



Annual Report on Risk Management 2023/2024 and Action Plan for 2024/25

Report

Strategic Planning & Customer Engagement
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1.0 Purpose of the Report

The purpose of this report is to provide assurance to the Executive Leadership Team (ELT) and the Board that the Business Services Organisation (BSO) has a risk management system in place which meets Northern Ireland Health and Social Care and other requirements in respect of the management of risks. In addition, this report provides:

- An outline of BSO risk management activity during 2023/24; and
- An action plan for risk management for 2024/25.

2.0 BSO Risk Management Process

BSO is required to have an approved policy for managing risk that identifies accountability arrangements, resources available and contains guidance on what may or may not be regarded as acceptable risk within the organisation.

The BSO Risk Management Process (Policy) was approved by the Board in August 2009 and is supported by a BSO Risk Management Strategy which establishes a consistent and integrated approach to risk management in BSO. This Strategy is in line with a number of audit findings and recommendations, as well as amendments to the Standing Orders and Standing Financial Instructions, which were reviewed and revised and presented to the Executive Leadership Team (ELT), Governance and Audit Committee (GAC) and the Board in October 2023.

The BSO Board is responsible for ensuring that there is an effective system of internal control and that the system is effective in managing risks in order to contribute to the achievement of the BSO objectives. The Board is also responsible for ensuring that the organisation has effective systems for identifying and managing all risks, financial and organisational.

The Chief Executive ensures that the BSO has a programme of risk management which is approved and monitored by the Governance and Audit Committee (GAC).

Executive Leadership Team (ELT) provides leadership to the risk management process and is responsible for promoting and leading the implementation of the BSO Risk Management Process and ensuring that objectives have been established at Corporate and Directorate level. ELT is also responsible for ensuring the risks to the achievement of those objectives are identified by developing both Corporate and Directorate or Service Area Risk Registers.

Directors are individually responsible for following the BSO's risk management policy and the management of corporate risks. Directors are responsible for coordinating the operational elements of risk management within their Directorate/ Service Area. They are responsible for:

- Identifying risks to service delivery through engagement with staff and service users;
- Ensuring that appropriate and effective risk management processes are in place within their designated area and scope of responsibility, and that all staff are made aware of the risks within their work environment and of their personal responsibilities;
- Appropriate population of their risk register in line with the Risk Management Strategy and Procedures, and validating all risk scores attributed;
- Monitoring the implementation of risk action plans;
- Reviewing all risks on their risk register on at least a quarterly basis;
- Escalating risks, where appropriate for discussion at ELT for possible inclusion/ consideration within the Corporate Risk and Assurance Report;
- Ensuring records are kept to demonstrate that risk management is embedded throughout the service area, will meet Internal Audit requirements, and are available to support the annual Risk Management Standard assessment; and

- Providing the Governance and Risk Officer with evidence that these responsibilities have been met ensuring appropriate audit trails are kept.

BSO's Risk Registers are an integral part of the Assurance Process and are used as a mechanism for the Board, GAC and ELT to assess the effectiveness of controls and assurances and to monitor actions identified to mitigate risks. The Risk Registers are managed at two levels:

- The Corporate Risk Register outlines risks to the achievement of Corporate Objectives and is operationally managed by ELT who review the risks and their respective actions monthly. A Corporate Risk and Assurance Report is presented quarterly to GAC and biannually to the BSO Board; and
- Service Area Risk Registers include risks to specific service areas and are the direct responsibility of the relevant Director/Head of Service. Action Plans are developed for risks where appropriate and progress on actions is monitored quarterly by ELT and GAC.

In addition to the Risk Management Strategy, a Procedure for the Management of Risk Registers is in place which outlines the methods for identifying and assessing risk, scoring and recording risks on the register, development of risk action plans and the process for escalation and aggregation of risks.

The BSO Risk Management Process is outlined in Risk Management Strategy.

2.1 BSO Risk Outputs Delivered

Based on the ISO 31000: 2018 the BSO has adopted the following definition of risk: - Risk is the “effect of uncertainty on objectives”.

The BSO recognises that it is not possible to eliminate all risks but aims to manage the risk where possible in line, with its risk appetite which is currently defined as 'Cautious' within the Risk Management Strategy. ELT held a Risk Appetite Session on 30 January 2024, to review and define the current BSO Risk Appetite in line with the three new Corporate Objectives for 2024/25 which focus BSO's key priorities around three central core themes: Our Customers, Our People and Innovation.

2.2 New Corporate Objectives

There was acknowledgement that different risks within the three new Corporate Objectives may be different, for example, under Transformation, in order, to be innovative and drive change it is recommended that BSO adapt a moderate risk appetite which would be applied for all programmes and innovations. The Director of Strategic Planning and Customer Engagement (SP&CE) is currently reviewing the BSO Risk Appetite Statement and Risk Tolerance Levels Matrix which will be formally approved by ELT, GAC and Board following the review of Governance.

2.3 Reporting

BSO delivers a systematic approach for risk identification, assessment and management through the following measures:

- Production of an annual Governance Statement which provides a high-level summary of the system of internal control and requires disclosure of any significant control or risk issue;
- Identification of the principal risks to the achievement of the Corporate Objectives outlined in the BSO Corporate Strategy 2024/27 and the Annual Business Plan 2024/25.

- Development of a Corporate Risk and Assurance Report which identifies the principal risks to corporate objectives, highlights gaps in control and/or gaps in assurance processes and provides details of necessary actions. This provides the BSO Board and Governance & Audit Committee with a level of assurance on strategic risk management;
- The Corporate Risk and Assurance Report provides a structure for the Accounting Officer, the Governance and Audit Committee and the BSO Board for acquiring and examining the evidence to support the Governance Statement;
- Production of Risk Registers at service level which include treatment actions where appropriate;
- Evaluating risk, in accordance, with the BSO Risk Management Strategy and Procedures which includes a process for escalating risk from service to corporate level;
- All Extreme Risks should be included in the Corporate Risk Register. These “corporate risks” require continual monitoring by ELT, GAC and the Board to ensure all necessary action is being taken to reduce the level of risk to the organisation and stakeholders. Where a risk is proposed for escalation by the relevant Director, it should be written up in the corporate risk template and included in the next iteration of the Corporate Risk Report;
- Directors defining local risk management responsibilities within their Directorate and holding Assistant Directors/Senior Managers responsible for the management and update of their Service Risk Register, development of risk actions plans and monitoring of progress;
- Directors reviewing service risk registers, with particular consideration to any risks for escalation;
- Risk Reporting Monitoring Arrangements are in place to report progress on risk actions to the appropriate level - Board, GAC, ELT and Directors; and
- Risk Awareness training continuing through e-learning and monitored by the Governance and Risk Officer.

2.4 Information Governance

- Risks to the management of information/data security are identified and managed by the Information Asset Owners (IAOs) within the BSO, co-ordinated via the Information Governance Management Group (IGMG). Representation on this group includes appropriate staff from all BSO Services. Following the outcomes of a commissioned review into Information Governance within BSO, IGMG will be reconstituted, to be represented at more senior level within the organisation. Terms of Reference will be revised. It is anticipated that the first meeting of the re-constituted group will occur in Q1 2024/25.

3.0 Risk Management Control Framework 2023/24

The risk control framework has continued to be supported in 2023/24 by the following actions and events:

- Monthly review of the Corporate Risk and Assurance Report by ELT;
- Quarterly review of the Corporate Risk and Assurance Report by GAC;
- Biannual review of the Corporate Risk and Assurance Report by the BSO Board;
- Quarterly monitoring of progress on Service Risk actions by ELT and GAC
- ELT commissioned Amberwing Ltd to deliver Governance and Risk Management Training Workshop to ELT and SP&CE staff. Following this training ELT is currently reviewing the BSO Risk Appetite Statement and Risk Tolerance Levels Matrix;
- At the request of ELT, a quarterly Issues and Incident Log report has been developed for ELT requirements;
- Board Risk Workshop was held in February 2024 by Amberwing Ltd, on Governance and Risk Management;
- A Risk Training session has also been arranged for Assistant Directors/Heads of Service on 15 May 2024;

- A Board Governance Self-Assessment was completed in August 2023, in line with Department of Health requirements. The Chief Executive's Forum published the Northern Ireland Audit Office (NIAO) Board Effectiveness – Good Practice Guide in June 2022. This Guide reflects the move to a much greater level of partnership working and collaboration across government and its arms-length bodies, all of which are embodied in the new partnership agreements. This publication will make essential reading for public service Board Chairs and members; Chief Executives and Senior Executives and for staff in sponsoring departments;
- Recommendations from the Risk Management Audit Report are being addressed;
- To date 90% of staff have undertaken risk management training, according to the figures held by People and Place. Heads of Service are reminded on a quarterly basis that all staff must undertake this training; and
- Risk Awareness Training continuing through e-learning, one to one and management team Risk Management training sessions; and
- Governance and Risk Officer attends Operations Directorate and People and Place Senior Leadership Meetings on a quarterly basis.

4.0 Information Governance Risk

The arrangements in place to manage information risks include:

- The Director of People and Place is the Senior Information Risk Officer of the Organisation who regularly reviews information to ensure that appropriate controls are in place;
- The Chief Legal Adviser is the Personal Data Guardian and reviews all applications for data sharing;
- Information Asset Owners are in place within each Directorate to manage the risk to personal and corporate information;
- Directorate Information Assets Registers and the Corporate Information Asset Register are reviewed regularly and updated;

- Information risk is recorded and monitored via the Information Asset Register;
- Mandatory training is available via a e-learning platform to all BSO staff providing them with an up to date understanding of information governance issues and risks;
- A Data Protection Officer is in post for BSO;
- BSO Information Governance and associated policies are kept under regular review; and
- As IGMG has not met (as per above), a records management self-assessment tool has not been developed. Whilst records management is part of the assurance statement to be provided by Information Asset owners, consideration will be given to the development of this toolkit and roll out across the Information Governance and Management Group in 2024/25.

5.0 Update on 2023/24 Action Plan

There were four actions agreed in the 2023/24 Action Plan:

- **Review of Risk Management System** – A draft Integrated Governance and Assurance Framework has been developed and will be presented to ELT as part of the review of the BSO governance and accountability arrangements at a Workshop to be held on 16 April 2024.
- **New Corporate Risk and Assurance Report** – A new Corporate Risk and Assurance Report has been developed to define assurances received using the 3 lines of Defence Model and will be presented as part of the Review of the BSO Governance Framework.

- **Risk Management Strategy** – A review will take place following approval of the Draft Integrated Governance and Assurance Report by ELT, GAC and Board.
- **Records Management Self-Assessment** - A new Records Management has not been developed. Consideration will be given to the development of this toolkit and roll out through the Information Governance and Management Group in 2024/25.

6.0 Risk Management Action Plan 2024/25

An Action Plan for risk management for 2024/25 has been developed to further improve risk management in the BSO for the next financial year, as described in ***Appendix 1.***

7.0 Conclusion

Risk Management is fully integrated within BSO's business planning and monitoring processes. Directors and senior managers who develop and manage Annual Business Plans are in agreement on the importance of risk management, and that they play a pivotal role in identifying risks to the achievement of objectives at both a Corporate and Service level.

BSO continues to promote the value of External Assurances gained through benchmarking services, attainment/reaccreditation of recognised awards such as NI Government Opportunities (GO) Awards, UK Government Opportunities (GO) Awards, Certificate of Personal Effectiveness (COPE), Investors in People (IIP), International Organisation Standardisation (ISO), Lexcel and the Chartered Institute of Credit Management and Procurement Centre of Excellence. These

awards support the BSO in providing assurance to others that risks are effectively identified and managed and that the Organisation is on track to achieve its strategic vision, aims and objectives.

8.0 Recommendation

ELT is asked to note the contents of this Report for presentation to the Governance and Audit Committee on 17 May 2024.

Appendix 1: Risk Management Standard Action Plan 2024/25

No	Description	Action	By Whom	By When
1.	Risk Management Software A new Risk Management system will be developed and rolled out across BSO	Agree a unified training framework to be rolled out across BSO to increase staff proficiency with the new Risk Management Software	Performance & Improvement Manager	2024/25
2.	Implement new Corporate Risk and Assurance Report (CRAR) Template which defines 3 Lines Defence Model	Rollout of new Corporate Risk Template to risk owners	Governance and Risk Officer	2024/25
3.	Integrated Governance Assurance Framework	Implement the new Integrated Governance and Assurance Framework	Assistant Director of Strategic Planning and Customer Engagement	2024/25
4.	Implement the BSO Risk Appetite Statement and Risk Tolerance Levels Matrix	The Director of Strategic Planning and Customer Engagement is currently reviewing the BSO Risk Appetite Statement and Risk Tolerance Levels Matrix which will be formally approved by ELT, GAC and Board following the review of Governance.	Director of Strategic Planning & Customer Engagement	2024/25

5.	Review and update risk management documents to incorporate new Integrated Governance and Assurance Framework, Risk Appetite and new CRAR Template	Comprehensive review of risk management documents	Governance and Risk Officer	2024/25
6.	Records Management Self-Assessment Consideration will be given to the development of this toolkit and roll out across the Information Governance and Management Group in 2024/25.	Representation on this group includes appropriate staff from all BSO Services. Following the outcomes of a commissioned review into Information Governance within BSO, Information Governance Management Group (IGMG) will be re-constituted, to be represented at more senior level within the organisation. Terms of reference will be revised. It is anticipated that the first meeting of this re-constituted group will occur in Quarter 1 2024/25.	Head of Corporate Services/Data Protection Officer	2024/25