in full from monies carried forward in IJB reserves. Yes	Yes	Level 1 – Operational Assurance	
11.	Financial performance of Partnership services scrutinised at joint performance review meetings with Council Chief Executive and NHS Lothian Deputy Chief Executive.	Yes	Level 2 - Executive Assurance	
12.	Innovation and Sustainability Programme agreed with Learning Disabilities agreed as first project for a focus.	Yes	Level 1 – Operational Assurance	
13.	Performance and Evaluation Manager is developing a framework which should ensure that decisions made by the EIJB are supported by accurate quantitative and qualitative data.	Yes	Level 1 – Operational Assurance	
14.	Final local mobilisation plan (LMP) submitted to Scottish Government to support reclaim of COVID19 costs. Forecast Covid related costs have been updated and submitted to the Scottish Government.	Yes	Level 1 – Operational Assurance	
15.	Financial reporting mechanisms in place and will be monitored through Performance and Delivery Audit and Assurance ?	Yes	Level 2 - Executive Assurance	
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Enhance support for CFO built into proposed new structural arrangements.	CO	Dec 22	Work ongoing.

2. Issuing of Directions

Risk 2.1 **There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.**

<p>Objective: Clear, concise, and measurable directions in place which cover all services, and which are routinely monitored with corrective action taken where necessary.</p>	<p>Source of objective:</p> <ul style="list-style-type: none"> • EIJB directions policy, • EIJB directions, • Directions tracker • Strategic Plan 	<p>Risk Owner: Chief Officer</p> <p>Risk Contributor: Service Director – Strategic Planning (SD-SP)</p>
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Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Major	High	December 2022	Medium – Very High

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
Consequence						Consequence							
Neg Min Mod Maj Ext						Neg Min Mod Maj Ext							

Risk Assessment

Likelihood - Although much progress has been made in respect of the directions policy and approach, further work is required to ensure that directions are clearly articulated, particularly in terms of performance measures, therefore the likelihood of this risk materialising is possible.

Consequence - If services are not delivered as intended the consequences could be material. Risk relates mainly to services not delivered by the Partnership.

<p>How would this risk happen?</p> <ul style="list-style-type: none"> • Because directions are not: <ul style="list-style-type: none"> ○ well-articulated ○ properly understood ○ realistic/achievable ○ non-SMART performance targets ○ issued timeously • Directions are not implemented by partners as intended because of conflicting priorities. 	<p>What would the potential outcome be?</p> <ul style="list-style-type: none"> • Failure to deliver delegated services in line with strategic objectives. • Overspends against delegated budgets. • Consequential impact on outcomes for the people of Edinburgh.
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<ul style="list-style-type: none"> Directions are not tracked / monitored / implemented due to lack of available performance data, or the quality of data is poor. 			
Activity undertaken since September 22 Audit and Assurance Committee:			
<ul style="list-style-type: none"> All extant directions reissued in September on new template which meets Internal Audit requirements Scope of Internal Audit on Governance of Directions agreed, and initial fieldwork commenced. Outcome of IA anticipated early Dec. The timescale for the review of the Directions Policy has changed to take account of the IA to ensure that any recommendations arising are addressed through the review process. Review of Directions undertaken at P&D on 14th September. 			
What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	Directions Policy in place with annual review of directions undertaken. Annual Review undertaken 09 August 2022. Directions are required for any service changes agreed by the EIJB.	Yes	Level 2 - Executive Assurance
2.	Regular monitoring of directions via the Performance and Delivery Committee.	Yes	Level 2 - Executive Assurance
3.	Directions policy is flexible in that Directions can be withdrawn or amended at any time if they are no longer to be appropriate/realistic/achievable.	Yes	Level 1 – Operational Assurance
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date
1.	Review of directions policy to ensure it remains aligned with Scottish Government guidance and emerging best practice.	SD-SP	March 2023
2.	Ongoing refinement of directions and expansion to cover wider range of delegated services.	SD-SP	Ongoing
3.	Directions to be considered / formulated as part of the developing the new Strategic Plan 2022-25.	SD-SP	March 2023
Update			
			This has been delayed to ensure any findings from the IA of Governance of Directions are included in a revised policy.
			Ongoing
			Ongoing

3. Management and Role of the EIJB

Risk 3.1 There is a risk that the EIJB is unable to operate effectively as a public body.

Objective: EIJB is recognised as the sole body responsible for the strategic oversight and planning of delegated services.	Source of objective: <ul style="list-style-type: none"> Public Bodies (Joint Working) (Scotland) Act 2014. Code of Conduct. Compliance with Good Governance Handbook principles. Compliance with EIJB regulations and legislation. Scheme of Integration. Strategic Plan.	Risk Owner: Chief Officer
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Current Risk Score & Risk Appetite



Current Risk Score: High

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Moderate	Medium	Dec 2022	Medium – Very High

Current Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Target Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Risk Assessment

Likelihood - The EIJB has matured since the establishment of the EIJB, however it does continue to develop its governance and reputation as a separate public body and the likelihood that the risk materialises is possible.

Consequence - There are moderate consequences to the delivery of strategic objectives if the EIJB is unable to operate effectively as a public body.

How would this risk happen?

- Board Members lack the necessary skills, knowledge, and experience to undertake their role.
- Board Members unclear about their role as an EIJB member (i.e., code of conduct, integration scheme).
- A lack of clarity about the separate roles of the EIJB, Partnership, Council and NHS Lothian.
- Lack of public identity/understanding of the EIJB.
- EIJB governance arrangements are unclear.
- Failure to engage and collaborate appropriately with third, independent and housing sectors and other parties.

What would the potential outcome be?

- Failure to deliver the benefits of integration.
- Duplication or contradictory of decision making.
- Gaps in decision making.
- Poorer outcomes for the people of Edinburgh.



<ul style="list-style-type: none"> • Insufficient or ineffective representation from third sectors / stakeholders on the EIJB and its committees. • Failure to make best use of the expertise, experience, and creativity of third sector and private sector. • Officers with operational responsibilities are being asked to scrutinise performance in areas where they are not totally independent leading to inadequate oversight of delegated EIJB functions. 	
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Activity undertaken since September 22 Audit and Assurance Committee meeting

<ul style="list-style-type: none"> • Assurance report for 21/22 presented to Integration Joint Board in September 2022. • Workshop/development session for audit and assurance committee and clinical and care governance members held in November 2022. • Integration Joint Board agreed to invite the Chair of Edinburgh Association of Community Councils to join the Strategic Planning Group. • Further discussion ongoing about increasing membership to Audit and Assurance Committee and Clinical and Care Governance to increase the range of views shared across the committee and provide scrutiny. • Training for chairs being organised.
--

What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	Regular development sessions in place for EIJB members.	Yes	Level 1 – Operational Assurance
2.	New members have been allocated to committees	Yes	Level 1 – Operational Assurance
3.	Induction programme in place for new EIJB members as well as new CEC Elected Member emphasising the interdependencies between CEC, NHSL, EIJB.	Yes	Level 1 – Operational Assurance
4.	The third, independent and housing sectors are represented on EIJB committees and are involved in the development of the strategic plan and have an integral role as the plan is implemented.	Yes	Level 1 – Operational Assurance
5.	Annual review of the EIJB support arrangements to ensure EIJB can fulfil its statutory and legislative obligations, with an annual report presented to Audit and Assurance Committee.	Yes	Level 1 – Operational Assurance
6.	Carer and service user representatives are members of the Board and its committees to ensure we are compliant with legislation.	Yes	Level 1 – Operational Assurance
7.	Members are advised that they can meet with Partnership Officers/ report owners prior to meetings to discuss the report content.	Yes	Level 1 – Operational Assurance
8.	Board members chair committees which should broaden members knowledge, understanding, and decision making.	Yes	Level 1 – Operational Assurance
9.	EIJB Standing Order / Code of Conduct in place.	Yes	Level 1 – Operational Assurance
10.	‘Declaration of Interest’ - members are responsible for declaring certain interest in EIJB proceedings.	Yes	Level 1 – Operational Assurance



11.	The EIJB Chair monitors the quality of the debates and if necessary, will ask the Chief Officer for additional information if the subject matter requires further clarification for members.	Yes	Level 1 – Operational Assurance	
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Review the training and development needs of EIJB members.	CO	March 23	Initial induction sessions have been undertaken but recognising that induction (including training and development) will run over a longer period.
2.	Look at a mechanism to ensure that Board members are getting adequate information in relation to national, policy, technical development to enable it to fulfil its role and responsibilities.	CO /SD-SP	March 23	Considering the significant pressures within the system, this work has slowed, therefore it will be delivered by March 23

3. Management and Role of the EIJB

Risk 3.2 There is a risk that the EIJB's workforce strategy is not delivered.

Objective: Matching future service demand with future workforce supply.	Source of objective: <ul style="list-style-type: none"> Strategic Plan National Integrated Health and Social Care Workforce Plan and Associated Guidance, Workforce Strategy 	Risk Owner: Chief Officer Risk Contributor: Chief Nurse (Workforce Plan) Lead for Sustainability
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Current Risk Score & Risk Appetite

Current Risk Score	Likelihood	Consequence	Risk Rating	Date assessed
	Likely	Major	High	Dec 2022

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequence						Consequence							

Risk Assessment

Likelihood - The probability of achieving a comprehensive workforce plan has improved however further work is still needed to ensure that sufficient resource and appropriate support arrangements and are in place to deliver this piece of work, therefore the likelihood of this risk materialising is likely this time.

Consequence - Not meeting the challenges of demographic changes (both population and staff) could lead to unbearable pressure on services. There's a need to attract or retain the right people and have an engaged and resilient workforce to ensure that the people of Edinburgh needs are met. Emergencies including the COVID-19 pandemic put enormous pressure on our services, however it did provide an opportunity in revealing functional problems in the organisation that will be addressed through workforce planning and the consequences of this risk materialising is major.

How would this risk happen? <ul style="list-style-type: none"> Lack of a Workforce Plan. Lack of a Workforce Strategy. 	What would the potential outcome be? <ul style="list-style-type: none"> Inability to deliver against strategic priorities.
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<ul style="list-style-type: none"> • Lack of capacity and capability to lead on workforce and workforce planning at a local level. • Lack of consultation with key stakeholders. • Added complexities from unanticipated workforce impacts other external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic). • New workforce policies or other workforce impacts related to the UK leaving the EU or Scotland leaving the UK. • Poor horizon scanning. • Impact of COVID-19 pandemic. 	<ul style="list-style-type: none"> • Additional pressures on financial budgets due to unanticipated increase in staffing pressures (e.g., costs, vacancies, agency costs, etc.). • Poorer outcomes for people of Edinburgh. • Negative perception of EHSCP as an employer.
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Activity undertaken since September 22 Audit and Assurance Committee meeting:

<ul style="list-style-type: none"> • Co-chairs for 3 delivery/implementation groups identified. • Realistic but deliverable objectives for the next 6 months agreed. • Progress report scrutinised by Performance and Delivery Committee in September 2022. • Discussion/presentation to Partnership Forum in September 2022. • Work continues to promote health and care roles via Capital City Partnership.
--

What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	Workforce plan have been drafted, submitted to Scottish Government. They have provided comment which we are incorporating to the plan.	Yes	Level 1 – Operational Assurance
2.	Three working groups have been set up to deliver on the workforce plan.	Yes	Level 1 – Operational Assurance
3.	Engagement with Partnership’s Wider Leadership Team has taken place to shape engagement strategy with workforce as well as with colleagues in CEC and NHSL.	Yes	Level 1 – Operational Assurance
4.	A range of initiatives are being undertaken to improve attraction and retention of workforce across the Partnership: <ul style="list-style-type: none"> • working with Edinburgh College to recruit students to deliver care via the NHS Lothian student bank, • through our One Edinburgh approach • optimise the capacity available with the existing Homecare service and community care at home provision. 	Yes	Level 1 – Operational Assurance
5.	Additional £300m used to address workforce issues within the Partnership and maximise homecare capacity.	Yes	Level 1 – Operational Assurance
6.	Work with Capital City Partnership to promote health and care as an attractive career path.	Yes	Level 1 – Operational Assurance
7.	Working closely with colleague in partner organisations and utilising local and national networks	Yes	Level 1 – Operational Assurance
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date
			Update



1.	Delivery of EHSCP Workforce Plan.	Chief Nurse	Dec 2022	On track
2.	Review capacity to undertake EIJB workforce planning.	Chief Nurse	Dec 2022	On track

3. Management and Role of the EIJB

Risk 3.3 There is a risk that the EIJB doesn't have an appropriate level of infrastructure delegated from NHS Lothian and the City of Edinburgh Council to operate effectively.

Objective: Sufficient and appropriate infrastructure is in place to support the EIJB to achieve its strategic objectives.

Source of objective:

- Scheme of Integration
- Regular Engagement with partners

Risk Owner: Chief Officer

Historical Risk Score



Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Moderate	High	Dec 2022	Medium – Very High

Current Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Target Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Risk Assessment

Likelihood - The EIJB does not physical own any assets or have direct managerial responsibilities for staff through a pre-determined budget. It is reliant on the resources allocated to it from both partners (NHS Lothian and The City of Edinburgh Council). Partners also have their own resourcing challenges and are not able to provide the level of resource required to fully support the EIJB as a separate public body, therefore it is likely this risk will occur.

Consequence - Without adequate resource the EIJB will be unable to develop and deliver against its strategic objectives, therefore the consequences of this risk occurring is major.

How would this risk happen?

- NHS Lothian and the Council are unable to meet their obligations to provide adequate professional, administrative, and technical support.
- Impact of organisational restructures/staffing reviews within partner organisations leading to the deletion of posts.
- Specialist resources / knowledge skills not dedicated to the EIJB (e.g., health planning, project management, resourcing).
- There is a lack of key data sets or the level of data available is of a poor quality hampering the ability to

What would the potential outcome be?

- Failures in governance, scrutiny, and performance arrangements.
- Compromised efficiency of the EIJB.
- Ability to deliver change at desired pace.
- Ultimately poorer outcomes for the people of Edinburgh.
- Conflict of interest for one or more partner organisation within its governance, scrutiny, and performance arrangements.



<p>make robust / informed decisions based on the data sets available.</p> <ul style="list-style-type: none"> • Lack of sufficient independent professional, administrative and technical resources. • Lack of clarity over EIJB requirements. • Conflict between partner and EIJB priorities. • Inefficiencies in delivery. • Impact of the implementation of the NCS, meaning partners reduce the infrastructure available to the EIJB. 	
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Activity undertaken since September 22 Audit and Assurance Committee:

- Chair has written to Chief Executives in the Council and NHS Lothian to raise the issue of Chief Risk Officer and seek support for resolution.
- Discussions continue with partners in relation to professional support for data analytics, communications to support work arising from the EAP action plan / inspection activity.
- Work continues to shape the Performance Framework in relation to data sets
- The EIJB workforce strategy continues to be developed which will include plans from professional, administrative, and technical support that supports the EIJB as well as front line staff.
- Engagement continues with partners to support two inspections, one into Adult Social Work and one into Adult Support and Protection which is putting significant pressure on existing staff.
- The EIJB has agreed additional funding in key areas (e.g., innovation and sustainability and data analytics) however this is being utilised to support systems pressures work and this may result In the EIJB not having an appropriate infrastructure to operate effectively – this is being monitored closely.

What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	The Chief Officer is a member of the senior management teams in both NHS Lothian and The City of Edinburgh Council, thus in a position to influence decision-making and has regular 1:1's with both partner Chief Executives	Yes	Level 1 – Operational Assurance
2.	Programme of activity underway to provide additional resource to support the EIJB in performance and strategic activity. It should be noted that there continues to be workforce and operational pressures that may impact on the ability of the EIJB to deliver on its priorities.	Yes	Level 1 – Operational Assurance
3.	Performance Framework approved at Performance and Delivery; however, work continues to develop better data sets to inform decision making and allow the EIJB to make the best use of resources available.	Yes	Level 1 – Operational Assurance
4.	Submission to the National Care Service, highlighting key opportunities as well as risks that the Bill posed in its current form.	Yes	Level 2 - Executive Assurance
5.	The Chair has written to both partner Chief Executives outlining the current support arrangements and identified gaps and requested further discussion. Engagement with this is ongoing.	Yes	Level 2 - Executive Assurance
6.	Integration Scheme has been reviewed by partners and with Scottish Government for sign off.	Yes	Level 1 – Operational Assurance
7.	Comprehensive audit plan in place to understand the quantum of risk to the EIJB.	Yes	Level 2 - Executive Assurance



8.	Innovation and Sustainability team is in place to deliver on key EIJB strategic projects.	Yes	Level 1 – Operational Assurance	
9.	New Performance and Evaluation team in place and is working to enhance the EIJB performance reporting.	Yes	Level 1 – Operational Assurance	
10.	For legal conflicts of interest: <ul style="list-style-type: none"> Partner Legal Team made aware of potential risk of conflict of interest. When a conflict has been identified, discussion with Chief Officer/Executive Team on best approach which may result in obtaining external advisers or formal risk acceptance (noted in risk register). Legal team must be clear when they are advising the EIJB as opposed to the Council/NHSL side of EHSCP. 	Yes	Level 1 – Operational Assurance	
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Work with partners to formalise levels of support including resolution of outstanding issue of EIJB Chief Risk Officer.	CO	Ongoing	Work is ongoing to resolve this issue.
2.	Work has begun to develop a performance framework which will help ensure that data gathered is meaningful and robust and can be used to inform decision making.	CO	March 2023	Work continues to develop data sets to support the performance framework.

3. Management and Role of the EIJB

Risk 3.4 Insufficient or poor-quality assurance from assurance providers to support effective delivery of their scrutiny responsibilities.

Objective: Reliable and effective assurance quality from assurance providers.	Source of objective: • Internal & External Annual Audit Opinion	Risk Owner: Chief Officer
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Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Moderate	Low	December 2022	Low

Current Risk Score						Target Risk Score										
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH			
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH			
	Possible	L	M	M	H	H		Possible	L	M	M	H	H			
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H			
	Rare	L	L	L	M	M		Rare	L	L	L	M	M			
	Consequence							Consequence								
						Neg	Min	Mod	Maj	Ext						

Risk Assessment

Likelihood - the EIJB receives assurance through its Audit and Assurance Committee on the robustness of the assurance / scrutiny from Internal and External Audit. It also receives assurance from the other committees in relation to their specific areas of focus (e.g., clinical issues via Clinical and Care Governance, performance via Performance and Delivery). Therefore, the likelihood of the risk occurring is rare.

Impact - Insufficient assurance from both internal and external assurance providers opens the EIJB to a higher level of risk exposure that would be deemed unacceptable and would compromise the governance of the EIJB. However due to the significant controls in place, the impact would be moderate.

<p>How would this risk happen?</p> <ul style="list-style-type: none"> • Sole reliance of assurance provision from partner organisation’s Internal Audit Teams. • Gaps between EIJB risks and Annual Internal Audit Plan. • Lack of review and follow-up process for EIJB & Edinburgh Health and Social Care Partnership Internal Audits. • Lack of data available or poor-quality data. • Lack of independent external review of Internal Audits (IA). • Officers with operational responsibilities are being asked to scrutinise performance in areas where they are not totally independent leading to inadequate oversight of delegated EIJB functions. 	<p>What would the potential outcome be?</p> <ul style="list-style-type: none"> • Poor quality assurance that would compromise effective EIJB governance. • Inadequate risk management, internal controls – increase in risk exposure. • Limited growth and improvement of EIJB processes.
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- Lack of EIJB oversight of Internal audit activities.

Activity undertaken since September 22 Audit and Assurance Committee meeting

- Only 6 EIJB management actions remain outstanding (from 28 in Dec 21).
- Review of Board / Committee Assurance Framework in place, including process for tracking actions arising from previous years.
- Risk Management Policy in place.
- Independent external review of IA is scheduled for presentation at A&A Committee in December 2022.
- Internal Audit work on directions commenced.

What are we doing to currently manage the risk? (Controls in place)		Assurance that control/s are effective	Level of Control
1.	Board / Committee Assurance Framework in place.	Yes	Level 2 - Executive Assurance
2.	EIJB risk management policy in place	Yes	Level 1 – Operational Assurance and Level 2 – Executive Assurance
3.	The EIJB has both internal and external audit assurance providers: Internal - NHS Lothian & Council; External – Audit Scotland.	Yes	Level 3 - External Assurance
4.	Internal Audit (IA) delivers four EIJB Audits per year – one from NHS Lothian IA and three from the Council IA.	Yes	Level 2 - Executive Assurance
5.	The EIJB risk register are mapped to the annual IA plan to ensure that all key risks are covered.	Yes	Level 1 – Operational Assurance
6.	Annual IA plans of NHS Lothian and the Council are subject to review and scrutiny by the EIJB Audit and Assurance Committee.	Yes	Level 2 - Executive Assurance
7.	Clear internal review process for all audits completed on behalf of the EIJB and the Partnership.	Yes	Level 2 - Executive Assurance
8.	Independent external review of IA is performed every 5 years in line with Public Sector Internal Audit Standards (PSIAS) requirements (review was completed in 2022).	Yes	Level 3 - External Assurance
9.	Annual IA opinion for the EIJB is required to highlight any instance of non-compliance with the PSIAS.	Yes	Level 2 - Executive Assurance
10.	The governance statement (incorporated in the annual accounts) and the annual IA opinion is subject to review and scrutiny by the EIJB Audit and Assurance Committee.	Yes	Level 2 - Executive Assurance
11.	A clearly established follow-up process to ensure that all IA findings raised are appropriately closed and risks mitigated – an area of non PSIAS compliance for 2017/18.	Yes	Level 1 – Operational Assurance
12.	IA progress reports are provided to the Audit and Assurance Committee quarterly, updating on progress on the audit plan and the status of open and overdue IA findings.	Yes	Level 2 - Executive Assurance
13.	A significant reduction in the amount of open and overdue IA findings, moving the annual audit opinion from an amber (heading to red) to amber (heading to green).	Yes	Level 1 – Operational Assurance



14.	Established IA system that records and retains the audit work performed by the IA team. Also includes 'layered' levels of review and sign off that are linked to the roles in the team.	Yes	Level 2 - Executive Assurance
15.	Each year, external audit will perform a sample-based review of IA work to determine whether they can rely on the outcomes in relation to best value. A comment will be included in the annual accounts to reflect this.	Yes	Level 3 – External Assurance
16.	The actions required to achieve an EIJB green audit opinion have been presented to EIJB Audit and Assurance Committee.	Yes	Level 1 – Operational Assurance
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date

3. Management and Role of the EIJB

Risk 3.5 There is a risk that the EIJB does not comply with the necessary legislative and regulatory requirements.

Objective: Ensure the EIJB complies with the necessary regulatory and legislative requirements	Source of objective: <ul style="list-style-type: none"> Integration Scheme Relevant legislation as specified in regulatory and legislative log. 	Risk Owner: Chief Officer Risk Contributor: Chief Finance Officer
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Historical Risk Score



Current Risk Score & Risk Appetite

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Unlikely	Moderate	Low	Dec 2022	Low

Current Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
			Neg	Min	Mod	Maj
Consequence						

Target Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
			Neg	Min	Mod	Maj
Consequence						

Risk Assessment

Likelihood - The EIJB has a range of duties specified in a range of legislation (e.g., Cat 1 responder, requirement to produce a strategic plan and annual report under Public Bodies Scotland Act) and there is a risk that the EIJB doesn't fulfil these duties, however the likelihood of this risk materialising is rare due to the controls in place.

Consequence - If the EIJB doesn't fulfil its duties, there would be a moderate impact to the EIJB, as it would result in fines, reputational damage to the EIJB and potential sanctions.

How would this risk happen?

- The EIJB not aware of its duties in relation to statutory and legislative responsibilities.

What would the potential outcome be?

- People in Edinburgh would be negatively impacted.
- Reputational damage to the EIJB.

Activity undertaken since September 22 Audit and Assurance Committee meeting:

- Annual Governance report presented to A&A, providing an update on key regulatory and statutory duties.
- Committee annual cycles of business have also been scrutinised to ensure any key reports are programmed to support compliance with regulatory and legislative requirements.
- All outstanding Internal Audit actions in relation to regulatory and legislative internal audit have been addressed.

What are we doing to currently manage the risk? (Controls in place)	Assurance that control/s are effective	Level of Control
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1.	The regulatory and legislative log is reviewed every six months to ensure it captures the necessary workstreams and are formally presented to committees and EIJB annually as part of the committee terms of reference review.	Yes	Level 1 – Operational Assurance
2.	Established Controls within NHSL and CEC to ensure policies and procedures are aligned with legislation and regulation and consistently applied.	Yes	Level 1 – Operational Assurance
3.	Partnership report writing guidance has been reviewed and circulated to authors	Yes	Level 1 – Operational Assurance
4.	Directions now include a standard statement relating to compliance with legislation and regulatory requirements.	Yes	Level 1 – Operational Assurance
5.	Completion of annual statements that cover the internal control environment as part of the Internal Audit opinion.	Yes	Level 1 – Operational Assurance
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date
1.			



EDINBURGH INTEGRATION JOINT BOARD RISK MANAGEMENT POLICY

Plan Owner	Angela Ritchie, Operations Manager
Version Number	V.03
Date Plan created	28 February 2022
Date last modified	
Approved by	Edinburgh Integration Joint Board Audit and Assurance Committee
Review Period	Annually (Sept 2023) with full review every three years (Sept 2025)

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Introduction

The Edinburgh Integration Joint Board (EIJB) recognises that risk management is one of the key principles of good governance and adopts best practice in the identification, evaluation, and proportionate control of risks, ensuring risks are managed at an appropriate level.

The EIJB strives to ensure that risk management is at the heart of strategic decisions and operates in a risk 'aware' environment. This means that the EIJB can take an effective approach to managing risk which addresses significant challenges and enables a positive outcome. The scope applies to all risks, whether relating to the clinical and care environment, employee safety and wellbeing, business risk, opportunities, or threats.

This policy will:

- promote awareness of risk and define responsibility for managing risk within the EIJB.
- agree the communication and sharing of risk information through all areas of the EIJB.
- reduce the exposure to risk and potential loss for the EIJB; and,
- establish standards and principles for the efficient management of risk, including regular monitoring, reporting and review.

Risk Management Principles

The EIJB face many different types of risk which will change in line with the complex landscape the EIJB operates in. Risks can be categorised into four main types of risk:

- Strategic: risks that may arise that impact on the delivery of the Strategic Plan and represent the potential to achieve or fail to meet. These typically require strategic leadership in the development of activities and controls to manage the risk/s.
- Operational: those risks arising from or impacting on clinical care and treatment, health and social care services, other service delivery, business continuity, supply chain and/or asset management that may adversely impact on the EIJB strategic objectives.
- Financial: risks around the management of and impact on limited financial resources.
- People: risks arising from or impacting upon the workforce that delivers on EIJB objectives.
- Regulatory: risks arising from the regulatory environment within which the EIJB operates.

Measures of Success

Appropriate and effective risk management supports the EIJB to ensure that there are:

- good financial outcomes for the EIJB.
- successful delivery of the strategic plan, objectives, and targets.
- successful outcomes from external scrutiny.

- fewer unexpected/ unanticipated problems.
- fewer incidents/ accidents/ complaints.
- fewer claims/ less litigation.
- better outcomes for the people of Edinburgh.
- protecting the health, safety and well-being of individuals who use health and care services.
- maximising opportunity, delivering innovation and best value, and increasing performance.

Risk Appetite

The EIJB operates in an environment where safety, quality and sustainability of service are key to individuals in Edinburgh, to stakeholders and to partners.

The EIJB will balance several different risks to achieve its priorities. A risk appetite approach supports the EIJB in its decision making. It encourages Board Members to consider the risk/s to strategic priorities in making and not making decisions. The EIJB will set a level of appetite ranging from “none” up to “very high” for different dimensions and the EIJB will adopt the following principles:

- zero tolerance of instances of fraud.
- no or low risk in relation to breaches of regulatory and statutory compliance.
- no or low risks of harm to service users or to staff.
- low to high risk in relation to financial loss and to operational and quality outcomes which predict clearly identifiable benefits and can be managed within statutory safeguards.
- medium to very high risks to reputation and strategic priorities where the decision being proposed has significant benefits for the organisation’s strategic priorities.

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.

Risk classification	Low	Medium	High	Very High
Strategic (including reputational)				
Financial				
Operational				
People				
Regulatory				

The EIJB’s tolerance for risk is informed by the following risk matrix, rating the impact of the risk materialising and the likelihood of the risk occurring from 1 – 5 as noted below:



Likelihood	Consequences / Impact				
	Negligible 1	Minor 2	Moderate 3	Major 4	Extreme 5
Almost Certain 5	Medium 5	High 10	High 15	V High 20	V High 25
Likely 4	Medium 4	Medium 8	High 12	High 16	V High 20
Possible 3	Low 3	Medium 6	Medium 9	High 12	High 15
Unlikely 2	Low 2	Medium 4	Medium 6	Medium 8	High 10
Rare 1	Low 1	Low 2	Low 3	Medium 4	Medium 5

All risks will be analysed consistently with an evaluation of risk as being:

Risk Score 1 - 3	Low	Risk Score 10 - 16	High
Risk Score 4 - 9	Medium	Risk Score above 16	Very High

Any risk with a current risk score of VERY HIGH or HIGH would be deemed to be 'significant' and therefore subject to **quarterly** review and scrutiny by the EIJB Audit and Assurance Committee. Risks with a MEDIUM score are reviewed every 6 months with LOW risks reviewed annually. All risks regardless of risk score can and should be reviewed and updated if there are changes in the situation affecting the risk.

Any risks above the risk appetite will be subject to increased monitoring, scrutiny, and the implementation of appropriate control actions to mitigate either the consequences or likelihood (or both) of the risk.

Partners will retain responsibility for managing operational risks as operational risks will be more 'front-line' in nature and the development of activities and controls to respond to these risks can be led by local managers and team leaders. Where several operational risks impact across multiple service areas or, because of interdependencies, require more strategic leadership, then these can be proposed for escalation to 'strategic risk' status for the EIJB and will be facilitated by the Operations Manager.

Risk Management Roles and Responsibilities

Edinburgh Integration Joint Board Members of the IJB are responsible for:



- oversight of the EIJB's risk management arrangements.
- receipt and review of an annual summary report on the risk management framework.
- consideration of strategic risks and any key operational risks that require to be brought to the EIJB'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 'Risk Implications' section which should be completed by authors on all reports to the EIJB and its committees.

Audit and Assurance Committee on behalf of the EIJB are responsible for:

- reviewing and scrutiny of the risk management arrangements for EIJB strategic risks.
- receipt of a quarterly report on the status of the EIJB risk cards.
- providing assurance to the EIJB as required on the risk management arrangements.

Chief Officer - has overall accountability for the EIJB risk management policy and operating procedures, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the EIJB. 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 EIJB's ability to deliver the outcomes of the Strategic Plan or the reputation of the EIJB.

Chief Risk Officer - responsible for assessing and mitigating strategic, compliance and regulatory and operational risks. Also responsible for promoting EIJB risk arrangements Currently being fulfilled by the Chief Finance Officer.

Executive Management Team are responsible for:

- supporting the Chief Officer and Chief Finance 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 EIJB.
- ensuring that the standard procedures are actively promoted across their teams and within their areas of responsibility.

Individual Risk Owners should ensure that:

- risks assigned to them are analysed and assessed in line 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 EIJB.

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 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.
- understand that good risk management is a key part of the EIJB's culture.

Partner Bodies - are responsible for providing relevant specialist advice across a range of activities, (such as internal audit, external audit, clinical and non-clinical risk managers and health and safety advisers), attend relevant 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 EIJB.

Application of risk management across the EIJB

Risk management information should (wherever possible) be used to guide major decisions. The following diagram provides the overarching EIJB risk management approach:



Identification of risk

Consideration should be given to the following risk categories:



- **Strategic Risks:** such as risks that may arise from Political, Economic, Social, Technological, Legislative and Environmental factors that impact on the delivery of the EIJB's Strategic Plan priorities:
 - Prevention, early intervention, and harm reduction
 - Providing greater self-determination and choice
 - Shifting the balance of care
 - Enabling independent living for longer
 - Public Protection
- **Operational Risks:** such as risks that may impact on the EIJB meeting its strategic priorities:
 - Clinical Care and Treatment
 - Social Care and Treatment
 - Customer Service
 - Employee Health, Safety & Well-being
 - Business Continuity
 - Supply Chain
 - Information Security and Asset Management

Identification of risk should be undertaken through standard methodologies and involving subject experts who have knowledge and experience of the activity or process under consideration.

Specific risks will be owned by whoever is best placed to manage the risk and oversee the development of any new risk controls required.

Analyse and Evaluate Risks

Once a risk has been identified a risk assessment should be done for all risks and an evaluation (qualitative or quantitative) of the nature and magnitude of the risk. The risk assessment process measures current risk according to the following formula **Likelihood x Impact= Risk Rating.**

Risks may be terminated; transferred elsewhere (i.e., to another partner or third party); tolerated as it is; or, treated with cost effective measures to bring it to a level where it is acceptable or tolerable for the EIJB in keeping with its tolerance for risk depending on the most appropriate response.

A risk card will be the mechanism to collate risk information in a consistent format allowing comparison of risk evaluation, inform decision-making in relation to prioritising resources and ease of access to information for risk reporting.

Monitoring and reporting of risks

The EIJB operates in a dynamic and challenging environment and a suitable system is required to ensure risks are monitored for change in context and scoring so that an appropriate response is made.

Risk cards will be monitored, reviewed, and updated quarterly by the Executive Team and reported to the Audit and Assurance Committee on a quarterly basis, with submission to the EIJB on a 6-monthly basis with an annual summary of the risk management framework to the EIJB. Appendix 1 provides the process.

The Audit and Assurance Committee, as part of its scheduled scrutiny of the risk cards, may request additional information about the arrangements for risks associated with service areas to assess and mitigate the level of risk to it. The Committee will also be supported through its existing EIJB governance arrangements to carry out focussed scrutiny of specific risk items.

Routine reporting of risk information within and across teams and a commitment to a 'lessons learned' culture that seeks to learn from both good and poor experiences, replicate good practice and reduce adverse events and associated complaints and claims.

It is expected that partners will use risk update reports to the Audit and Assurance Committee and EIJB to keep their own organisations updated on the management of the risks, highlighting any EIJB risks that might impact on the partner organisation.

Reviewing the risk management arrangements on a regular basis will also constitute a 'Plan/ Do/ Study/ Act' review cycle that will shape future risk management priorities and activities of the EIJB, inform subsequent revisions of this policy and strategy and drive continuous improvement in risk management across the EIJB.

Resourcing Risk Management

The development and maintenance of the risk management approach for the EIJB will be resourced through the Executive Team's arrangements, led by the Chief Finance Officer, and supported by the Operations Manager.

Wherever possible the EIJB will ensure that any related risk management training and education costs will be kept to a minimum, with most risk-related courses/ training being delivered through resources already available to the EIJB.

Where risks impact on a specific partner and new risk control measures requires to be developed and funded, it is expected that the costs will be borne by that partner organisation.

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

Risk Management Training and Development

Training is essential to embed a positive risk management culture across all activities under the direction of the EIJB and in developing risk management maturity. The Operations Manager on behalf of the Chief Finance Officer will regularly review risk management training and development needs and source the relevant training and development opportunities required.



Communicating the Risk Management Framework

Effective communication of risk management information across the EIJB is essential to developing a consistent and effective approach to risk management.

Copies of this policy and strategy will be widely circulated via the Executive Team and will form the basis of any risk management training arranged by the EIJB.

This version of the policy (Version 3) was approved by the Audit and Assurance Committee at its meeting on 20th September 2022.

This policy will be fully reviewed every 3 years to ensure that it reflects current standards and best practice in risk management, fully reflects the EIJB operating environment and aligns with the EIJB Strategic Plan. The next full review of this Policy will be undertaken in August 2025 or where there are significant changes to approach to risk management or operating environment.

Appendix 1

