



HSE Board Briefing

Subject: Corporate Risk [December 2022]
Submitted for meeting on: 16 December 2022
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Why is this being brought to the Board's attention <i>Under the Code of Practice for the Governance of State Bodies it is the responsibility of the Board to 'review management reporting on risk management and note/approve actions as appropriate'. The HSE Board on an annual basis approves the Corporate Risk Register. Attached with this Briefing note is the HSE's Corporate Risk Register as of the end of Q3 2022.</i>
Is there an action by the Board required, if so please provide detail? The Board are requested to: <ol style="list-style-type: none">1. Approve the Corporate Risk Register [CRR] as of Q3 2022.2. Approve the proposal to align the annual Board approval of the CRR with the Annual Report process. [as recommended by EMT and ARC]3. Note the general risk update and approve the proposal to defer the Risk Appetite Statement review until Q1 2023 [See section 4.6 below]. [as recommended by EMT and ARC]
Please indicate which of the Board's objectives this relates to; The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system.

Summary

This Briefing covers:

Part 1: The Corporate Risk Register [CRR] Q3 2022 Review

Part 2: Summary of changes between the Q3 2021 and Q3 2022 CRR

Part 3: Proposal to align the annual Board approval of the CRR with the Annual Report process

Part 4: General Risk Programme update

Part 1: Corporate Risk Register Review Report Q3 2022

1.1 CRR Q3 2022 Review

The EMT undertakes a quarterly review of the Corporate Risk Register [CRR]. The Q3 2022 Review Report was considered and approved by the EMT at its meeting on 11 October 2022. It was subsequently considered by the ARC on 13 October 2022.

There are currently 19 risks on the Register. The current risk ratings are **12 Red** and **7 Amber**.

1.2 HSE Board annual sign-off on the Corporate Risk Register

The Q3 2022 CRR Review Report is being provided to the HSE Board for its November 2022 meeting, to allow it undertake its annual review and sign off on the HSE's Corporate Risk Register.

1.3 Structure CRR Q3 2022 Report

Section 1: [Pages 3 to 4] CRR Dashboard:

The risk *Heat Map* is a graphical representation of HSE's risk profile and the movement in CRR residual risk ratings from Q2 to Q3. The dashboard provides a consolidated point in time view of the CRR, including total inherent and residual scores and risks by EMT and Board Committee.

Section 2: [Pages 5 to 8] Risk Summary Table: Provides a summary of the Q3 2022 Corporate Risks. The summary includes the risk title, EMT owner, risk appetite, inherent and residual risk ratings and the HSE Board Committee that each risk has been assigned to for oversight purposes.

Section 3: [Pages 9 to 17] Corporate Risk Table: This section includes a table that outlines the full risk description as well as elements included under section 2.

Section 4: [Pages 18 to 101] Full Report: Contains the individual risk assessments and status update for each of the Corporate Risks. These assessments provide more detail on the controls in place and actions to mitigate, together with a status update from each of the EMT Risk and Action Owners.

1.4 Risks currently included on the Corporate Risk Register:

Risk ID	Risk Title
CRR 001	Major Disruption to Clinical and Non Clinical Service Continuity
CRR 002	Future trajectory of COVID
CRR 003	New pandemic outbreak [serious/high consequence] infectious disease [non-Covid]
CRR 004	Access to care
CRR 005	Inadequate and ageing infrastructure/ equipment
CRR 006	Delivery of Major capital projects
CRR 007	Anti-Microbial Resistance and Health Care Associated Infections
CRR 008	Safety incidents leading to harm to patients
CRR 009	Health, wellbeing, resilience and safety of staff
CRR 010	Climate action failure and sustainability
CRR 011	Digital environment and cyber failure
CRR 012	Delivering Sláintecare
CRR 013	Internal controls and financial management
CRR 014	Sustainability of screening services
CRR 015	Sustainability of disability services
CRR 016	Workforce and Recruitment
CRR 017	HSE Funded Agencies
CRR 018	Assisted Decision Making
CRR 019	Displaced Ukrainian Population

Part 2: Summary of changes between the Q3 2021 and Q3 2022 CRR

2.1 Changes risks and ratings: 2021 to 2022

In addition to the quarterly reviews of the CRR the EMT undertook its annual comprehensive Review of the CRR at the end of 2021. This resulted in a number of changes to the CRR. Some of the principal changes included:

- The 6 Covid Risks being consolidated into a single 'Future trajectory of Covid' risk.
- A number of new risks were added to the CRR [i.e. Climate action failure and sustainability/ Assisted Decision Making/ Displaced Ukrainian Population]
- A number of risks were closed [e.g. Private Nursing Homes/ Brexit/ Individual Performance etc].

Comparison	Q3 2021	Q3 2022
No of risks	28	19
Red rating	18	12
Amber rating	10	7

NOTE: Appendix 1 presents graphically the changes in risk profile for comparable risks between Q3 2021 and Q3 2022

2.2 Additions to the CRR reporting in 2022

In Q1 2022 a number of additions were added to the CRR Reports. The main additions were the recording of:

- Inherent ratings for risks
- Residual ratings for risk
- Target ratings [based on the Risk appetite levels approved by the Board in November 2022]

Part 3: Proposal to align the annual Board approval of the CRR with the Annual Report process

The Annual Reports for 2020 and 2021 have included an expanded section outlining our corporate risks. This section reflects the Quarter 4 position for the years in question whereas it is the Q3 Register that the Board approves.

Proposal: It is proposed that in future (i.e. from 2023 onwards) the annual Board approval of the Corporate Risk Register would be aligned to the Annual Report process. In practice this will mean the Board approves the Quarter 4 Register in March of the following year.

Part 4: General Risk Update

4.1 Strengthening risk management at national level

Following the HSE's Review of Risk Management, the Board supported the establishment of an Enterprise Risk Management [ERM] Programme and the enhancement of risk leadership at national level. This included a number of key appointments both centrally within the Governance and Risk Team, and within the teams of EMT members. A number of key posts were filled in 2022. These include the appointment of an Assistant National Director, General Manager and Training and Development Manager [at contract stage] to the ERM Programme reporting to the CRO.

Risk Management Leads have also been appointed to the teams of a number of EMT members and play a key role in actively contributing to the priorities of the ERM Programme, supporting EMT members in the management of corporate risks and support the embedding of a risk management culture and disciplines within their respective functions.

The Corporate Risk Support Team, comprising senior members of each EMT member's teams, continue to meet monthly to manage the CRR process and to guide the implementation of the ERM Programme priorities.

4.2 Corporate risk reviews

The quarterly CRR Review process continued throughout 2022. A number of more dynamic risks [*Future trajectory of COVID / Digital environment and cyber failure/ Assisted Decision Making/ Displaced Ukrainian Population*] are reported on by exception on a monthly basis.

As referred to earlier, the EMT completed its annual comprehensive review of the CRR in December 2021. The next review is planned for December 2022.

In July, the ARC held a dedicated workshop to undertake a full review of the Q2 2022 CRR Report. Advices from the ARC and other Board Committees are then considered as an integral part of the subsequent EMT reviews of corporate risks.

4.3 Risk Information System and risk reporting

On 1 June 2022 an online risk information system for managing the CRR went live supported by the State Claims Agency. The system improves the process for managing the Corporate Risk Register, as well as providing greater risk insights through dashboard reporting, heat maps and summary risk tables. The Q2 2022 CRR was the first version of the register generated from the new system.

4.4 Risk Management Policy

The revision of the HSE's Integrated Risk Management Policy 2017 is well advanced and the revised draft Enterprise Risk Management Policy and Guidance has issued as part of the final consultation phase. The revised policy is based on the *ISO31000 2018 Risk Management Guidelines* and *ISO31010 2019 Risk Assessment Techniques* and has been informed by:

- The HSE's Risk Reviews 2019 and 2021 [Moody Review]
- Key developments in Risk Management thinking internationally since 2017
- Feedback from health service staff as part of the first phase of consultation during the summer
- Relevant inputs from the HSE's new risk team.

The first draft of the revised policy was considered by the ARC at its November meeting. Once the consultation process concludes a revised draft will be finalised and brought to the EMT and ARC for consideration in advance of tabling with the Board for approval early in 2023.

4.5 Training and Development

A key priority for the ERM Programme is the development of a comprehensive risk management training and development programme. A new national Training and Development lead is expected to take up their role in December 2022 and will be a key resource in the development of the programme, in line with the launch of the updated policy in Q1 2023.

In addition, during 2022 a new HSE Excel Risk Register online training module was launched to support the completion of risk registers by staff throughout the HSE.

4.6 Risk Appetite Statement

The Board approved the HSE's first Risk Appetite statement in November 2021. It was agreed that it would be reviewed with the Board Committees after 12 months.

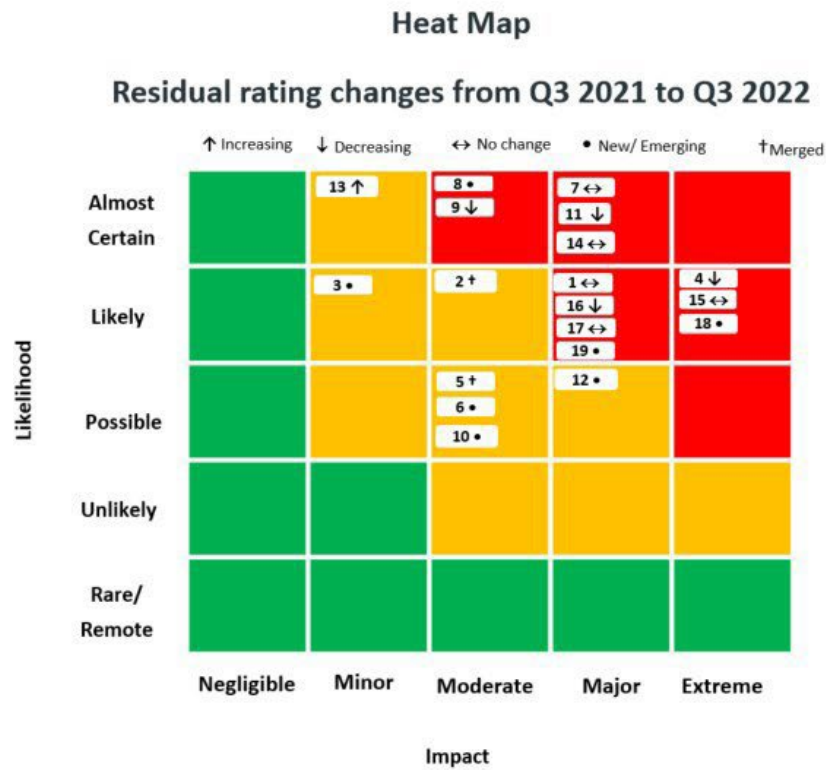
Proposal: On the basis that the Risk Policy revision has yet to be completed it is proposed that the review of the Risk Appetite Statement would be concluded in Q1 2023.

4.7 ERM Programme Priorities for the next 12 months

The principal ERM Programme priorities for the next 12 months are:

1. Complete and roll out the HSE's revised HSE's Enterprise Risk Management Policy;
2. Develop and deliver risk training and education programmes tailored to the role of those with responsibility for managing risk [operational, strategic and clinical] across the organisation;
3. Further roll out of the online Risk Information System;
4. Review of the HSE Risk Appetite Statement;
5. Continue to enhance corporate risk monitoring and reporting;
6. Continue to deliver on the recommendations set out in the HSE's Risk Reviews 2019 and 2021 [Moody Review];
7. Engage with both internal and external stakeholders on the further development of the ERM programme.

Appendix 1: Movement of comparable risks Q3 2021 Q3 2022



Risk ID	Risk Title	Risk Rating			
		Residual rating [with controls]		Movement	Risk Appetite
		Q3 2022	Q3 2021		Target
CRR 001	Major service disruption and operational resilience.	16	16	↔	</=6
CRR 002	Future trajectory of COVID.	12	Merged		</=6
CRR 003	New pandemic outbreak [serious/high consequence] infectious disease [non-COVID]	8	New		</=6
CRR 004	Access to care.	20	25	↓	</=6
CRR 005	Inadequate and ageing infrastructure/ equipment.	9	Merged		<12
CRR 006	Delivery of Major capital projects	12	New		<12
CRR 007	Anti-Microbial Resistance and Health Care Associated Infections	20	20	↔	</=6
CRR 008	Safety incidents leading to harm to patients.	15	New		</=6
CRR 009	Health, wellbeing, resilience and safety of staff.	15	16	↓	<12
CRR 010	Climate action failure and sustainability.	9	New		</=25
CRR 011	Digital environment and cyber failure.	20	25	↓	</=6
CRR 012	Delivering Sláintecare.	12	New		</=25
CRR 013	Internal controls and financial management.	10	9	↑	<12
CRR 014	Sustainability of screening services.	20	20	↔	</=6
CRR 015	Sustainability of disability services.	20	20	↔	</=6
CRR 016	Workforce and recruitment.	16	20	↓	<12
CRR 017	HSE Funded Agencies.	16	16	↔	</=6
CRR 018	Assisted Decision Making	20	New		</=6
CRR 019	Displaced Ukrainian Population	16	New		</=6