

NHS Lanarkshire  
30<sup>th</sup> June 2021

Lanarkshire NHS Board  
NHS Board  
Kirklands  
Bothwell  
G71 8BB  
Telephone: 01698 855500  
[www.nhslanarkshire.scot.nhs.uk](http://www.nhslanarkshire.scot.nhs.uk)



**SUBJECT: RISK MANAGEMENT ANNUAL REPORT 2020/2021**

**1. Purpose**

This paper is coming to the Board:

For approval		For endorsement	X	To note	
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**2. Route to the Board**

This paper has been:

Prepared		Reviewed		Approved	X
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By the Corporate Management Team (CMT) at its meeting of 24<sup>th</sup> May 2021 and by the Audit Committee at its meeting of 1<sup>st</sup> June 2021.

**3. Background and Summary of Key Issues For the Annual Report**

On 18<sup>th</sup> March 2020 NHS Boards in Scotland were placed on emergency footing invoked through Section 1 and Section 78 of the National Health Service (Scotland) Act 1978, in response to the COVID-19 pandemic and continues to be on emergency footing as at this reporting period. NHSL had invoked their major incident plan, including identifying and managing related risks.

The Risk Management Annual Report (attached) sets out the intention to provide assurance to Board Members about the way and the extent to which the management of risk remained a key focus for the Board and the wider organisation within the context of responding to the Covid-19 pandemic. In recognition of the dynamic nature of risk during this challenging time, core systems and processes which support and sustain risk management activity have been maintained with some areas of improvement and monitoring suspended for a short period within the year.

Based on the 'tone from the top' and 'tone at the middle' principles, leadership and behaviours for an effective risk management culture is demonstrated through the Corporate Management Team through leading, influencing, analysing and interpreting the corporate risks in a collaborative transparent way, modelling the approach at middle management level.

The risk management culture has been strengthened by responding to Covid-19 pandemic engaging staff at all levels across the organisation through the Strategic, Tactical and Bronze Command structure.

CMT maintained oversight of the risk management arrangements during 2020/2021 through discussion, consideration and/or endorsement of the following:

- Monthly Corporate Risk Register Report, noting significant changes to the existing risks and the continuously changing risk profile in response to the Covid-19 pandemic
- Monthly Board Risk Register Reports
- Quarterly Process Compliance Reports, albeit limited with some areas of monitoring suspended for a period of time
- Quarterly Summary Reports Prepared for the Audit Committee
- Annual Key Lines of Enquiry (annual evaluation of the effectiveness of the risk management systems)
- Risk Management Annual Report 2019/2020
- Review of the Risk Management Strategy
- Reports on Major Incident: EU Withdrawal Risk Register
- Reports on Major Incident: Covid-19 Reports  
Progression of assurance work in collaboration with NHS Tayside, Forth Valley and Fife, including internal audit
- Progression of risk register assurance work aligned to the national Blueprint for Corporate Governance, with an approved outline of an assurance framework for implementation

Quarterly review of the corporate risk register was maintained through discussion with every Director (owners of corporate risks) to ensure all corporate risks were adequately assessed, controlled and / or closed and continued to reflect the risks facing NHSL, including the impact on business from the covid-19 pandemic. For very high graded risks, monthly review was maintained.

Critical to the management of any major incident, there is a fundamental requirement to identify, record and quantify risks, whilst taking mitigating action as far as is possible to prevent the risk occurring and escalating. This process was set up very early on in the pandemic and has been maintained throughout the year.

Health Boards in Scotland remain on emergency footing with no indicative end date. This status will carry through to 2021/2022 and the risk resource will have a focus on maintaining and development for the following:

- Covid-19 risk register
- Corporate risk register
- Recovery/redesign risk management
- Risk register reporting through the re-enacted governance arrangements
- Annual review of the risk management strategy, including review of risk appetite and risk tolerance

- Progression of the risk register assurance aligned to the national blueprint for corporate governance with the range of system and process changes required to enable this improvement work
- Review of the risk register policy
- Resume the learning and development network for risk management facilitators

Detail of the risk management activity, adjustments to the workplan and new developments to the NHSL risk management approach for 2020-2021 is contained throughout the report, concluding with the agreed work for 2021-2022 taking into consideration the immediate, medium and longer term impact of the Covid-19 pandemic.

From the work undertaken during the year, the agreed evaluation through the Key Lines of Enquiry and the Internal Control Evaluation 2020/2021 Report, the Corporate Management Team confirmed that there were adequate and effective risk management arrangements in place throughout 2020/2021, approved through the Audit Committee.

#### 4. Strategic Context

This paper links to the following:

Corporate objectives	X	LDP		Government policy	
Government directive		Statutory requirement		AHF / local policy	
Urgent operational issue		Other			

#### 5. Contribution to Quality

This paper aligns to the following elements of safety and quality improvement:

**Three Quality Ambitions:**

Safe	X	Effective	X	Person Centred	X
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#### 6. Measures for Improvement

Adoption and Adaption of the revised Annex F: Key Lines of Enquiry, Audit and Assurance Committee Handbook (2018) as a self-evaluation assessment tool, effective from March 2019.

#### 7. Financial Implications

There are no known financial implications for this report.

#### 8. Risk Assessment/Management Implications

No further risk analysis is required at this stage.

## 9. Fit with Best Value Criteria

This paper aligns to the following best value criteria:

Vision and leadership	X	Effective partnerships		Governance and accountability	X
Use of resources	X	Performance management	X	Equality	
Sustainability					

## 10. Equality and Diversity Impact Assessment

An E&D Impact Assessment has been completed

Yes   
No

An equality and diversity impact assessment is not required for this report, as the approach applies equally.

## 11. Consultation and Engagement

The annual report will be considered by members of the CMT with onwards reporting to the Audit Committee and then the Board of NHS Lanarkshire.

## 12. Actions for the Board

The Board is asked to:

Approve		Endorse	X	Identify further actions	
Note		Accept the risk identified		Ask for a further report	

The Board is asked to:

- Endorse the Risk Management Annual Report 2020/2021, noting that CMT have considered and approved the report and the assurance statement within the report:

‘From the work undertaken during the year, the agreed evaluation through the Key Lines of Enquiry and the Internal Control Evaluation 2020/21 Report, the CMT can confirm that there were adequate and effective risk management arrangements in place throughout 2020 /2021’

## 13. Further Information

For further information about any aspect of this paper, please contact:

Mrs C McGhee  
Corporate Risk Manager

Ms H Knox  
Chief Executive