

**Governing Body Assurance Framework
(Quarter 4 Review for 2018/19 and Refresh for 2019/20)**

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Governing Body meeting

7 March 2019

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Purpose of Paper	
<p>This report covers the Quarter 4 review of the Governing Body Assurance Framework (GBAF) for 2018/19, together with the proposed “refreshed” GBAF for 2019/20.</p> <p>Due to the timing of the CCG’s Audit and Integrated Governance Committee (AIGC), and that there is no meeting of Governing Body in April, this paper is presented in advance of the AIGC meeting to be held on 28 March 2019 which will ensure there is an approved GBAF in place for 1 April 2019.</p> <p>The GBAFs for both 2018/19 and 2019/20 have 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.</p> <p>This report sets out the final quarter 4 position for 2018/19 which shows 18 risks identified and any changes in the scoring of these risks with a rationale. There remain two gaps in control and one gap in assurance which will be reported within the CCG’s Annual Governance Statement.</p> <p>A full refresh has been undertaken for 2019/20 prior to the start of the financial year in the context of the CCG’s commissioning intentions and priorities for the new financial year and to understand whether the Framework remains fit-for purpose</p>	
Is your report for Approval / Consideration / Noting	
<p>Consideration – Quarter 4 Review</p> <p>Approval – 2019/20 Refresh</p>	
Recommendations / Action Required by Governing Body	
<p>The Governing Body is asked to consider the GBAF at the end of the quarter 4 review for 2018/19 and to consider and approve the content of the refreshed GBAF for 2019/20.</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>	

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.

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 report.

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 final Quarter 4 reporting period in 2018-19.

2 2018/19 Quarter 4 Review

The standard quarterly review process was followed, that is the lead executive director for each risk considered whether the risk scores (both current score and risk appetite) should change as a result of the latest position and whether actions to be taken within the quarter had been completed or are on track to be completed. The CCG’s Senior Management Team then met on 25 February 2019 to discuss any of the proposed changes. The team agreed the two changes proposed by individual directors which took one very high risk and one high risk to medium in both cases. No new risks were added for quarter 4 but following on from previous discussions the potential risks associated with Brexit have been incorporated into risk 1.2 in the 2019/20 GBAF.

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

Reporting Period	Critical	Very High	High	Medium	Low
Fourth	0	2	11	5	0
Third	0	3	12	3	0
Second	0	4	11	3	0
First	0	5	8	4	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**.

As part of the quarter 4 review the two risks were reduced as follows:

Risk 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”. This risk has been reduced to 6 given the much greater certainty at this stage of the financial year that the CCG will be able to deliver its control total of in year breakeven.

Risk 4.3: “Unable to deliver the QIPP (efficiency) savings plan due to lack of internal capacity and lack of engagement by our key partners” This risk has been reduced to 8 on the basis that the CCG looks set to deliver £15.7m or 85% of its £18.5m QIPP plan in 2018/19 as part of delivering the overall financial position and thus it is not appropriate to leave the risk at 16 at this stage of the financial year.

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			
1.1	Nicki Doherty	16	16	16	12↓	12	6	No	No
1.2	Brian Hughes	15	15	15	15	15	9	No	No
2.1	Mandy Philbin	9	9	9	9	9	6	No	No
2.2	Brian Hughes	9	9	9	9	9	6	No	No
2.3	Brian Hughes	16	12↓	12	12	12	9	Yes	Yes
2.4	Mandy Philbin	10	10	10	10	10	6	No	No
3.1	Nicki Doherty	9	9	9	9	9	6	No	No
4.1	Julia Newton	16	16	12↓	12	6↓	9	No	No
4.2	Julia Newton	9	9	12↑	12	12	6	No	No
4.3	Brian Hughes	16	16	16	16	8↓	6	No	No
4.4	Maddy Ruff	12	12	12	12	12	6	No	No
4.5	Maddy Ruff	12	12	12	12	12	4	No	No
4.6	Nicki Doherty			16	16	16	9	No	No
5.1	Nicki Doherty	12	12	12	12	12	6	No	No
5.2	Brian Hughes	12	12	12	12	12	6	Yes	No
5.3	Zak McMurray	12	12	12	12	12	8	No	No
5.4	Julia Newton	12	12	12	12	12	4	No	No
5.5	Mandy Philbin	16	16	12↓	12	12	6	No	No

Gaps in Control and Assurance

After the review, there remained two risks with identified gaps in control (2.3 and 5.2) and one risk with a gap in assurance (2.3), as required; details of all gaps will be reported within the Annual Governance Statement.

3. Refresh of the GBAF for 2019/20

At its meeting on 10 January 2019 Governing Body members considered the paper presented on the CCG’s Commissioning Intentions and confirmed that they were happy with the 5 strategic objectives supported by 8 goals for 2019/20 as set out in the paper. The National Planning Policy Framework was subsequently issued in January 2019 and a

review of this guidance did not indicate any major new requirements which needed to be reflected in the GBAF objectives.

In this context, Executive Directors met initially on 3 January 2019 to review and refresh the GBAF for 2019/20. The refresh is an annual event to review the Framework and to understand whether it remains fit-for-purpose for the following financial year. The primary purpose of the refresh meeting was to assess whether the current 18 risks were still the most pertinent but also whether there were any new emerging risks in light of the CCG's key deliverables for 2019/20.

Executive Directors concluded that the existing 18 risks were basically the correct ones but that a number needed rewriting in particular to reflect the impact of the developing priorities and arrangements for the Integrated Care System (ICS) and Sheffield Accountable Care Partnership (ACP). Where the wording of the risk has been changed this is shown in blue text on the summary on **Appendix 1**.

There were substantial discussions on both what the initial risk score and the risk target scores should be for all of the risks. The risks shown in the 2019/20 GBAF reflect those discussions. There were also discussions as to whether the "current risk" score should be identical to the initial risk score for the start of the new financial year or whether it should reflect the score as at quarter 4 in 2018/19. Based on the fact that this is the refreshed GBAF for 2019/20 and we have changed the description of a number of the principal risks, it was agreed that current and initial risk score should be the same.

As part of the review, Directors discussed whether it was possible to remove some of the existing gaps in control and assurance at the start of 2019/20. At this stage it has not proved possible but this will be kept under review.

Directors met again as part of a confirm and challenge process on 24 January 2019 which was attended by a representative from internal audit. The purpose of the follow-up session was to further refine the Framework and to undertake a review and challenge of risk scores proposed by the lead directors. This resulted in some changes being agreed.

Directors have then completed the detailed forms including rationale for the initial and current risk and the next actions to be taken to manage the risk. These can be found in the full information pack circulated to members of Governing Body for this meeting.

The outcome of the above work is summarised in the table overleaf. As can be seen in the table below we have a similar distribution of the risk scores at the start of 2019/20 compared to 2018/19.

Reporting Period	Critical	Very High	High	Medium	Low
Initial	0	6	9	3	0
2018/19 Initial	0	6	7	4	0

Risk	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?
1.1	Insufficient communication and engagement with patients and the public on CCG priorities and service developments, leading to loss of confidence in CCG decisions.	ND	12	12	8	No	No
1.2	System wide or specific provider capacity problems emerge in secondary and/or primary care to prevent delivery of statutory requirements of the NHS Constitution and requirements of the NHS Longer Term Plan (published January 2019)	BH	15	15	9	No	No
2.1	Providers delivering poor quality care and not meeting quality targets particularly in a period of system wide organisational changes	MP	9	9	6	No	No
2.2	CCG unable to meet equality duty standard because insufficient or ineffective mechanisms to change.	ND	9	9	6	No	No
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)	BH	12	12	9	Yes	Yes
2.4	Insufficient performance data and clinical 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 on health care providers and care services.	MP	12	12	6	No	No
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.	ND	9	9	6	No	No
4.1	Financial Plan with insufficient flexibility and resilience to meet investment requirements and in year pressures	JN	16	16	9	No	No
4.2	Joint Commissioning arrangements (to encompass existing BCF) do not progress sufficiently to allow the release of savings across the system, to support transfer of funding to ensure sustainable social and community care	ND	16	16	9	No	No
4.3	Unable to deliver the QIPP (efficiency) savings plan due to lack of internal capacity and lack of engagement by key partners.	BH	16	16	9	No	No
4.4	Inability to deliver demonstrable change through agreed collaborative arrangements with our partners across the Accountable Care Partnership, and deliver the ambitions within the refreshed Shaping Sheffield Plan	MR (with BH)	12	12	6	No	No
4.5	Insufficient progress on joint commissioning and transformation of services across the South Yorkshire and Bassetlaw Integrated Care System to address efficiency, workforce and quality gaps which could adversely impact on local services.	MR (with JN)	12	12	6	No	No
4.6	Ability to resource and deliver sustainable out of hospital services to support a preventative and proactive model of care that minimises avoidable emergency admissions and reduces delayed transfers of care	ND	16	16	9	No	No
5.1	Insufficient capacity and resources to support development of neighbourhoods and primary care at scale working.	ND	16	16	9	No	No
5.2	Unable to secure timely and effective shared services in light of required running cost reduction, to enable us to adequately respond and secure delivery to existing and new emerging requirements.	BH	12	12	6	Yes	No
5.3	Inability to secure active engagement/participation between Member Practices and relevant CCG teams which may result in not achieving CCG priorities	ZM (with ND)	12	12	8	No	No
5.4	Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage particularly at a period of change	JN	12	12	4	No	No
5.5	Insufficient internal workforce, talent management and succession planning could lead to inability to monitor and evaluate services while delivering organisational objectives and priorities during transformational changes.	MR	12	12	6	No	No

4 Recommendations

The Governing Body is asked to consider the GBAF at the end of the quarter 4 review for 2018/19 and to consider and approve the content of the refreshed GBAF for 2019/20.

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

February 2019

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>System wide or specific provider capacity problems emerge in secondary and/or primary care to prevent delivery of statutory requirements of the NHS Constitution and requirements of the Longer Term Plan (published January 2019)</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>Providers delivering poor quality care and not meeting quality targets particularly in a period of system wide organisational changes</p> <p>2.2 CCG unable to influence equality of access to healthcare because insufficient or ineffective mechanisms to change</p> <p>CCG unable to meet the Equality Duty standard because of 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>Insufficient performance data and clinical 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 on health care providers 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>Financial Plan with insufficient flexibility and resilience to meet investment requirements and in year pressures.</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>Joint Commissioning arrangements (to encompass existing BCF) do not progress sufficiently to allow the release of savings across the system, to support transfer of funding to ensure sustainable social and community care</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>Inability to deliver demonstrable change through agreed collaborative arrangements with our partners across the Accountable Care Partnership, and deliver the ambitions within the refreshed Shaping Sheffield Plan</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>Insufficient progress on joint commissioning and transformation of services across the South Yorkshire and Bassetlaw Integrated Care System to address efficiency, workforce and quality gaps which could adversely impact on local services.</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>Ability to resource and deliver sustainable out of hospital services to support a preventative and proactive model of care that minimises avoidable emergency admissions and reduces delayed</p>

	transfers of care
5. Organisational development to ensure CCG meets organisational health and capability requirements. (Goals 1 - 8)	5.1 Inability to maximise the anticipated benefits of the GP Forward View to deliver a sustainable and transformed primary care sector.
	Insufficient capacity and resources to support development of neighbourhoods and primary care at scale working.
	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
	Unable to secure timely and effective shared services in light of required running cost reduction, to enable us to adequately respond and secure delivery to existing and new emerging requirements.
	5.3 Inability to secure active engagement/participation between Member Practices and relevant CCG teams which may result in not achieving CCG priorities.
	5.4 Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage.
	Inadequate adherence to principles of good governance and legal framework leading to breach of regulations and consequent reputational or financial damage, particularly at a period of change
	5.5 Insufficient workforce, talent management and succession planning could lead to inability to deliver organisational objectives and priorities.
Insufficient internal workforce, talent management and succession planning could lead to inability to evaluate services whilst delivering organisational objectives and priorities during transformational changes.	

NB 2019/20 Principal risks highlighted in blue text and 2018/19 risks in black text.