



AGENDA ITEM

5.7

CTM BOARD

ANNUAL REVIEW: RISK MANAGEMENT FRAMEWORK

Date of meeting	25 th May 2023
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Cally Hamblyn, Assistant Director of Governance & Risk
Presented by	Cally Hamblyn, Assistant Director of Governance & Risk
Approving Executive Sponsor	Chief Executive
Report purpose	FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals	Date	Outcome
Board Member via Email	3.4.2023 – 12.4.2023	Endorsed
Executive Leadership Group – Risk Appetite Statement	11.4.2023	Reviewed
Audit & Risk Committee	19.4.2023	ENDORSED FOR BOARD APPROVAL

ACRONYMS

	None identified.
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1. SITUATION/BACKGROUND

- 1.1 As good governance on an annual basis the Health Board reviews its risk management framework which is made up of the following suite of documents:
1. Risk Management Strategy
 2. Board Assurance Framework
 3. Risk Appetite Statement
 4. Risk Domain & Scoring Matrix
 5. Risk Management Policy
 6. Risk Assessment Procedure
- 1.2 This annual review focusses on items one to four and during April 2023, Board Members considered these areas of the risk management framework in terms of its continued adoption for a further 12 months.
- 1.3 The Risk Management Policy and Risk Assessment Procedure were reviewed and approved in 2022 with the next review date set for 2025. However, if the Board supports the approval of items three and four these documents will be updated to include the latest revisions of these items as appropriate.

2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

- 2.1 This section is broken down into the review of the relevant component parts of the framework.
- 2.2 **Risk Management Strategy** (*Appendix 1*) - The purpose of the strategy is to provide guidance to all staff on the management of strategic and operational risks and the Board Assurance Framework within the organisation.

The Strategy has been subject to minor amendments to the main body of the document with more detailed review on the appendices as outlined below in sections 2.3, 2.4 and 2.5.

The revised Strategy also incorporates any changes in response to the findings captured in the Internal Audit Report on the BAF completed in April 2023 and comments received at the Audit & Risk Committee in April 2023.

All changes have been reflected in red.

- 2.3 **Risk Appetite Statement** (*Appendix 2*) - An organisation's risk management framework harnesses the activities that identify and manage uncertainty, allows it to take opportunities and to take managed risks not simply to avoid them, and systematically anticipates and prepares successful responses. A key consideration in balancing risks and

opportunities, supporting informed decision-making and preparing tailored responses is the conscious and dynamic determination of the organisation's risk appetite.

During the recent review of the Risk Appetite Statement, the following key changes were included:

- Two additional domains have been added:
 - People Risks
 - Operational Performance Risks

- In relation to the Financial Stability risks domain the following changes were made:
 - Removal of "*Minimalist – as to risk relating to breaching individual control totals*". This activity is captured in the other areas.
 - Additional area added in relation to the Health Board's financial breakeven duties.

All changes have been reflected in red.

- 2.4 **Risk Domain Scoring Matrix** (Appendix 3) – In response to the annual review, an additional domain has been added to the matrix in relation to 'Fraud & Bribery'.

All changes have been reflected in red.

- 2.5 **Board Assurance Framework (BAF)** - The BAF is an integral part of the system of internal control and defines the strategic/principal risks, which impact upon the delivery of Strategic Objectives/Goals of the organisation.

There were no changes to the concept and/or strategic risks in the review of the BAF.

It should be noted that a recent Internal Audit review of the Board Assurance Framework resulted in an outcome of Substantial Assurance.

The BAF and current nine principal risks are captured in Appendix 5 of the Risk Management Strategy.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

- 3.1 The principal risks are outlined in the BAF, which is reviewed at all routine meetings of the Health Board. No new risks have been escalated at this time and no risks have been removed.



4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	Yes (Please see detail below)
	To ensure that there is a system and process so that all risks which could cause harm are identified and that control mechanisms are implemented;
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:
Equality impact assessment completed	Yes
	See Policy and Strategy Document.
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Well-being Objectives	Improving Care

5. RECOMMENDATION

5.1 The Board is asked to:

- **APPROVE** of the Risk Management Strategy.
- **APPROVE** the changes to the Risk Appetite Statement and agree that it is implemented for the next 12 months with assurance that it is set to ensure that progress is being made to the 'risk appetite' the Health Board wishes to achieve.
- **APPROVE** the Risk Domain & Scoring Matrix and additional domain relating to 'counter fraud / bribery'.
- **APPROVE** that the Board Assurance Framework remains fit for purpose and appropriately reflects the strategic risk profile of the Health Board.