

3. RISK MANAGEMENT PRESENTATION

The committee noted a presentation by the Audit, Risk and Counter Fraud Manager, which provided details of the approach being taken to risk management by the Integration Joint Board.

The committee was advised that risk was defined as an effect of uncertainty on an organisations ability to achieve its corporate objectives. NHS Lothian and West Lothian Council maintained separate risk registers recording operational risks while the IJB maintains a risk register covering strategic risks to the IJB's objectives. Risks were scored for a combination of likelihood and impact using a five by five risk matrix. The higher the score, the higher the assessed risk and the greater potential impact on IJB objectives.

Nine risks were identified in total covering areas such as funding, governance arrangements, clinical care and performance management. The IJB risk management strategy was being developed which would comprise of risk management policies and procedures for the management of risk.

Following the conclusion of the presentation the committee noted the report by the Director (copies of which had been circulated).

The Audit, Risk and Counter Fraud Manager then responded to questions from members of the committee. In response to a question about who determined the risks and risk appetite the Audit, Risk and Counter Fraud Manager advised that operational risks were separately recorded in the risk registers of both West Lothian Council and NHS Lothian and scrutinised by each organisation. The IJB Audit Risk and Governance Committee's approach to risk management was to scrutinise policies and procedures and strategic risks identified which could impact on the IJB objectives as well as review reports of operational risks to ensure that effective risk management arrangements were in place to mitigate their impact. The committee recommended that further clarity should be provided in the IJB Risk Management Policy about who should determine the risks and risk appetite. The committee also recommended that timescales should also be included to manage any risks identified in the IJB risk control measures.

The committee was asked to note the progress on risk management as set out in the report and consider the risks identified and the control measures in place to mitigate their impact.

Decision

1. Noted the presentation and terms of the report;
2. Noted the recommendation that clarity about who should determine the risks should be included in the IJB Risk Management Policy; and
3. Noted the recommendation that timescales should be included in the IJB risk control measures.

