



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

18 JUNE 2019

STRATEGIC RISK MANAGEMENT

Report by Chief Financial Officer (Report No. G/19/98)

PURPOSE OF REPORT

The purpose of this report is to update the Integration Joint Board (IJB) Audit & Performance Committee on progress in managing the high level IJB Strategic Risk Management Profile.

1. RECOMMENDATION(S)

It is recommended that the IJB Audit & Performance Committee:

- Note the reduction in the Finance Risk score and the further actions identified.
- Note that a full update of the Strategic Risk Profile for all other areas will be undertaken. This will ensure a 'golden thread' between the plan to improve the arrangements in place to deliver the objectives of the IJB and the reduction in overall risk exposure.

2. SITUATION / BACKGROUND

At the Audit and Performance Committee meeting in November 2018 a high level strategic risk profile for the IJB was reviewed and endorsed. A full update was provided in February 2019 setting out progress in implementing the mitigating actions that were expected to reduce the residual risk score across the key risk areas. There was no overall reduction in risk score in February 2019 although a number of actions were due to be implemented by 31st March 2019 which were expected to have a material impact.

3. UPDATE

The red risks within the strategic risk profile has been fully updated and overall scores can be summarised as follows:-

Red Risks	Residual Score	Residual Score
	February 2019	May 2019
Finance	25	20
Workforce	16	16
Leadership	20	20

The above table sets out progress in implementing agreed Financial Management actions to ensure that there is sufficient funds to deliver objectives of the Strategic Plan. Further mitigating actions are proposed that are expected to further reduce the risk score to medium by September 2019. This particularly includes agreement of the 3 Year Financial Plan for Inpatient Mental Health and the development of a 2019/20 Financial Recovery Plan. Appendix 1 sets out the IJB Strategic Risk Management Profile for Finance.

The Chief Officer has commenced the work with the Executive Management Team to develop a detailed improvement plan which will integrate the following :-

- Actions identified from the PKHSCP 2018/19 Governance Self Assessment
- Actions arising from the Joint Inspection
- Actions identified from the Ministerial Strategic Group Self Assessment

There is significant overlap between the findings of all of the above and it is proposed that a single improvement plan be developed. It is further proposed that the Improvement Plan be used to support a robust update of the mitigating actions within the Risk Register. This will ensure a 'golden thread' between the plan to improve the arrangements in place to deliver the objectives of the IJB and the reduction in overall risk exposure.

It is proposed that both the Improvement Plan and the fully Updated Risk Profile be considered by the Audit & Performance Committee in September 2019.

The Financial Management of the IJB did not come under the direct scope of the Joint Inspection and therefore will not be included in the comprehensive new update proposed.

4. CONCLUSION

Risk Management arrangements are in line with the agreed PKHSCP Risk Management Framework. Whilst progress has been made in implementing plans to reduce the risk profile of the IJB, a number of key areas of high risk remain. The Risk Profile for Financial Management sets out some progress however further actions have been agreed. The wider Risk Management Framework for all other areas will be fully updated to take account of the Improvement Plan being developed.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net

APPENDICES

1. IJB Strategic Risk Management Profile : Finance