

Governing Body Assurance Framework (Third Update)**Governing Body Meeting****E****7 May 2020**

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Purpose of Paper	
<p>This report presents the Governing Body Assurance Framework (GBAF) final review during 2019/20 for consideration. The report covers the period up to 31 March 2020.</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 final quarter position for 2019/20:</p> <ul style="list-style-type: none"> • Eighteen risks identified on the GBAF with three risks closed • A number of previously identified actions have now been closed • Two risks continue to show gaps in control and / or assurance • Each risk has been considered in light of the Covid-19 pandemic • Internal audit have reviewed our arrangements for review of the GBAF and provided a draft ‘significant assurance’ opinion <p>An interim quarter 4 position was presented to the Audit and Integrated Governance Committee (AIGC) on 26 March. The feedback from AIGC has been included in this final report.</p> <p>It is proposed that we revisit the CCG’s objectives and principal risks prior to the June meeting of Governing Body, in light of the impact of the COVID-19 pandemic.</p>	
Is your report for Approval / Consideration / Noting	
Consideration	
Recommendations / Action Required by Governing Body	
<p>Governing Body is recommended to:</p> <ul style="list-style-type: none"> • review and comment on the Quarter 4 GBAF • agree to the closure of risks 4.3, 5.2 and 5.4 • note the impact of the COVID-19 pandemic on the assessment of risks to the delivery of the strategic objectives, as well as the risk framework for management of the response to the pandemic. 	

- note the actions undertaken with regard to the comments identified within the draft Head of Internal Audit (HOIA) Opinion Statement
- note that the identified gaps in control and assurance will be included within the Annual Governance statement
- note the proposal to revisit the CCG's objectives and principal risks prior to the June meeting of Governing Body

Governing Body Assurance Framework

Which of the CCG's Objectives does this paper support?

Strategic Objective 5.

Organisational development to ensure the CCG can achieve its aims and objectives and meet national requirements.

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his 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?

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

Governing Body Assurance Framework (Final Update)

Governing Body Meeting

7 May 2020

1. Introduction

This paper provides the Governing Body with the final position on the Governing Body Assurance Framework (GBAF) at Quarter 4 (up to 31 March 2020). An interim Quarter 4 position for risks up to 16 March was presented to the Audit and Integrated Governance Committee (AIGC) on 26th March. The feedback from AIGC has been included in this final report, the main change relating to the assessment of the impact of the Covid-19 pandemic, as described below.

2. Review up to and including 16 March 2020

A report was presented to SMT which set out the actions undertaken and the level of risk identified during the final quarter of the year up to and including 16 March. It was noted that the gaps in control/assurance would be included within the Annual Governance Statement and that any gaps which had not reached their risk appetite or which would no longer be a risk to the strategic objectives going forward but remain a risk, would be reflected on the corporate risk register rather than the GBAF. An updated report was presented to the Audit and Integrated Governance Committee (AIGC) on 26 March

At the interim Q4 review, before the assessment of the impact of COVID-19, there remained 16 identified risks (two risks, 5.2 and 5.4 were identified for closure and no new risks added) – the level of risk is set out below.

Review period	Critical	Very High	High	Medium	Low	Risks Closed
Up to and including 17 March 2020	0	2	6	10	0	2
Up to and including 26 November 2019	0	6	6	6	0	0
Up to and including 22 August 2019	0	7	6	5	0	0
Up to and including 14 May 2019	0	7	8	3	0	0

3. COVID-19

In the last month of 2019/2020, the CCG has seen the significant impact of COVID-19 and in response has established local system arrangements ensuring business critical functions are able to remain operational. We have supported our staff to enable effective remote working and to maximise their availability, focussing on key priorities in line with national directions and building on and accelerating existing system plans. We have established an internal Gold, Silver and Bronze command structure linking to the South Yorkshire and Bassetlaw Local Resilience Forum, with a supporting city wide Health and Care Gold Cell. We have maintained a log of information received, issues and risks arising, decisions and actions taken. All risks and issues relating to Covid-19 pandemic are managed through this structure. Whilst impacting late in the financial year, the impact on the achievement of the CCG's strategic objectives has been specifically addressed, as described in the additional column for impact of Covid-19.

In addition to assessing the impact on the delivery of our strategic objectives, the CCG has established risk management arrangements throughout the control structures established to manage the response to the COVID-19 pandemic. Each of the workstreams within the control structure, as well as the different command levels (ie Gold/Silver/Bronze commands) have developed and managed risk registers in order that actions are being prioritised to manage emerging risks. Learning from these processes will be utilised and fed into our corporate risk management strategy as there are useful lessons in terms of linking risk and action logs.

4. Final Q4 review (including the impact of COVID-19)

As agreed at the AIGC meeting, the final Q4 assessment has taken into account the impact of the COVID-19 pandemic on our ability to achieve our strategic objectives. The final assessment is summarised in the table below, alongside previous risk scores, the initial risk score, and risk appetite. Gaps in control and/or assurance are also identified. It should be noted that one further risk (4.3) was closed at this final review. The rationale for the risk score post impact of COVID-19 is recorded in the GBAF document that has been circulated to members as part of the information pack for this meeting.

Risk Reference	Risk (abridged)	Risk Initial Score	Current Risk Score				Impact of COVID @ 31.03.2020	Risk Target or Appetite Score	Are there Gaps in Control?	Are there Gaps in Assurance
			Q1	Q2	Q3	Q4				
			Position at 31.03.20							
1.1	Insufficient communication and engagement (ND)	12	12	12	8↓	8	12↑	8	No	No
1.2	System wide or specific provider capacity problems (BH)	15	15	15	15	15	20↑	9	No	No
2.1	Delivery of poor quality care (AW)	9	9	9	9	9	12↑	6	No	No
2.2	Unable to deliver the Equality duty standard (ND)	9	9	9	9	9	12↑	6	No	No
2.3	Health inequalities for citizens who experience mental health conditions (BH)	12	12	12	12	12	16↑	9	Yes	Yes
2.4	Unable to give every child and young person the best start in life (BH)	12	10↓	10	10	10	10	6	No	No
3.1	Unable to deliver the HWB's plan for reducing health inequalities (ND)	9	9	9	9	9	12↑	6	No	No
4.1	Unable to deliver the Financial plan (JM)	16	16	16	16	9↓	9	9	No	No
4.2	Joint commissioning arrangements do not progress sufficiently (BH)	16	16	16	16	12↓	12	9	No	No
4.3	Unable to deliver the QIPP (efficiency) savings (BH)	16	16	16	16	6↓	Closed	6	No	No
4.4	Inability to the ambitions within the refreshed Shaping Sheffield Plan (LS)	12	12	12	12	12	12	6	No	No
4.5	Insufficient progress on transformation of services across the ICS (LS)	12	12	9↓	9	9	9	6	No	No
4.6	Inability to resource and deliver sustainable out of hospital services (ND)	16	16	16	16	16	16	9	No	No
5.1	Inability to support development of neighbourhoods and primary care at scale (ND)	16	16	16	12↓	12	9↓	9	No	No
5.2	Unable to secure timely and effective shared services (BH)	12	16↑	16	12↓	6↓*	Closed	6	No	No
5.3	Inability to secure active engagement with Member Practices (ZM)	12	12	12	12	12	12	8	No	No
5.4	Inadequate adherence to principles of good governance and legal (JM)	12	12	8↓	4↓	4*	Closed	4	No	No
5.5	Insufficient internal workforce, talent management and succession planning (LS)	12	12	12	9↓	9	9	6	Yes	Yes

* Risk reached risk appetite and now closed

5. Key Messages

- Three risks closed, no new risks added
- Gaps in control/assurance remain in respect of the following risks:
 - 2.3 – Health inequalities for citizens who experience mental health conditions (Gaps in Control and Assurance);
 - 5.5 - Insufficient internal workforce, talent management and succession planning (Gaps in Control and Assurance).

The two risks showing gaps in control and assurance both have action plans in place to close the gaps and have been detailed in the Annual Governance Statement.

6. Action Log

Progress continues to be made with regard closing identified actions to manage the risks to delivery of our strategic objectives. Of the 78 actions identified, 65 have been completed with 12 actions beyond their target date. Whilst there have been no requests for extensions to target dates comments have been provided in some instances where targets have not yet been achieved.

Total number of actions identified / completed / overdue

Period	No of Actions	Actions Completed	Actions not due for completion	Actions overdue
Quarter 4	78	65	1	12

7. Feedback from Draft Head of Internal Audit Opinion Statement

7.1 Stage 1

The Internal audit review of the Q3 GBAF found some assurances recorded which they considered to be controls, for example:

- 2.1 lists a source of assurance as *'Commissioning for quality strategy and annual updated action plan'*
- 3.1 lists a source of assurance as *'Sheffield Place Based Plan'*.

The Framework has been updated to reflect these changes. The recommendations identified within the Stage 1 report have now been completed.

7.2 Stage 2

The main point highlighted by internal audit related to the visibility of amendments made to target dates for completed actions. There have been no changes to target dates during this review period, however where actions have not been completed comments have been included in some instances.

7.3 Stage 3

Four risks (3.1, 4.1, 4.3 and 4.4) have been identified where all actions are recorded as implemented but the current score remains the same as the initial risk score. Further

consideration should be given to whether any further actions need taking, or whether these were the right actions, to reduce the level of risk.

Each of these risks have since been considered in light of the recommendation and the following actions taken:

Risk 3.1	A further action has been added to this risk in relation to the commissioning intentions for 2020/21 which have specific actions to address health inequalities. The rationale for the current risk score sets out the difficulty for the CCG in achieving these actions as well as the impact of COVID-19.
Risk 4.1	The level of risk has been reduced
Risk 4.3	Level of risk has been reduced and the risk closed
Risk 4.4	Level of risk remains as current

In consideration of the above, and together with the Internal Audit Plan Outturn and completion of follow-up actions, the Head of Internal Audit has provided a draft opinion of **Significant Assurance** that there is a generally sound framework of governance, risk management and control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.

10. Refresh of the GBAF for 2020-2021

At its meeting in February 2020 Governing Body members considered the paper presented on the CCG’s Commissioning Intentions for 2020/2021 which had been informed by the SYB ICS Strategy and response to the Long Term Plan, the Joint Health and Wellbeing Strategy for Sheffield and Shaping Sheffield. Governing Body also approved the refreshed strategic objectives for 2020/21.

Given the significant impact of COVID-19, it is proposed that a further review of the CCG’s objectives and principal risks should be considered for discussion at the June meeting of Governing Body.

11. Recommendations

Governing Body is asked to:

- review and comment on the Quarter 4 GBAF
- agree to the closure of risks 4.3, 5.2 and 5.4
- note the impact of the COVID-19 pandemic on the assessment of risks to the delivery of the strategic objectives as well as the risk framework for management of the response to the pandemic.
- note the actions undertaken with regard to the comments identified within the draft Head of Internal Audit (HOIA) Opinion Statement
- note that the identified gaps in control and assurance will be included within the Annual Governance statement
- note the proposal to revisit the CCG’s objectives and principal risks prior to the June meeting of Governing Body

Paper prepared by Sue Laing, Corporate Services Risk and Governance Manager

On behalf of Jackie Mills, Director of Finance

30 April 2020

Risk Descriptions GBAF 2019/20

<p>1. To improve patient experience and access to care. (Goals 1, 3, 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 emerge in secondary and / or primary care to prevent deliver of statutory requirements of the NHS Constitution and requirements of the NHS Longer Term Plan (published January 2019)</p>
<p>2. To improve the quality and equality of healthcare in Sheffield (Goals 1, 2, 3, 4 & 7)</p>	<p>2.1 Providers delivering poor quality care and not meeting quality targets, particularly in a period of system wide organisational change</p> <p>2.2 CCG unable to meet equality duty standard because insufficient or ineffective mechanisms to change.</p> <p>2.3 Sheffield CCG cannot demonstrate that it is taking action with its partners to address Parity of Esteem, which aims to impact on the health and social inequalities faced by people with mental health conditions, learning disability and autism, resulting in reduced life expectancy.</p> <p>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.</p>
<p>3. To work with Sheffield City Council and other partner 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 1, 5, 6 & 8)</p>	<p>4.1 Financial plan with insufficient flexibility and resilience to meet investment requirements and in year pressures.</p> <p>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.</p> <p>4.3 Unable to deliver the QIPP (efficiency) savings plan due to lack of internal capacity and lack of engagement by key partners.</p> <p>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.</p> <p>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.</p> <p>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</p>
<p>5. Organisational development to ensure CCG meets organisational health and capability requirements. (Goals 1 - 8)</p>	<p>5.1 Insufficient capacity and resources to support development of neighbourhoods and primary care at scale working.</p> <p>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.</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, particularly at a period of change</p> <p>5.5 Insufficient internal workforce, talent management and succession planning could lead to inability to monitor and evaluate services whilst delivering organisational objectives and priorities during transformational changes.</p>