Working with you to make Sheffield HEALTHIER

NHS Sheffield Clinical Commissioning Group

Quarter 4 2014/15 Update on Governing Body Assurance Framework and Risk Register

Governing Body meeting

H

4 June 2015

Author(s)	Sue Laing, Senior Associate, Risk and Governance, Yorkshire and Humber Commissioning Support
Sponsor	Tim Furness, Director of Business Planning and Partnerships

Is your report for Approval / Consideration / Noting

This report is for **consideration** with a view to any necessary and appropriate challenge

Audit Requirement

CCG Objective:
5. Organisational development to ensure CCG meets organisational health and capability requirements set out in the six domains

Principal Risk
This paper relates to all identified risks, but in particular relates to 5.3 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage. The paper provides assurance that risks facing delivery of the organisation's objectives are being managed, and that they are discussed, appropriately actioned and/or challenged by the Governance Sub Committee and Audit and Integrated Governance Committee.

Equality impact assessment

Have you carried out an Equality Impact Assessment YES and is it attached? NO

If not, why not?
There is no evidence to suggest that the Governing Body Assurance Framework will adversely impact on any of the nine protected characteristics

PPE Activity

How does your paper support involving patients, carers and the public?
Good risk management will positively impact on Patient and Public Engagement activity

Recommendations
The Governing Body is asked to: • Review the attached GBAF assuring itself that the document provides adequate information and that the CCG's corporate objectives and risks to their achievement are accurately reflected and are being effectively managed by accountable officers. • Note the actions of the Governance Sub-committee and the assurance that operational risks are being effectively managed by officers. • Identify any additional controls and mitigating actions which members feel should be put into place to address identified risks and the methods by which it would wish to receive assurance of the effectiveness of these controls.

Sheffield Clinical Commissioning Group

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1 Introduction

The reporting arrangements for the Governing Body Assurance Framework (GBAF) includes scrutiny from both the Governance Sub-committee (GSc) and the Audit and Integrated Governance Committee (AIGC) prior to reporting to Governing Body. A significant role of the GSc is to ensure that identified strategic risks facing achievement of the organisations objectives are appropriately managed in order to reduce the likelihood or impact of the risk.

The GBAF is an important document for providing external assurance to NHS England, internal and external audit, stakeholders and members of the public that the CCG is cognisant of its risks and has a robust system of internal control. This quarterly report provides the Governing Body that it has gained sufficient assurance that there is a system in place which ensures that identified risks are reviewed and where appropriate the associated controls and assurances are challenged.

Strategic risks continued to be managed during Quarter 4 and at the end of this period there remained a total of 17 risks facing achievement of the organisation's five strategic objectives. There were no new risks added and no risks closed during this period. There is evidence that risk owners have reviewed their risks and updated existing controls and mitigating actions, however a total of two gaps in either control or assurance remained open. All outstanding gaps in control have been disclosed within the Annual Governance Statement.

The Quarter 4 GBAF is attached at **Appendix 1** for information.

2 Quarter 4 review to date

At the end of Quarter 4 there remained 17 risks identified on the GBAF – the level of risk is set out below:

Position at Quarter 4

Critical	Very High	High	Medium	Low
0	0	0	15	2

Position at Quarter 3

Critical	Very High	High	Medium	Low
0	0	1	16	0

Position at Quarter 2

Critical	Very High	High	Medium	Low
0	1	0	16	0

Position at Quarter 1

Critical	Very High	High	Medium	Low
0	1	3	13	0

The overall level of risk during Quarter 4 continued to reduce, with seven risks reaching their appetite score. The scores of five risks reduced during Quarter 4.

Risk Owner	Ref	Risk Initial Score	Risk score Q1, Q2 Q3	Current Risk score	Risk Target or Appetite Score	Are there GAPS in control?	Are there GAPS in assurance?
						Position at 13 March 2015	
IG	1.1	12	(4) (4) 4	4	4	No	No
TF	1.2	9	(9) (9) 9	9	6	No	No
IG	1.3	12	(9) (9) 9	9	6	No	No
KC	2.1	9	(9) (9) 9	9	6	No	No
TF	3.1	12	(12) (12) 9	6↓	3	No	No
JN	3.2	16	(16) (16) 12	9↓	6	No	No
TF	4.1	6	(6) (6) 6	3↓	3	No	No
ZM	4.2	9	(4) (4) 4	3↓	3	No	No
JN	4.3	12	(12) (9) 6	6	6	No	No
JN	4.4	12	(12) (9) 9	9	6	No	No
TF	4.5	9	(9) (9) 9	9	3	Yes	Yes
KCl	4.6	12	(8) (8) 6	6	4	Yes	Yes
IG	5.1	12	(9) (9) 9	9	6	No	No
IG	5.2	16	(8) (8) 8	8	4	No	No
IG	5.3	9	(9) (6) 6	6	6	No	No
IG	5.4	9	(9) (9) 9	6↓	6	No	No
TF	5.5	12	(8) (8) 4	4	4	No	No

Gaps in Assurance and/or Control

Only two of the 17 strategic risks continued to show both gaps in control and assurance.

4.5 **Inability to secure partnerships with our main providers that help us to deliver our commissioning plans, including QIPP** – whilst this is a risk partially within our control, progress is being made towards closing the gap.

4.6 Contractual restrains facing member practices resulting in an inability of practices to deliver and expand service provision – has been identified as being outside of the organisation's control.

3 GBAF Refresh 2015/16

The refreshed GB Assurance Framework was approved by Governing Body at its meeting on 7 May. The Quarter 1 position will be presented to the September meeting of Governing Body

4 Operational Risk Register

4.1 Progress since the last meeting of the Governance Sub-committee

The majority of risks have been reviewed by risk owners/senior managers/directors during Quarter 4.The table below shows the number of reviews undertaken during this quarter.

	Owner	Owner reviewed	Senior Manager	Senior Manager reviewed	Final Reviewer	Final Reviewer Reviewed
Totals	43	42	43	40	43	42

Progress has also been made with regard to identifying gaps in control and assurance with additional positive assurances identified.

4.2 Risk scored 15 +

During Quarter 4, there remained two risks identified with a score of 15. The following risks are identified as Very High.

138 There is a risk that patients may be receiving inappropriate care, as annual reviews are overdue. This is principally a financial risk (if patients who should not be eligible for CHC are having their care funded by the NHS). There is a potential quality risk if patient's care is inadequate. However, there are significant factors mitigating this.

Around 400 patient reviews (for people eligible for CHC) are overdue.
(5x3 – static since October 2014)

502 There is a risk that the CCG incurs additional costs as a result of arranging 117 Aftercare, where another CCG is responsible commissioner.

This arises due to changes in the Responsible Commissioner guidance and has led to changes in which the CCG is responsible for arranging aftercare. Formerly, the CCG responsible for the patient when detained, remained responsible for aftercare. Now, the CCG to which they are discharged, and where they then register with a GP, becomes responsible. It appears that this change is not widely understood. Furthermore, changes to patient's responsible commissioner can be contentious and resisted.

Currently, Sheffield CCG is paying £1.46m pa for care which it now believes should be the responsibility of other CCGs. Several further patients will begin receiving aftercare in the coming months and of these a further £0.4m -£0.5m could become the responsibility of other CCGs, depending on where that aftercare is provided.

Other CCGs may also seek to transfer patients to the responsibility of Sheffield CCG. We currently know of three (possibly four) such patients but believe there may be others.
(5x3 static since October 2014)

4.3 Risk movement during Quarter 4

Thirteen risks have been static in score for four cycles (i.e. over a year) and will now be a priority for review. Of the 45 risks identified during Quarter 4, 28 risks have remained static with two risks increasing in score and eight decreasing.

4.4 New Risks Identified

One new risk was identified during Quarter 4. Governance Sub-committee members confirmed agreement with both the statement and the risk score.

567 There is a financial and reputational risk to the CCG, should it lose the judicial review launched by a service user. The service user (through their litigation friend) is challenging the extent of the package of care offered to him by the CCG. **(1x3)**

4.5 Risks Closed

Four risks were marked for closure during Quarter 4.

The following three risks have been closed as they have all reached their identified tolerance:

244 Provider failure - nursing home provider fails to provide adequate care.

242 Provider failure - domiciliary care provider fails to deliver appropriate care.

226 Failure to deliver Personal Health Budgets (PHBs) CCG has to be able to respond to requests for PHBs from April 2014 and the right to have a PHB from October 2014; systems, controls and staff competence need to be developed. Impact definition taken from 'statutory'

The following risk has been closed as financial implications fully reflected in future financial plans with clarity on actual costs. Contract negotiations with providers complete:

361 The risk of financial and operational pressures for the CCG due to a lack of shared understanding on respective responsibilities between NHS Property

Services Ltd (NHSPS) and Community Health Partnership (CHP) along with a clear understanding of the costs of the premises and the charging of vacant space to CCGs in 2014/15 and beyond.

4.6 Overarching Position

The table below shows the current position with regard to the risk register

IMPACT	LIKELIHOOD				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
5 Catastrophic	0	0	0	0	0
4 Major	0	0	2	0	0
3 Serious	1	6	7	3	2
2 Moderate	0	8	3	3	2
1 Insignificant	3	1	0	2	0

TOTALS		
Low Risks (White)	:	5
Moderate Risks (Green)	:	19
High Risks (Yellow)	:	17
Serious Risks (Red)	:	2
Critical Risks (Black)	:	0

5 Recommendations

The Governing Body is asked to:

- Review the attached GBAF assuring itself that the document provides adequate information and that the CCG's corporate objectives and risks to their achievement are accurately reflected and are being effectively managed by accountable officers.

- Note the actions of the Governance Sub-committee and the assurance that operational risks are being effectively managed by officers.

- Identify any additional controls and mitigating actions which members feel should be put into place to address identified risks and the methods by which it would wish to receive assurance of the effectiveness of these controls.

Paper prepared by Sue Laing, Senior Associate: Risk and Governance, Yorkshire & Humber Commissioning Support

On behalf of Tim Furness, Director of Business Planning and Partnerships

May 2015

Introduction **Quarter 4 (Refresh) 2014/15** **Appendix 1**

The Board Assurance Framework aims to identify the principal or strategic risks to the delivery of the CCG's strategic objectives. It sets out the controls that are in place to manage the risks and the assurances that show if the controls are having the desired impact. It identifies the gaps in control and hence the key mitigating actions required to reduce the risks towards the target or appetite risk score. It also identifies any gaps in assurance and what actions can be taken to increase assurance to the CCG.

The table below sets out the strategic objectives lists the various principal risks that relate to them and highlights where gaps in control or assurance have been identified. Further details can be found on the supporting pages for each of the Principal Risks.

Strategic Objective	Principal Risk identified	Risk Owner	Risk Initial Score	Risk current Score	Risk Target or Appetite Score	Are there GAPS in control?	Are there GAPS in assurance?
1. To improve patient experience and access to care	1.1 Loss of public confidence in the CCG through poor communications (Domain 2)	IG	12	4	4	No	No
	1.2 Insufficient engagement with patients and the public on CCG priorities and service developments, leading to decisions that do not fully meet needs (Domain 2)	TF	9	9	6	No	No
	1.3 System wide or specific provider capacity problems emerge to prevent delivery of NHS Constitution and/or NHS E required pledges (Domain 3)	IG	12	9	6	No	No
2. To improve the quality and equality of healthcare in Sheffield	2.1 Providers delivering poor quality care and not meeting quality targets (Domain 4)	KC	6	9	6	No	No
3. To work with Sheffield City Council to continue to reduce health inequalities in Sheffield	3.1 CCG is unable to undertake the actions, and deliver the outcomes from them, that are set out in the HWB's plan for reducing health inequalities, eg due to financial constraints (Domain 3)	TF	12	6	3	No	No
	3.2 Budgetary constraints faced by Sheffield City Council and CCG prevent development of effective joint governance and commissioning of integrated services from the Better Care Fund.	JN	16	9	6	No	No
4. To ensure there is a sustainable, affordable healthcare system in Sheffield.	4.1 Ineffective commissioning practices (Domain 3)	TF	6	3	3	No	No
	4.2 Commissioned care does not reflect best practice and service changes are not devised with sufficient clinical engagement. (Domain 3)	ZM	9	3	3	No	No
	4.3 Financial Plan with insufficient ability to reflect changes to meet demands (Domain 3)	JN	12	6	6	No	No
	4.4 Budgetary constraints faced by NHS England in particular re specialised services and primary care contracts adversely impact on CCG's ability to implement our plan (domain 3)	JN	12	9	6	No	No
	4.5 Inability to secure partnerships with our main providers that help us to deliver our commissioning plans, including QIPP (Domain 3)	TF	9	9	3	Yes	Yes
	4.6 Contractual restraints facing member practices resulting in an inability of practices to deliver and expand service provision (Domain 3)	KCl	12	6	4	Yes	Yes

Strategic Objective	Principal Risk identified	Risk Owner	Risk Initial Score	Risk current Score	Risk Target or Appetite Score	Are there GAPS in control?	Are there GAPS in assurance?
5. Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	5.1 CSU unable to provide timely and appropriate support (Domain 3)	IG	12	9	6	No	No
	5.2 Inability to secure active participation particularly from Member Practices for delivering CCG priorities(Domain 1, 3,5)	IG	16	8	4	No	No
	5.3 Ineffective succession planning for clinical engagement (Domain 1, 4)	IG	9	6	6	No	No
	5.4 Inability to develop appropriately skilled leadership and workforce within CCG directly employed staff (Domain 6)	IG	9	6	6	No	No
	5.5 Inadequate adherence to CCG Constitution and other governance arrangements to support Nolan Principles and e.g. protect against conflicts of interests (Domain 4)	TF	12	4	4	No	No

The Risk Ratings used in the Assurance Framework are based on the following risk stratification table:

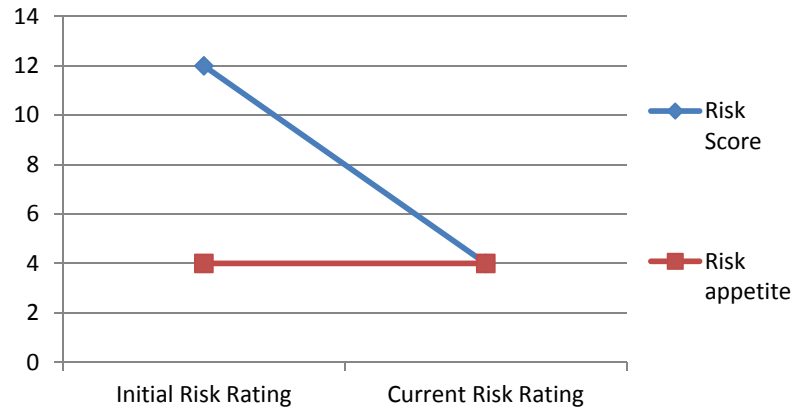
Risk Matriz		Likelihood				
		-1 Rare	-2 Unlikely	-3 Possible	-4 Likely	-5 Almost certain
Consequence	-1 Negligible	1	2	3	4	5
	-2 Minor	2	4	6	8	10
	-3 Moderate	3	6	9	12	15
	-4 Major	4	8	12	16	20
	-5 Extreme	5	10	15	20	25

1 to 3	Low
4 to 9	Medium
10 to 14	High
15 to 19	Very High (Serious)
20 to 25	Critical

Principal Objective: To improve patient experience and access to care	**Director Lead:** Chief Operating Officer: (Idris Griffiths)
Principal Risk: 1.1 Loss of public confidence in the CCG through poor communications (Domain 2)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 3 = 12

Current:
2 x 2 = 4
Appetite:
2 x 2 = 4



Rationale for current score:
Communication service has been developed in order to support delivery of the CCG's commissioning intentions, by communicating these effectively to the public and securing their support. Service brought back in house, both posts receruited to and working closely with other members of operations team. capacity about to be enhanced by student placement stating October (for 12 months).

Rationale for risk appetite:
Excellent communications is essential to establish public confidence

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
CCG has agreed its communication strategy and an action plan to ensure delivery; Deputy Director appointed with explicit responsibility for overseeing this function.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
No current gaps in control.

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
A communications action plan was established and additional resource allocated by CSU; delivery now contiues to be monitored through the intelligent client mechanism.	Jul-13
The CCG has appointed an additional Lay Member to the Governing Body with a remit for public and patient engagement and he is in post and agreeing his work plan; part of his remit will be about communicating with the public.	Jul-13
CCG decision to bring CSU communication resource in-house and embed within the operations directorate. Additional resources have been secured and post advertised.	Mar-14
Service brought back in house, band 7 Communications Manager in post, Head of Comms maternity leave covered	Jul-14

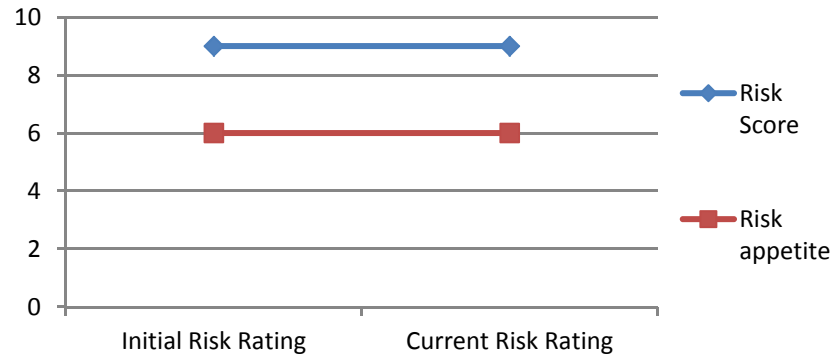
Assurances: *(Where should we find the evidence that controls are effective?)*
Quarterly report to Governing Body

Positive Assurance: *(Provide specific evidence of Assurances)*
Comms team posts filled and working "in house" in Operations team under direction of COO.

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*

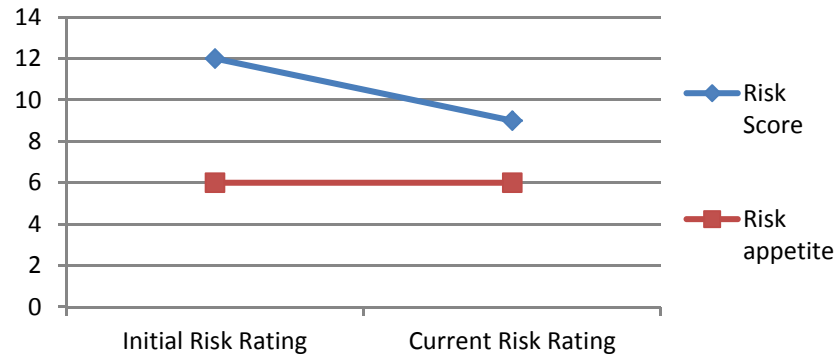
Direct feedback from the public: this will be addressed via implementation of the engagement strategy.

Principle Risk Reference: 1.1

Principal Objective: To improve patient experience and access to care		**Director Lead:** Director of Business Planning & Partnerships: (Tim Furness)
Principal Risk: 1.2 Insufficient engagement with patients and the public on CCG priorities and service developments, leading to decisions that do not fully meet needs (Domain 2)		**Date last reviewed:** 05 March 2015
Risk Rating: (likelihood x consequence) Initial: 3 x 3 = 9 Current: 3 x 3 = 9 Appetite: 2 x 3 = 6		**Rationale for current score:** As a new organisation with new ways of working, there was initially insufficient engagement. Work in 2013/14 has mitigated this but more can be done. **Rationale for risk appetite:** We should have mechanisms in place that make effective engagement routine and therefore the likelihood of failure to engage "unlikely" at worst
Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)* Communication and engagement strategy and engagement plan approved in 2013/14. Engagement committee, led by GB lay member, established. "Involve me" network established. Engagement group overseeing and monitoring activity.		**Existing Gaps in Control:** *(Where are we failing to put controls in place and what more should be done?)*
Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*		
Action		**Date**
Quarterly patient engagement and experience report to be presented to GB, summarising what patients and public have told us and how we will respond to it.		01/10/2014
Assurances: *(Where should we find the evidence that controls are effective?)* • Business cases and GB papers should describe engagement and result of it	**Positive Assurance:** *(Provide specific evidence of Assurances)* • Patient experience and engagement reports received by GB in October 2014 and February 2015	
Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*		
	Principle Risk Reference:	1.2

Principal Objective: To improve patient experience and access to care	**Director Lead: Chief Operating Officer (Idris Griffiths)**
Principal Risk: 1.3 System wide or specific provider capacity problems emerge to prevent delivery of NHS Constitution and/or NHS E required pledges (Domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 3 = 12
Current:
3 x 3 = 9
Appetite:
2 x 3 = 6



Rationale for current score:
Inefficient patient flow through the system can significantly impact on waiting times e.g. 18 weeks and A&E 4 hours . Current difficulties have been experienced at STHFT in relation to 18 week performance and recovery plans are being sought through the contract.

Rationale for risk appetite:
Consequences of capacity problems can have significant impact on patient experience and these need to be mitigated with effective planning and partnership work

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Partnership work through Right First Time
System Resilience Group oversight role on system performance

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
None

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
Established urgent care Board	June 2013
A&E action plan agreed	June 2013
Winter plan produced	July 2013
Contractual mechanisms enacted with local provider in relation to 18 week performance and action plans received.	March 2014
System Resilience Group established (replaced Urgent Care Board)	Apr-14
System Resilience Investment Plans developed	Sep-15

Assurances: *(Where should we find the evidence that controls are effective?)*	**Positive Assurance:** *(Provide specific evidence of Assurances)*
• Quality & Outcomes Report to Governing Body	• Urgent Care Board ToR and Action Plan reported to Governing Body June

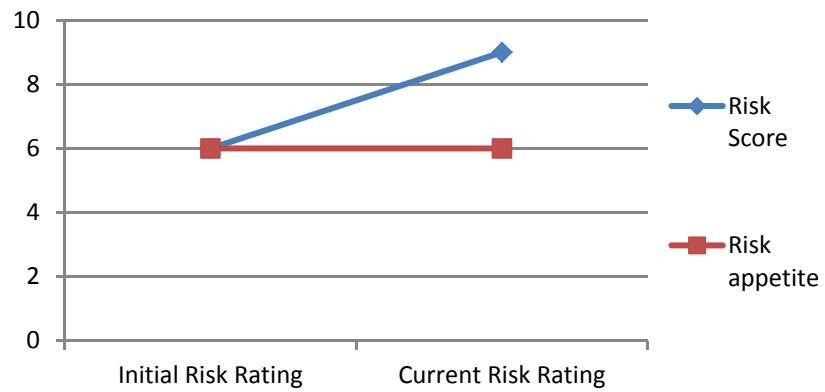
Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*

No current gaps – to be reviewed

Principle Risk Reference: 1.3

Principal Objective: To improve the quality and equality of healthcare in Sheffield	**Director Lead:** Chief Nurse: (Kevin Clifford)
Principal Risk: 2.1 Providers delivering poor quality care and not meeting quality targets (Domain 4)	**Date last reviewed:** 12 March 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 2 = 6
Current:
3 x 3 = 9
Appetite:
2 x 3 = 6



Rationale for current score:
During 2014/15 the CCG has increased assurance that services are delivering safe and effective care due to full regulatory reviews of SCH and SHCT, with STH and General Practices planned before the end of 2015. In addition a CCG quality strategy outlines actions to further increase controls.

Rationale for risk appetite:
To get to a position where the likelihood is moderate and although there will always be risks to patient safety and poor quality care, that the impact on patient outcomes and experience is reduced.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
National and Local Policy/ regulatory standards; CQC regulations, SI, Infection Control, Safeguarding procedures, NICE/Quality Standards, Patient Surveys, Quality standards in Contracts, Contract Quality Review Groups

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
The CCG commissioning for quality strategy will be presented to Governing Body in April 2015

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action				
Commisioning for Quality Strategy has now been produced - to be adopted			**Date**	**Apr-15**

Assurances: *(Where should we find the evidence that controls are effective?)*
• CQC inspections of providers and provider action plans, provider data and annual reports SI investigation reports, Serious Case Reviews, Clinical Audit reports, Internal audit benchmarking data, provider Governance Meetings, site visits, CCG Commissioning Groups, CCG quality dashboards.

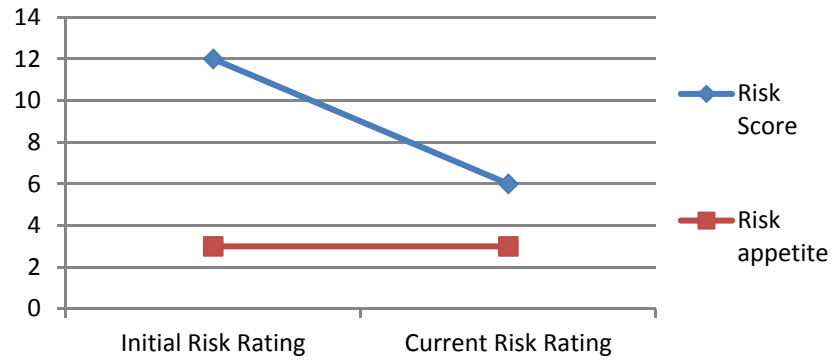
Positive Assurance: *(Provide specific evidence of Assurances)*
• Quality Assurance Committee Minutes, Serious Incident reports, Safeguarding reports, Patient Experience /Complaints reports, data on quality targets, exception reports to Governing Body Quarterly

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
No

Principle Risk Reference: 2.1

Principal Objective: To work with Sheffield City Council to continue to reduce health inequalities in Sheffield	**Director Lead:** Director of Business Planning & Partnerships: (Tim Furness)
Principal Risk: 3.1 CCG is unable to undertake the actions, and deliver the outcomes from them, that are set out in the HWB's plan for reducing health inequalities, eg due to financial constraints (Domain 3)	**Date last reviewed:** 05 March 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 3 = 12
Current:
2 x 3 = 6
Appetite:
1 x 3 = 3



Rationale for current score:
The HWB is developing a plan to reduce health inequalities (which the CCG is part to). Given the scale of the challenge and some uncertainty over which interventions work, it is possible that the actions for the CCG will prove difficult to achieve.

Rationale for risk appetite:
We should not commit to actions we cannot deliver, especially within this partnership with HWB, and therefore need to take steps to ensure we can deliver.

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
Four GB GPs active members of HWB, influencing the plan
Plan to GB for consideration July 2014
CCG specific plan agreed by GB January 2015

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date

Assurances: *(Where should we find the evidence that controls are effective?)*
Delivery reports on the plan, assuming such reports go to HWB
CCG performance reports
Reports on delivery of projects and actions in Commisisoning Intentions

Positive Assurance: *(Provide specific evidence of Assurances)*

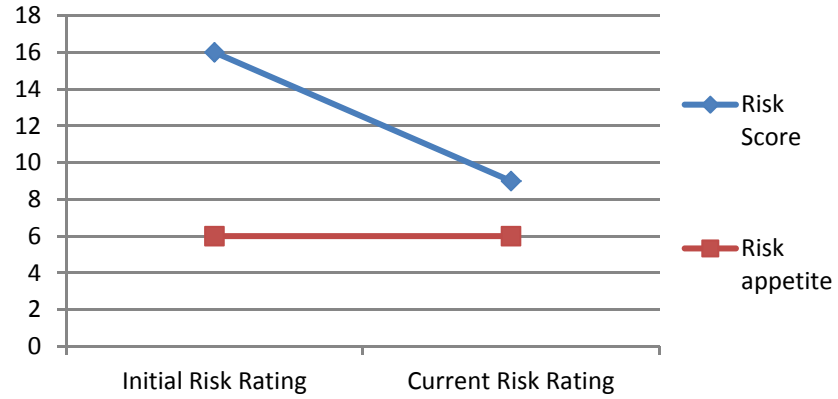
Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*

Principle Risk Reference: 3.1

Principal Objective: To work with Sheffield City Council to continue to reduce health inequalities in Sheffield	**Director Lead:** Director of Finance: (Julia Newton)
Principal Risk: 3.2 Budgetary constraints and competing priorities of Sheffield City Council and CCG prevent development of effective joint governance and commissioning of integrated services from the Better Care Fund.	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 4 = 16

Current:
3 x 3 = 9
Appetite:
3 x 2 = 6



Rationale for current score:
Creation of BCF is providing greater opportunity for joint management of risks. A draft financial plan for 2015/16 has been agreed in January 15, Section 75 agreement should be ready to sign by 31 March 2015 and business cases to support service change under development. Risk reduced to 9 because of progress in Q4 on budgets and risk management.

Rationale for risk appetite:
CCG needs to get to a position that can press ahead with service redesign with confidence. Assessed as risk score of 6

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
Joint Executive meetings from Nov 2013 re BCF - From Sept 14 become Integrated Commissioning Programme Board; Governance & Finance working group (replacing IMG) from Sept 2014 with responsibility for drafting Section 75 for 2015/16. Shadow monthly budget monitoring from June 2014 to Jt Board and CCG Governing Body.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
A formal S75 agreement for 2015/16 is being developed.

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**
Development of first draft of S75 agreement for 2015/16 - presentation to Governing Body for sign off - was completed	Mar-15

Assurances: *(Where should we find the evidence that controls are effective?)*
HWBB minutes; Minutes of Joint Executive meetings _ since Sept 14 IC Programme Board (monthly) and action notes from Governance & Finance working group

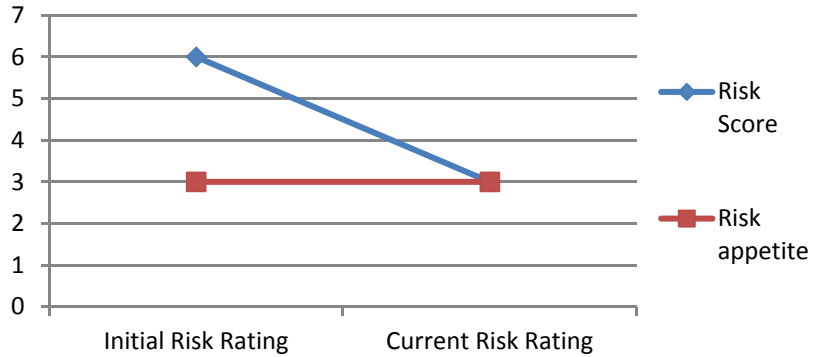
Positive Assurance: *(Provide specific evidence of Assurances)*
• Updates to Board monthly on CCG Finance position and from July 14 Gov Body receiving monthly report on BCF budgets.

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)* *N/A*

Principle Risk Reference: 3.2

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield	**Director Lead:** Director of Business Planning & Partnerships: (Tim Furness)
Principal Risk: 4.1 Failure to adopt best practice throughout the commissioning cycle (Domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
2 x 3 = 6
Current:
1 x 3 = 3
Appetite:
1 x 3 = 3



Rationale for current score:
As a result of profound organisational change and adoption of new ways of working, it is possible that some of the good commissioning practice used by the PCT stopped being routinely used, or that we have not responded to developments in practice.

Rationale for risk appetite:
Organisational and staff development should result in clinicians and staff being familiar with best practice.

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
OD programme. Staff development activities. Business case template. Role of CET and Planning and Delivery group. Identification of lead senior commissioning manager for each portfolio. 2014/15 OD Plan.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**

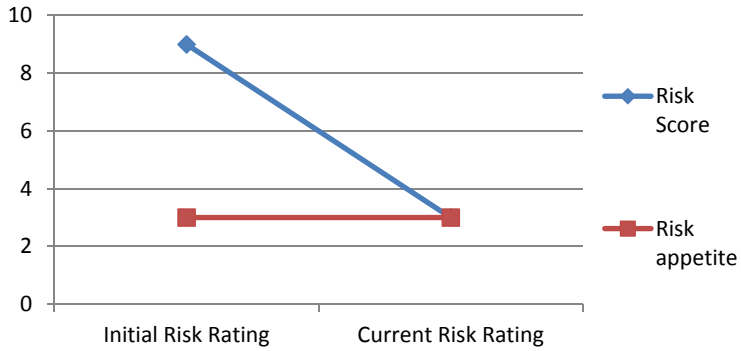
Assurances: *(Where should we find the evidence that controls are effective?)*	**Positive Assurance:** *(Provide specific evidence of Assurances)*
• Business cases and papers to GB should reflect good practice • Reports on OD from AO, from OD Steering Group	

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*

Principle Risk Reference:	4.1

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield	**Director Lead:** Clinical Director: Zak McMurray
Principal Risk: 4.2 Commissioned care does not reflect best practice and service changes are not devised with sufficient clinical engagement (Domain 3)	**Date last reviewed:** 11 March 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 3 = 9
Current:
1 x 3 = 3
Appetite:
1 x 3 = 3



Rationale for current score:
must have credibility with both secondary and primary care clinicians. Consistent adoption of best practice in patient care (e.g. referral pathways) is more likely if commissioning decisions have been made with clinical involvement. We have a number of mitigating actions in place; however we need to ensure greater breadth and depth of engagement.

Rationale for risk appetite:
Clinical engagement and service transformation are at the heart of the CCG's purpose, therefore risks in this area need to be minimised.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Review of Clinical Reference Group, with a paper taken to CET mid Sept 2014 to recommend a clinical lead role to oversee the CRG, increase and widen membership and ensure close links with portfolios. Discussions around portfolio leads working more closley together within a Clinical Executive function, with clear job descriptions, accountability, role clarity and links to localities. GP education programme in place for rest of year and review of PRESS portal to make it easier for GPs to use. **Clinical directors have now been appointed and will commence in post wef 1.3.15. New CRG lead is now in post on contract with CCG. CRG membership increased**

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**
New pathway change process sponsored by Clinical Director reinforces role of CRG and re-affirms the need to ensure that commissioning decisions are underpinned by evidence e.g. NICE, SIGN and Map of Medicine.	July 2013
Clinical Director's devising work plan for CRG to re-invigorate its work and draw new people in	Aug 2013
PLI (GP and practice nurse education) programme now finalised for the rest of the year	July 2013

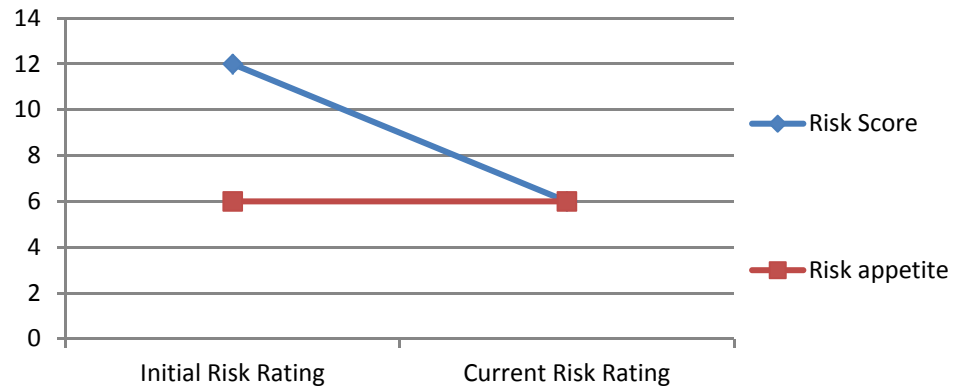
Assurances: *(Where should we find the evidence that controls are effective?)*	**Positive Assurance:** *(Provide specific evidence of Assurances)*
• Business cases and commissioned pathways reflect good practice • Activity monitoring demonstrates shifts in referral	• P&DG / CET papers; Governing Body performance reports • Twice yearly CRG report to Governing Body, May and November • Paper taken to CET and approved

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*

Principle Risk Reference: 4.2

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield	**Director Lead:** Director of Finance: (Julia Newton)
Principal Risk: 4.3 Financial Plan with insufficient flexibility to meet changing demands (Domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating: (likelihood x consequence)
Initial:
3 x 4 = 12
Current:
3 x 2 = 6
Appetite:
3 x 2 = 6



Rationale for current score:
Plan to deliver required 1% surplus included many challenges to be managed in the year. Based on M10 results and latest intelligence in early March the CCG should end the year with a surplus in excess of the original plan. At M11 declared surplus will be £10m.

Rationale for risk appetite:
Stress testing of financial plan in different scenarios with contingency plans should give us the confidence that we can deliver required 1% surplus.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Plans scrutinised by Governing Body; detailed monthly financial reports to Governing Body; CCG has SOs, Prime Financial Policies and other detailed financial policies and procedures

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
Fully constructed downside scenario plan. Governing Body agreed draft proposals in March and further work on these occurred over the summer with a report to Governing Body in July.

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date

Assurances: *(Where should we find the evidence that controls are effective?)* • NHS E review of financial plan and monthly review of in year financial position; reviews on financial systems/processes by internal and external audit; external audit VFM reviews	**Positive Assurance:** *(Provide specific evidence of Assurances)* • Monthly reports to Governing Body

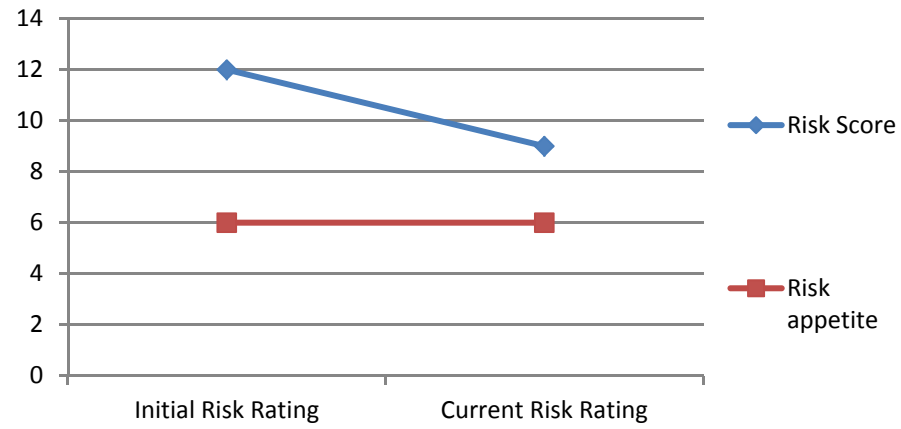
Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
None.

Principle Risk Reference: 4.3

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield	**Director Lead:** Director of Finance: (Julia Newton)
Principal Risk: 4.4 Budgetary constraints faced by NHS England in particular re specialised services and primary care contracts adversely impact on CCG's ability to implement our plan (domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 3 = 12

Current:
3 x 3 = 9
Appetite:
3 x 2 = 6



Rationale for current score:
NHS England had a significant financial budget deficit for specialised services at the start of the year but during Q4 we are clear about how issues and funding being handled eg for RTT and so no residual risk for CCG in 14/15. Primary care budgets are constrained putting developments at risk and this has not changed in year

Rationale for risk appetite:
CCG needs to have a position where we are confident that we can work in partnership with NHS E on these areas to develop local health economy and services appropriately.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Joint contracting processes with NHS England. Joint strategy document on primary care. Submission of Primary Care co-commissioning proposals on 20 June to NHS E and more active joint working. Establishment of Specialised Commissioning Oversight Group from September 2014.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
None

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**

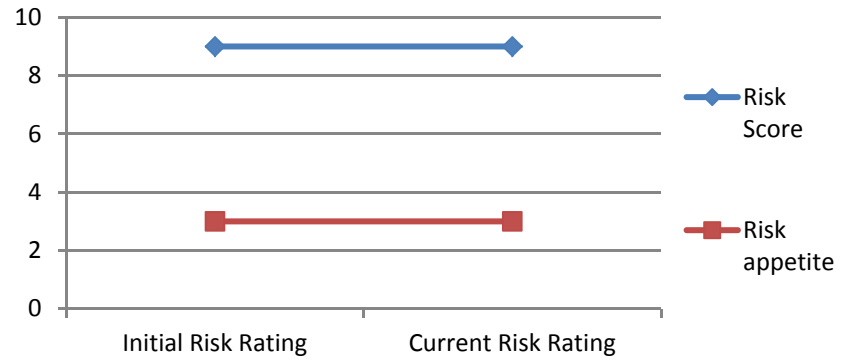
Assurances: *(Where should we find the evidence that controls are effective?)*	**Positive Assurance:** *(Provide specific evidence of Assurances)*
• NHS E led reviews	• Monthly finance reports to Governing Body

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
None.

Principle Risk Reference: 4.4

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield		**Director Lead:** Director of Business Planning & Partnerships: (Tim Furness)
Principal Risk: 4.5 Inability to secure partnerships with our main providers that help us to deliver our commissioning plans, including QIPP (Domain 3)		**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 3 = 9
Current:
3 x 3 = 9
Appetite:
1 x 3 = 3



Rationale for current score:
The CCG has developed partnerships over the last 12 months, within Sheffield and across SY and Y&H, which have established common priorities and workplans. However, our detailed plans are not yet so aligned that we can be confident our specific commissioning plans will be supported

Rationale for risk appetite:
We should aspire to establish relationships with partners that mean that it is most unlikely that those partnerships do not help us deliver our plans.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Partnership structures - HWB, Right First Time& Future Shape Children's Services programmes, SYCOM & CCGCOM, Integrated Commissioning. Draft 5 year vision for health community. Agreement about future role of RFT, reflecting integrated commissioning. System resilience work.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
There are instances of programmes not achieving objectives, indicating we need to support and influence the programmes more.

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**
Further development of joint five year vision for healthcare in Sheffield with FTs and publication of the bision	March 15
Development of whole commnuity plans for 2015/16 planning round	Dec 14 - March 15

Assurances: *(Where should we find the evidence that controls are effective?)*
Reports on RFT and FSC programmes, reports on integrated commisisonig programme

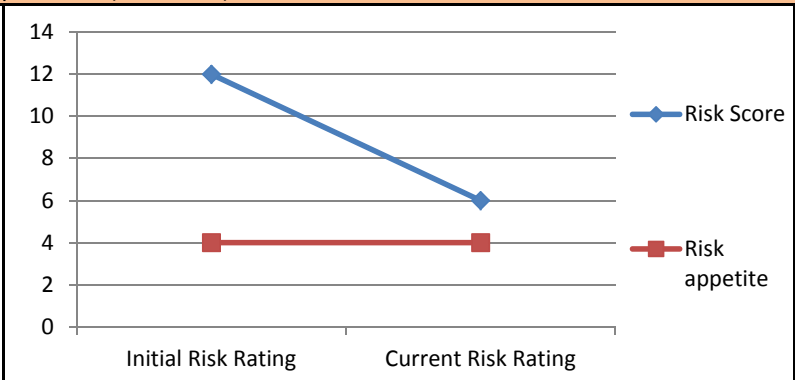
Positive Assurance: *(Provide specific evidence of Assurances)*
- Monthly performance reports demonstrate progress of partnerships on key QIPP and other priorities

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
Currently we do not consider FTs' business plans at GB

Principle Risk Reference: 4.5

Principal Objective: To ensure there is a sustainable, affordable healthcare system in Sheffield	**Director Lead: Katrina Cleary**
Principal Risk: 4.6 Contractual constraints facing member practices resulting in an inability of practices to deliver and expand service provision (Domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 4 = 12
Current:
2 x 3 = 6
Appetite:
2 x 2 = 4



Rationale for current score:
Currently the contractual changes being considered by NHSE have not come into effect. However, as individual practice reviews start to take place practices are becoming more aware of the potential impact this might have and are starting to voice concerns about ability to take on more service delivery if resource is lost.

Rationale for risk appetite:
Delivering more services in community setting is a stated aim of the CCG and General Practice is a key facet of this. The CCG would aspire to see more services delivered by these providers in a way that does not detrimentally impact on the wider system.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
Currently control is affected by joint discussions with NHSE in an attempt to influence their contractual decisions.Joint practice visits take place where an immediate and significant risk is identified. The CCGs Co-commissioning level means that the contract negotiations remain NHSE's responsibility. However we have agreed an escalation process with NHSE should any issues come to light during their contract discussions with practices which need

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
The key gap is currently around how general practice contracts are managed and altered by NHSE, without due consideration on the wider system financial and service impact.

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
MOU in place with NHSE LAT to enable ongoing discussion and challenge	Ongoing
Discussions with senior NHSE colleagues on practice contract finance approach, in advance of formal co-commissioning structure	Ongoing
Senior Quality Assessment group being established to meet monthly to include Senior CCG colleagues and NHSE reps	Ongoing
Practices have received individual financial assessments from NHSE and considering implications	Ongoing
Paper proposing a joint approach produced by NHSE currenlty being considered	Sept
National guidance issued signalling'equalisation' finances remain within local economy and for CCG to determine how best to be used	Oct
Primary Care and Finance colleagues developing options to reinvest money in a way which mitigates risk	Oct
Ongoing discussions with LMC and recent agreement to work together to understand full impact and how to jointly mitigate risk	March

Assurances: *(Where should we find the evidence that controls are effective?)* •Quarterly Assurance Meetings between CCG and LAT - Minutes	**Positive Assurance:** *(Provide specific evidence of Assurances)*

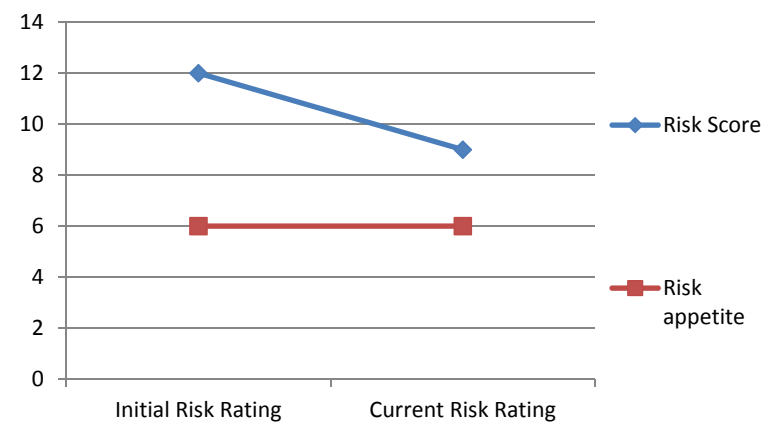
Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
Full picture of the financial impact and service implications still not known as NHSE not completed initial tranche of practice visits

Principle Risk Reference: 4.6

Principal Objective: Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	**Director Lead:** Chief Operating Officer: (Idris Griffiths)
Principal Risk: 5.1 CSU unable to provide timely and appropriate support (Domain 3)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 3 = 12

Current:
3 x 3 = 9
Appetite:
3 x 2 = 6



Rationale for current score:
Performance management controls are established. Improvement is closely reviewed with escalation in areas where necessary. Some key functions brought back "in house" (medicines management, communications).

Rationale for risk appetite:
Effective commissioning support is essential for effective working of CCG .

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)* Intelligent client arrangement, with regular mechanisms for informal feedback and formal monthly monitoring around customer satisfaction. OD steerting Group oversight of OD plan meets monthly with Executive Directors as membership.	**Existing Gaps in Control:** *(Where are we failing to put controls in place and what more should be done?)*

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
Joint staff event for CCG and CSU staff; Building for Partnership _ and a follow up event planned	27 June 2013
Established targeted action plans for areas where performance needs addressing (as per scores / RAG rating) – these will vary month by month. Intelligent clients to ensure progress is being made.	Ongoing
New intelligent client identified to work with the CSU on the OD function, looking at alternative ways in which support can be provided following departure of OD facilitator.	Jun-14
OD Strategy developed and approved by Governing Body	Sep-15
Bespoke additional Resource purchased to implement strands of the OD Strategy	Jan-15

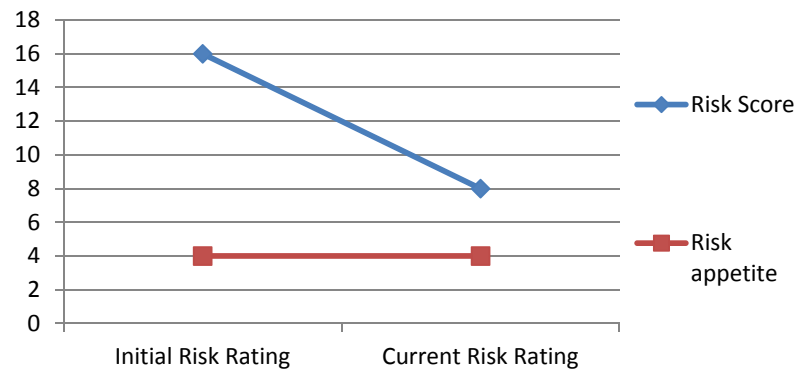
Assurances: *(Where should we find the evidence that controls are effective?)* Governing Body paper/minutes Feb 2015	**Positive Assurance:** *(Provide specific evidence of Assurances)* OD Steering Group minutes

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
None – recurrently kept under review

Principle Risk Reference:	5.1

Principal Objective: Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	**Director Lead:** Chief Operating Officer (Idris Griffiths)
Principal Risk: 5.2 Inability to secure active participation particularly from Member Practices for delivering CCG priorities (Domain 1, 3,5)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
4 x 4 = 16
Current:
2 x 4 = 8
Appetite:
1 x 4 = 4



Rationale for current score:
All 88 practices have signed the constitution. Improved CRG. Comprehensive OD plan in place.

Rationale for risk appetite:
Authorisation is reliant on sign up from all Member Practices. Service transformation requires high take up from clinicians.

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
OD Strategy includes commissioned development programmes eg PWC Engagement and Sheffield University Succession Programmes. CCG Structure includes GP involvement at Gov Body and its associated Committees, CET, CRG and H&WB Board.
CRG Facilitator appointed to co-ordinate and develop CRG Activites and secure broader clinical engagement

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
none

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
Bi-annual Members Council Meeting (Ongoing)	March 15
Review of OD Strategy	September 15
Develop and Implement a range of practice support initiatives eg PLI event, PRESS portal	Ongoing

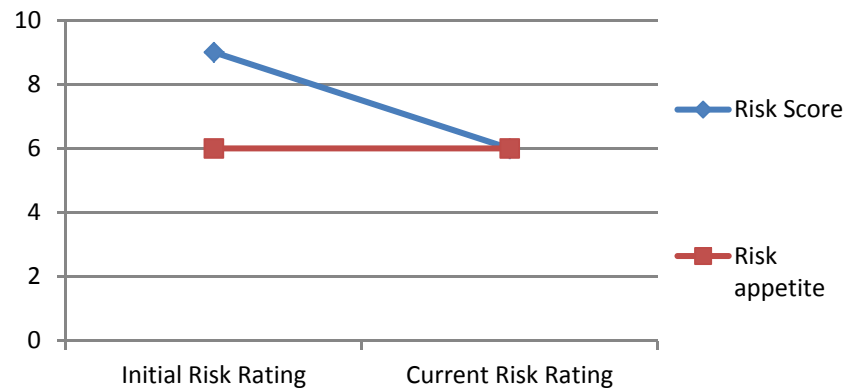
Assurances: *(Where should we find the evidence that controls are effective?)* • GB Reports 2) OD Steering Group Minutes 3) OD Evaluation Reports to OD Steering Group 4) Response to Election Process 5) OD strategy	**Positive Assurance:** *(Provide specific evidence of Assurances)* • OD steering Group forward Planner (July 2013). • Governing Body reports April, May 2013, Sept 2013 • Evaluation from Sheffield University leadership Programme July 2013 Minutes of OD steering group meeting Dec 2013 OD Strategy report to Gov Body July 2014

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)* *None*

Principle Risk Reference: 5.2

Principal Objective: Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	**Director Lead: Chief Operating Officer (Idris Griffiths)**
Principal Risk: 5.3 Ineffective succession planning for clinical engagement (Domain1, 4)	**Date last reviewed:** 14 April 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 3 = 9
Current:
2 x 3 = 6
Appetite:
2 x 3 = 6



Rationale for current score:
Good governance depends on continuity of leadership and clinical engagement

Rationale for risk appetite:
Authorisation is dependent on demonstrable clinical engagement

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
OD Programme. Communication Strategy. Election Process. Evaluation reports from OD events .
Appointed Clinical Portfolio Directors

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
No gaps

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**
Commissioning Portfolios attracting clinicians who may progress to become future leaders.	Aug 13 and ongoing

Assurances: *(Where should we find the evidence that controls are effective?)*
- Governance Board Papers
- Forward Planners
- OD event evaluations

Positive Assurance: *(Provide specific evidence of Assurances)*
- Governance Reports to Governing Body April and May 2013.

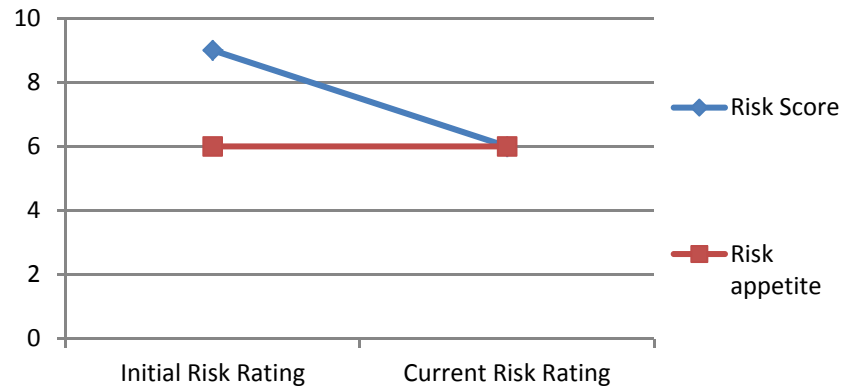
Governing Body Report November 2014

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
No gap

Principle Risk Reference: 5.3

Principal Objective: Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	**Director Lead:** Chief Operating Officer (Idris Griffiths)
Principal Risk: 5.4 Inability to develop appropriately skilled leadership and workforce within CCG's directly employed staff (Domain 6)	**Date last reviewed:** 13 March 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 3 = 9
Current:
2 x 3 = 6
Appetite:
2 x 3 = 6



Rationale for current score:
Good governance depends on continuity of leadership and clinical engagement

Rationale for risk appetite:
Authorisation is dependent on demonstrable clinical leadership; in addition we also need managers who are engaged and offer leadership to their projects and colleagues.

Existing Controls: *(What are we doing about the rist prior to any new mitigating actions?)*
OD Strategy to develop leadership effectively distributed throughout the culture of the CCG. Clinical leadership development programme in place with the University of Sheffield. Processes for two-way accountability in place.

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
No gaps

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	Date
Bi annual Members Council Meeting	Ongoing
OD Steering group meets monthly to oversee implementation of the OD strategy.	Ongoing
Gov Body OD event to review structure of comittees and working practice	18 Dec

Assurances: *(Where should we find the evidence that controls are effective?)*
- Governance Board Papers
- Endorsement by NHS E of refreshed Constitution
- OD event evaluations
- Governance Structure including Members Council and LEGs

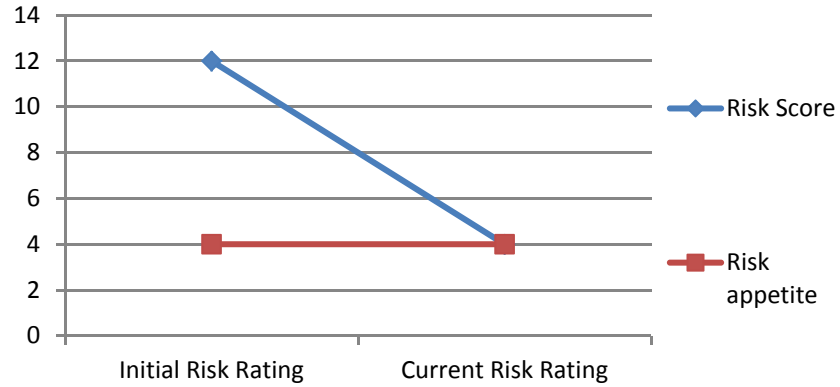
Positive Assurance: *(Provide specific evidence of Assurances)*
- Governance Reports to Governing Body April and May 2013.

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
No gap

Principle Risk Reference: 5.4

Principal Objective: Organisational development to ensure CCG meets organisational health and capability requirements set out in the 6 domains (Annex C NHS England CCG Assurance Framework)	**Director Lead: Director of Business Planning and Partnerships (Tim Furness)**
Principal Risk: 5.5 Inadequate adherence to CCG Constitution and other governance arrangements to support Nolan Principles and e.g. protect against conflicts of interests (Domain 4)	**Date last reviewed:** 05 March 2015

Risk Rating:
(likelihood x consequence)
Initial:
3 x 4 = 12
Current:
1 x 4 = 4
Appetite:
1 x 4 = 4



Rationale for current score:
Good governance in Public Life is guided by the Nolan Principles. CCG member practices have a unique challenge in being both providers and commissioners of health services.

Rationale for risk appetite:
Authorisation is dependent on robust constitutional arrangement

Existing Controls: *(What are we doing about the risk prior to any new mitigating actions?)*
OD strategy to strengthen governance systems and processes. Stringent policies in place to safeguard against conflict of interest. OD session Jan 14 on GB members' role. Explanatory statement now added to committee agendas and explicit discussion regarding percieved

Existing Gaps in Control: *(Where are we failing to put controls in place and what more should be done?)*
no gaps

Mitigating actions: *(What new controls are to be put in place to address Gaps in Control and by what date?)*

Action	**Date**
Members Council Meeting	16 Oct 14

Assurances: *(Where should we find the evidence that controls are effective?)*
- Endorsement by NHS E of Constitution
- Forward Planners
- OD event evaluations
- Governance Structure including Members Council and LEGs

Positive Assurance: *(Provide specific evidence of Assurances)*
- Governance papers to Governing Body: April 2013 reviewed policies, May 2013 Members agreed changes to constitution, December 2013, further papers as necesary

Management of Conflicts of interest noted at all meetings

Gaps in assurance: *(Where are we failing to gain evidence that our controls are effective?)*
No gaps

Principle Risk Reference: 5.5