

## Governing Body Assurance Framework (Third Review)

### Governing Body meeting

9 January 2020

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<b>Purpose of Paper</b>	
<p>To provide assurance to the Governing Body that there are systems and processes in place for the effective management of risks that may compromise the achievement of the CCG's strategic objectives.</p> <p>The GBAF has been circulated to members as part of the information pack for this meeting of the Governing Body.</p>	
<b>Key Issues</b>	
<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 third review position for 2019/20:</p> <ul style="list-style-type: none"> <li>• 18 risks identified on the GBAF with no risks closed and no new risks identified;</li> <li>• 5 risks have decreased in risk score;</li> <li>• A number of previously identified actions have been closed;</li> <li>• 1 risk continues to show gaps in control and / or assurance;</li> <li>• Proposed change to risk definition – 2.3 Parity of Esteem.</li> </ul>	
<b>Is your report for Approval/Consideration/Noting</b>	
Consideration	
<b>Recommendations/Action Required by Governing Body</b>	
<p>The Governing Body is asked to:</p> <ul style="list-style-type: none"> <li>• Note the position with regard to the GBAF and arrangements in place for managing strategic risks up to 3 December 2019;</li> <li>• 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;</li> <li>• Agree the change to the risk definition 2.3 – Parity of Esteem.</li> </ul>	
<b>What assurance does this report provide to the Governing Body in relation to Governing Body Assurance Framework (GBAF) objectives?</b>	
<p><b>Which of the CCG's Objectives does this paper support?</b> Strategic Objective 5. Organisational development to ensure the CCG meets organisational health and capability requirements.</p>	

<p><b>Description of Assurances for Governing Body</b></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, particularly at a period of change. 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 SMT and the Audit and Integrated Governance Committee.</p>
<p><b>Are there any Resource Implications (including Financial, Staffing etc)?</b></p>
<p>No specific resource implications</p>
<p><b>Have you carried out an Equality Impact Assessment and is it attached?</b></p>
<p><i>Please attach if completed. Please explain if not, why not</i></p> <p>No, There are no specific issues associated with this policy.</p>
<p><b>Have you involved patients, carers and the public in the preparation of the report?</b></p>
<p>Not applicable</p>

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### Governing Body

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#### 1. Introduction

All NHS organisations are required to have a functioning, fit for purpose Board (or Governing Body) Assurance Framework (GBAF), which is owned and monitored by the Governing Body. **The purpose of the GBAF is to provide a system for the Governing Body to capture and monitor the principal risks that might prevent the organisation achieving its strategic objectives.** Risks can be both internal risk and those external risks in the wider health care economy in which the CCGs have a role.

As well as being recommended good practice, having an approved GBAF in place forms a key part of the annual governance assessment by the CCGs internal auditors. It provides a structure for the evidence to support the Annual Governance Statement (AGS) required as part of the CCGs Annual Report and Accounts.

The refreshed framework was approved by Governing Body at its meeting in March 2019 following robust and challenging discussion by Executive Directors, and attended by our internal audit colleagues at a meeting in January 2019.

This paper provides the Governing Body with an updated position on the GBAF for the third review period up to and including 3 December 2019.

#### 2. Governing Body Assurance Framework - Overview

Individual Directors have reviewed and updated risks relating to their own portfolio and SMT met collectively on 26 November to review all risks.

At the end of this initial monitoring period 18 principal risks remained on the GBAF, no new risks were added and no risks closed. The level of risk is set out below.

##### Position up to and including 3 December 2019

Review Period	Critical	Very High	High	Medium	Low
3 December	0	6	6	6	0
1 September	0	6	7	5	0
14 May	0	7	8	3	0

#### 3. Movement of risk scores

Of the 18 identified risks, the following risks have reduced in score:

Risk 5.1 – Insufficient capacity and resources to support development of neighbourhoods and primary care at scale working

**Rationale:**

*The CCGs GPFV plan has been well received locally and by NHSE. The extended Primary Care Team is actively supporting all practices as well as focussing on those identified at greatest risk in terms of resilience and sustainability. Practices are actively engaging in this approach*

Risk 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. **This risk has now reached its risk appetite.**

**Rationale:**

*The CCG has embedded governance structures and arrangements. Whilst we continue to develop partnership arrangements in terms of the Joint Commissioning Committee, Sheffield ACP, South Yorkshire and Bassetlaw ICS and the Joint Committee for CCGs, all have been agreed within a clear governance structure.*

Risk 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.

**Rationale:**

*The CCG is now embedding new organisational structures and detailed plans need to be established across directorates. The organisation needs to ensure effective implementation of the OD strategy within teams/ directorates and to identify areas of particular risk which require more detailed action plans utilising key workforce metrics and data. Lack of succession planning may limit ongoing delivery of strategic aims.*

**4. Feedback from SMT 26.11.19**

4.1 SMT met on 26 November to collectively consider whether any changes were required to the GBAF prior to presentation to the December meeting of the Audit and Integrated Governance Committee (AIGC). Executive Directors reviewed the level of risk which had been presented and following considerable and robust debate agreed that the risk scores of the following risks should also be reduced in risk score:

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

**Rationale:**

*Additional work has been undertaken in year, particularly around the urgent care consultation. SPEEEC has reviewed and assured processes and therefore for this year the level of risk has reduced. It was agreed to reduce the likelihood score by 1 – 2 x 4. **This risk has now reached its risk appetite.***

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

*SMT discussed the level of this risk and the work underway with regard to the HWB plan which had largely now changed direction and the audit which would shortly be undertaken. It was agreed that the level of risk should remain for the time being. 3 x 3*

- 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.

***Rationale:***

*Establishment of the Task and Finish group has moved the project forward and external assurance has been secured and undertaken by Midlands and Lancashire Commissioning Support Unit (CSU), supported by NHS England/Improvement. (NHSE/I) The TUPE of staff to support implementation and increase capacity has also been secured. SMT agreed to reduce the likelihood score by 1 - 3 x 4*

#### **4.2 Additional Mitigations**

SMT agreed to further mitigating actions to be added to the following risks in order to strengthen existing controls:

- Risk 1.2 The city wide command structure for preparing for an EU Exit continues to meet in line with national expectations to ensure contingency plans are developed. Whilst the delay from 31 October is acknowledged, planning and preparations continue in advance of the January deadline.
- Risk 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.

#### **4.3 Change to Risk Definition – Risk 2.3 Parity of Esteem**

SMT noted the proposed change to the definition of risk 2.3 relating to parity of esteem. However, whilst a number of actions have been completed, the level of risk remains the same and gaps in control and assurance are also unaffected:

That 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.

#### **5. Review by Audit and Integrated Governance Committee**

The AIGC noted the content of the GBAF and the assurance of the work underway in order to mitigate the level of risk identified. The Director of Finance highlighted the proposed change to the definition of risk 2.3 – Parity of Esteem. Members noted the amendment and agreed to recommend the change to Governing Body for approval.

#### **6. Gaps in Assurance and/or Control**

Risk 2.3 continues to show gaps in both control and assurance.

## 7. Action Log

Good progress continues to be made with regard closing identified actions. Of the 78 actions identified, 57 have been completed and 13 remain on target for completion within their projected target date. 8 actions exceed their target date.

The following target dates have been extended by risk owners:

- 2.2 Unable to meet equality duty standard because insufficient or ineffective mechanisms to change – QEIA rollout extended to December 2019
- 5.5 Insufficient internal workforce, talent management and succession planning could lead to inability to monitor and evaluate services while delivering – target date changed to May 2020 – OD Strategy refresh

The table below summarises risk ratings (both current and previous reviews) against the initial risk score, and risk appetite. Gaps in control and/or assurance are also identified.

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 3.12.19	
1.1	Nicki Doherty	12	12	12	8↓		8	No	No
1.2	Brian Hughes	15	15	15	15		9	No	No
2.1	Mandy Philbin (with AW)	9	9	9	9		6	No	No
2.2	Nicki Doherty	9	9	9	9		6	No	No
2.3	Brian Hughes	12	12	12	12		9	Yes	Yes
2.4	Mandy Philbin (with AW)	12	10↓	10	10		6	No	No
3.1	Nicki Doherty	9	9	9	9		6	No	No
4.1	Jackie Mills	16	16	16	16		9	No	No
4.2	Jackie Mills	16	16	16	16		9	No	No
4.3	Brian Hughes	16	16	16	16		6	No	No
4.4	Lesley Smith (with BH)	12	12	12	12		6	No	No
4.5	Lesley Smith (with JM)	12	12	9↓	9		6	No	No
4.6	Nicki Doherty	16	16	16	16		9	No	No
5.1	Nicki Doherty	16	16	16	12↓		9	No	No
5.2	Brian Hughes	12	16↑	16	12↓		6	No	No
5.3	Zak McMurray	12	12	12	12		8	No	No
5.4	Jackie Mills	12	12	8↓	4↓		4	No	No
5.5	Lesley Smith (with SO)	12	12	12	9↓		6	No	No

## 8. Feedback from Internal Audit

### 8.1 Head of Internal Audit Opinion – Stage 1

All recommendations identified within the Stage 1 report have now been completed.

## **8.2 Head of Internal Audit Opinion – Stage 2**

A positive report has been received with the main issue highlighted by internal audit is regarding visibility when action dates within the GBAF have changed. Any changes to target dates will going forward, be highlighted within SMT reports.

With regard to the GBAF Governing Body survey, overall, the results provided a positive picture for the CCG. There were a small number of questions where the responses were variable, particularly around risk appetite with some respondents 'unsure'. Thirteen responses to the survey were received (87% response rate). An update to survey responses was included in the OD session in December 2019.

## **9. Risk Descriptions GBAF Refresh 2019/20**

The table at Appendix 1 summarises the strategic objectives of the CCG and the risks identified to achievement of these objectives.

## **10. Recommendations**

The Governing Body is asked to:

- Note the position with regard to the GBAF and arrangements in place for managing strategic risks up to 3 December 2019.
- 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.
- Agree the change to the risk definition 2.3 – Parity of Esteem

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

**On behalf of:** Jackie Mills, Director of Finance

**December 2019**

## Risk Descriptions GBAF Refresh 2019/20

<p>1. To improve patient experience and access to care. (Goals 1, 3, 5 &amp; 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 &amp; 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 That 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>2.3 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 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 &amp; 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 &amp; 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>