

To: Governance and Audit Committee
From: Director of Customer Care and Performance
Subject: Annual Report on Risk Management 2021/22 and Action Plan
2022/23
Status: FOR NOTING
Date of Meeting: 21st April 2022

Purpose of the report

The purpose of this report is to provide assurance that the Business Services Organisation (BSO) has a risk management system in place which meets HSC and other requirements in respect of the management of risks. In addition, this report outlines:

- An outline of BSO risk management activity during 2021/22; and
- An action plan for risk management for 2022/23.

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 now supported by a BSO Risk Management Strategy which established a consistent and integrated approach to risk management in BSO. In line with a number of audit findings and recommendations, as well as amendments to the Standing Orders and Standing Financial Instructions, were

reviewed and revised during 2021 and presented to the Governance and Audit Committee in October 2021.

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.

SMT 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. SMT 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 SMT;

- 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;
- Providing the Governance and Risk Officer with evidence that these responsibilities have been met.

BSO's Risk Registers are an integral part of the Assurance Process and are used as a mechanism for the Board, Governance & Audit Committee and SMT 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 SMT who review the risks and their respective actions monthly. A Corporate Risk and Assurance Report is presented quarterly to the Governance and Audit Committee and biannually to the BSO Board;
- 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 SMT and the Governance & Audit Committee.

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.

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 defined as 'Cautious' within the Risk Management Strategy. The 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 2018-23 and the Annual Business Plan 2021/22. The Department of Health agreed in 2020 to extend the life of the Corporate Plan for one additional year until 31st March 2021. The wide-spread effects of the pandemic continued throughout 2021-22. As a result of the continuing impact of the pandemic on Health and Social Care services, the Department of Health agreed in late 2021, to extend the corporate plan for a further additional year until 31st March 2023.
- 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;

- 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, Governance & Audit Committee, Senior Management Team and Directors;
- Risk Awareness training continuing through e-learning and monitored by the Governance and Risk Officer.

Risks to the management of information/data security are identified and managed by the Information Governance Management Group (IGMG). Representation on this group includes appropriate staff from all BSO Services. In order to provide organisational and departmental assurances, an annual action plan is developed and progress against action is monitored by the Business and Development Committee. During the pandemic, this group did not meet as Corporate Services were supporting the response to COVID-19 and working in Business Continuity mode. It is intended to convene this group again from Quarter 1 in 2022.

Risk Management Control Framework 2021/22

The risk control framework has continued to be supported in 2021/22 by the following actions and events:

- Monthly review of the Corporate Risk and Assurance Report by SMT;
- Quarterly review of the Corporate Risk and Assurance Report by the Governance and Audit Committee;
- Biannual review of the Corporate Risk and Assurance Report by the BSO Board;
- Quarterly monitoring of progress on Service Risk actions by SMT and Governance & Audit Committee;

- A Board Governance Self-Assessment was completed in August 2021, in line with Department of Health requirements.
- Recommendations from the Risk Management Audit Report are being addressed;
- To date 71.66% of staff have undertaken risk management training, according to the figures held by the Governance and Risk Officer and evidence to support this figure. HR advised that due to constraints with the current eLearning system and the fact that it does not link with the core HR system, they are unable to accurately monitor mandatory risk training compliance. As a result, the Q4 HR risk compliance figures is 55.6%. This is widely documented and reported and is an ongoing issue. Audit is aware of this and have agreed to accept evidence in support of the figures held by the Governance and Risk Officer. Senior Managers have been reminded that all staff must undertake this training.
- A number of Risk Management workshops have been held with service areas during the course of the year with Shared Services, Complaints and Whistleblowing Manager, FPS, CFPS, PaLs, DLS and CEC.

The arrangements in place to manage information risks include:

- The Director of HR&CS is the Senior Information Risk Officer of the Organisation who regularly reviews information to ensure that appropriate controls are in place;
- The Chief Legal Officer has been appointed as 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 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.
- A new Records Management self-assessment tool was to be developed and rolled out in the current year, however, due to the pandemic this was not possible. This tool will be developed by BSO's Information Group and rolled out across the Information Governance and Management Group in the forthcoming year.

Update on 2021/22 Action Plan

There were 2 actions agreed in the 2021/22 Action Plan:

- **Organisational Assurances** were reviewed and redesigned to meet the needs of our client organisations and how BSO provides assurance, in accordance, with services delivered within SLAs. A self-assessment was conducted, in conjunction, with the appropriate service areas and Assurance Maps were developed to provide assurances to our customers that the BSO has the necessary processes and procedures in place to manage the elements of the service for which BSO is responsible. Action Plans were developed to address any gaps identified by this self-assessment Assurance Map process. The GRO will monitor the progress of the Action Plans.
- **Records Management Self-Assessment** was to be developed and rolled out in the current year, however, due to the pandemic this was not possible. The tool will be developed by BSO's Information Team and rolled out across the Information Governance and Management Group in the forthcoming year.

Risk Management Action Plan 2022/23

An Action Plan for risk management for 2022/23 has been developed to further improve risk management in the BSO, as described in ***Appendix 1***.

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 agreed on the importance of risk management and 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, COPE, IIP, ISO, Lexcel and the Chartered Institute of Credit Management and Centre of Excellence. These awards support the Organisation 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.

Recommendation

This paper is for NOTING.

Appendix 1: Risk Management Standard Action Plan 2022/23

No	Description	Action	By Whom	By When
1.	Organisational Assurance - A review was undertaken by CC&P to redesign the assurance processes.	Embed the new Assurance Map process and Action Plans have been developed and will be reviewed regularly to address any gaps in assurance.	AD CCP/ G&R Officer to coordinate and support	Throughout 2022/23
2.	Review of Risk Management System	An Integrated Governance and Assurance Framework has been developed and will be presented as part of the overall review of Risk Management	AD CCP/G&R Officer	March 2023
3.	Review Risk Management Strategy during 2022/23	Review and update the Risk Management Strategy and prepare a paper prior to the Board Workshop	Business Development Manager/G&R Officer	April 2023
4.	Records Management Self-Assessment A new Records Management self-assessment tool will be developed via IGMG and will be rolled out across BSO in the forthcoming year.	Representatives from across BSO sitting as the IGMG to develop and plan roll out of self-assessment tool.	Head of Corporate Services/ Data Protection Officer	March 2023