

Governing Body Assurance Framework (Second Update)

Governing Body Meeting

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1 November 2018

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Purpose of Paper	
<p>This report presents the Governing Body Assurance Framework (GBAF) second review during 2018/19 for consideration. Due to the timing of the CCG's Audit and Integrated Governance Committee in September, it covers the period up to 28 August 2018.</p> <p>The GBAF has been circulated to members as part of the information pack for this meeting of the Governing Body.</p>	
Key Issues	
<p>The GBAF is a "rolling" document reviewed approximately quarterly with a full refresh undertaken prior to the start of each financial year. This report sets out the second quarter position for 2018/19:</p> <ul style="list-style-type: none"> • 18 risks identified on the GBAF with no risks closed but with one new risk relating to Delayed Transfers of Care (DToCs) has been added during this review period • A number of gaps in control and assurance have now been closed 	
Is your report for Approval / Consideration / Noting	
Consideration	
Recommendations / Action Required by Governing Body	
<p>The Governing Body is asked to consider the GBAF at the end of the second review period and note the additional risk added to the Framework.</p>	
Governing Body Assurance Framework	
<p><i>Which of the CCG's Objectives does this paper support?</i></p> <p>Strategic Objective 5.</p> <p>Organisational development to ensure the CCG can achieve its aims and objectives and meet national requirements.</p> <p>This paper relates to all identified risks, but in particular relates to 5.4 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 the risks identified to the delivery of the CCGs objectives are being managed and that they are discussed and appropriately actioned and/or challenged by the Governance Sub-committee and the Audit and Integrated Governance Committee.</p>	

Are there any resource Implications (including Financial, Staffing etc)?
No specific resource implications
Have you carried out an Equality Impact Assessment and is it attached?
Please attach if completed. Please explain if not, why not No, There are no specific issues associated with this policy.
Have you involved patients, carers and the public in the preparation of the report?
Not applicable

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1 Introduction

The Governing Body Assurance Framework (GBAF) is an important document for the Governing Body to allow members to understand and oversee management of the key risks to the CCG achieving its key objectives, by addressing barriers to success. It also provides external assurance to NHS England, internal and external audit, the public and stakeholders that the CCG is cognisant of its risks and has a robust system of internal control. Auditors expect the GBAF to be kept up to date and used routinely by Governing Body.

High level (strategic) risks continue to be managed through the assurance processes in line with the CCG's Risk Management Strategy. This paper provides Governing Body with the position on the Governing Body Assurance Framework (GBAF) for the second reporting period in 2018-19.

2 Review the GBAF during Quarter 2: Feedback from meetings

A) Senior Management Team (SMT) (28 August 2018)

SMT agreed that the risk in relation to QIPP should remain at 16 given there was still unidentified QIPP.

Risk 1.1 was discussed with regard to engagement which remained high at (4L x4). The Director of Delivery and Care Outside of Hospital agreed to review this risk again as she felt that the position had slightly improved. She also confirmed that the gap in control for this risk should now be closed.

With regard to the risk 2.3 Parity of Esteem, the Director of Commissioning and Performance reported that the level of risk had reduced during the previous review period. He did, however, confirm that the gap in control remained.

Each of the risks were reviewed in turn and directors agreed that there were no further gaps which could be closed at this time with the exception of that identified at 1.1. SMT considered the proposed changes to the scoring of three risks and collectively agreed that these changes represented the current position.

B) Audit and Integrated Governance Committee (AIGC) (13 September 2018)

AIGC considered the updates to the GBAF and arrangements in place for managing strategic risks up to 28 August 2018 and noted the movement in risk scores during this period following discussion by SMT. The Chair commented that it was pleasing to see that the top 10 risks included in the document "*What Keeps CCG Governing Bodies Awake at Night*" produced by Mersey Internal Audit Agency had been cross referenced by the SMT to the CCG's risks, so the committee could be reassured that these were included in our GBAF. A summary of this position can be found at **Appendix 2**.

3. Changes to the GBAF up to 28 August 2018

3.1 New Risks Identified

SMT at its meeting on 19 June 2018 agreed that a further risk should be added to the Framework relating to Delayed Transfers of Care (DToC); the risk below has now been incorporated:

- 4.6 High volume of patients in hospital with delayed transfer of care (DToC) as a result of insufficient capacity to meet increasing demand on Route 2 services (eg Active Recovery, Discharge to Assess) created by increasing frailty and complexity of admissions and impact of successful transformation programmes reducing need for long term care **(4L x 4)** N Doherty

3.2 Movement in risk scores

The following changes have been made to the Framework during the second review period:

- 4.2 Risk management and other governance arrangements put in place by CCG and SCC to manage the BCF prove inadequate to deliver our integrated commissioning programme and meet our joint efficiency challenges to **(4L x 3)**

The Director of Finance reported that this risk score had been increased following an Executive Management Group meeting with Sheffield City Council (SCC) colleagues, where it was clear there were major challenges to the city's health and care system going forward if we were to support SCC in finding recurrent savings to close the existing recurrent financial gap on social care, this was supported by other directors at SMT.

- 4.1 Financial Plan with insufficient ability to flex to meet in year demands and at same to meet the NHSE business rules for 2018/19 to **(3L x 4)**

The Director of Finance confirmed that she had decreased the risk score to 12 from 16 based on Month 4 results and ongoing work to meet financial challenges and which reflected the overall Amber rating in the financial report to Governing Body in September.

- 5.5 Insufficient workforce, talent management and succession planning could lead to inability to deliver organisational objectives and priorities **(3L x 4)**

The level of risk had been reduced following the successful completion of a number of identified actions and implementation of controls.

5. Summary of Current Position

The table below shows the movement in risks between the two reporting periods:

Reporting Period	Critical	Very High	High	Medium	Low
First	0	5	8	4	0
Second	0	4	11	3	0

The table below summarises risk ratings against the initial risk score, and the risk appetite. Gaps in control and/or assurance are also identified. Risk descriptions can be found at **Appendix 1**.

Risk Reference	Risk Owner	Risk Initial Score	Current Risk Score				Risk Target or Appetite Score	Are there Gaps in Control?	Are there Gaps in Assurance
			Q1	Q2	Q3	Q4		Position at 28.08.18	
1.1	Nicki Doherty	16	16	16			6	No	No
1.2	Brian Hughes	15	15	15			9	No	No
2.1	Mandy Philbin	9	9	9			6	No	No
2.2	Brian Hughes	9	9	9			6	No	No
2.3	Brian Hughes	16	12↓	12			9	Yes	Yes
2.4	Mandy Philbin	10	10	10			6	No	No
3.1	Nicki Doherty	9	9	9			6	No	No
4.1	Julia Newton	16	16	12↓			9	No	No
4.2	Julia Newton	9	9	12↑			6	No	No
4.3	Brian Hughes	16	16	16			6	No	No
4.4	Nicki Doherty	12	12	12			6	No	No
4.5	Maddy Ruff	12	12	12			4	No	No
4.6	Nicky Doherty	16	-	16			9	No	No
5.1	Nicki Doherty	12	12	12			6	No	No
5.2	Brian Hughes	12	12	12			6	Yes	No
5.3	Zak McMurray	12	12	12			8	No	No
5.4	Julia Newton	12	12	12			4	No	No
5.5	Mandy Philbin	16	16	12↓			6	No	No

Gaps in Assurance and/or Control

Good progress has been made with regard to reducing the number of risks showing gaps in control and assurance, with only two risks now identifying a gap in control and one a gap in assurance. Gaps identified for the following risks were closed during the second review period 2:

- 1.1 Insufficient communication and engagement with patients and the public on CCG priorities and service developments, leading to loss of confidence in CCG decisions.(Gap in Control)
- 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. (Gap in Assurance)
- 5.5 Insufficient workforce, talent management and succession planning could lead to inability to deliver organisational objectives and priorities. (Gap in Control)

6. Recommendations

The Governing Body is asked to consider the GBAF at the end of the second review period and to note the additional risk added to the GBAF

Paper prepared by Sue Laing, Corporate Services Risk and Governance Manager on behalf of Julia Newton, Director of Finance
October 2018

Appendix 1: Risk Descriptions

<p>1. To improve patient experience and access to care (Goals 1, 2,5 & 8)</p>	<p>1.1 Insufficient communication and engagement with patients and the public on CCG priorities and service developments, leading to loss of confidence in CCG decisions.</p> <p>1.2 System wide or specific provider capacity problems in secondary and/or primary care to prevent delivery of statutory requirements of the NHS Constitution and requirements of the Five Year Forward View</p>
<p>2. To improve the quality and equality of healthcare in Sheffield (Goals 1, 2, 3, 4 & 6)</p>	<p>2.1 Providers delivering poor quality care and not meeting quality targets.</p> <p>2.2 CCG unable to influence equality of access to healthcare because insufficient or ineffective mechanisms to change</p> <p>2.3 That the CCG commissioning activities fails to impact on the health inequalities and reduced life expectancy of its citizens who experience mental health conditions, as it is unable to influence the societal attitudes that prevail and lead to disparity of investment in mental health services when compared with physical health services (Parity of Esteem)</p> <p>2.4 Insufficient resources across health and social care to be able to prioritise and implement the key developments required to achieve our goal of giving every child and young person the best start in life, potentially increasing demand for health and care services.</p>
<p>3. To work with Sheffield City Council to continue to reduce health inequalities in Sheffield (Goals 3 & 7)</p>	<p>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.</p>
<p>4. To ensure there is a sustainable, affordable healthcare system in Sheffield. (Goal 2, 5, 7 & 8)</p>	<p>4.1 Financial Plan with insufficient ability to flex to meet in year demands and at same to meet the NHSE business rules for 2018/19</p> <p>4.2 Risk management and other governance arrangements put in place by CCG and SCC to manage the BCF prove inadequate to deliver our integrated commissioning programme and meet our joint efficiency challenges</p> <p>4.3 Unable to deliver the QIPP (efficiency) savings plan due to lack of internal capacity and lack of engagement by our key partners</p> <p>4.4 Inability to secure partnerships with secondary and primary care providers to deliver the Sheffield Place Plan and to develop the Accountable Care Partnership</p> <p>4.5 Inability to agree and progress service changes across the South Yorkshire and Bassetlaw Integrated Care System which address the gaps/challenges of financial efficiency, workforce and quality.</p> <p>4.6 High volume of patients in hospital with delayed transfer of care (DToC) as a result of insufficient capacity to meet increasing demand on Route 2 services (eg Active Recovery, Discharge to Assess) created by increasing frailty and complexity of admissions and impact of successful transformation programmes reducing need for long term care</p>
<p>5. Organisational development to ensure CCG meets organisational health and capability requirements. (Goals 1 - 8)</p>	<p>5.1 Inability to maximise the anticipated benefits of the GP Forward View to deliver a sustainable and transformed primary care sector.</p> <p>5.2 Unable to secure timely and effective commissioning support to enable us to adequately respond and secure delivery to existing and new emerging requirements. Quality of externally purchased commissioning support (IT and data management) falls below required levels</p> <p>5.3 Inability to secure active engagement/participation between Member Practices and relevant CCG teams which may result in not achieving CCG priorities.</p> <p>5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage.</p> <p>5.5 Insufficient workforce, talent management and succession planning could lead to inability to deliver organisational objectives and priorities.</p>

Appendix 2

	Top Ten Risk Themes from MIA benchmarking review	Sheffield CCG Comparable Risks
1	Financial Duties and QIPP	4.1
2	Quality Assurance of Providers	2.1
3	Reconfiguration and Redesign of Services	2.2; 4.4
4	Performance Targets	1.2; 2.1
5	Commissioning	1.2; 2.2; 2.3; 4.2 Specifically with LA and SHSC
6	Public and Patient Engagement	1.1
7	Workforce	2.2; 5.5
8	Access to Services	1.2; 5.1
9	Statutory and Regulatory Requirements	1.2; 5.4
10	Partnership Working	4.4
	Key Elements of Governing Body Assurance Framework	Sheffield CCG Response
1	Does your Governing Body Assurance Framework consider the breadth of the risk themes?	Yes
2	Have you considered the overall risk profile within your organisation and is the number of risks on the Assurance Framework manageable in terms of Governing Body scrutiny and oversight?	Yes – why not all detail included – detail included on corporate risk register. Development session for GB members re GBAF and risk appetite.
3	Are there any high risks identified that need to be considered by your organisation, either in terms of omission within the Governing Body Assurance Framework or in the current risk impact and likelihood scores?	Considered all. No new gaps. Some new on risk register
4	Do you recognise the types of risk identified within each of the risk themes and are these applicable to your organisation?	Yes
5	Have you considered risk appetite and identified target risk levels within your organisation?	Yes
6	Does your Governing Body Assurance Framework need further development and is there an agreed plan to take this forward?	Ongoing process