

What assurance does this report provide to the Governing Body in relation to Governing Body Assurance Framework (GBAF) objectives?
<p>Which of the CCG's Objectives does this paper support? This paper supports each of the five CCG objectives in addition to all identified principal risks.</p> <p>Description of Assurances for Governing Body That there is a Governing Body Assurance Framework in place which is managed and reviewed by Senior Management Team (SMT) and Audit and Integrated Governance Committee (AIGC) on a quarterly basis prior to review and challenge by Governing Body.</p>
Are there any Resource Implications (including Financial, Staffing etc)?
There are no specific resource implications associated with this report
Have you carried out an Equality Impact Assessment and is it attached?
Please attach if completed. Please explain if not, why not Not applicable
Have you involved patients, carers and the public in the preparation of the report?
Not applicable

Update on Governing Body Assurance Framework and Risk Register Quarter 2 Overview Report

Governing Body meeting

14 January 2021

1. Introduction

This paper provides the Governing Body with an updated position on the Governing Body Assurance Framework (GBAF) 2020/2021 – at the second review period up to and including 23 November 2020. This paper was presented to SMT on 26 November 2020 and to Audit and Integrated Governance Committee (AIGC) on 10 December 2020 for review and challenge. The full GBAF has been circulated with papers marked for noting.

2. Key Messages

- Gaps in control are identified in six risks and gaps in assurance in four
- One risk has reduced in score, one risk increased
- One new risk has been added (2.6 flu vaccination), no risks have been closed
- All risks have been reviewed and reassigned to appropriate risk owners following the internal restructure
- SMT considered ownership of risk 4.2 (Lack of maturity of place based relationships result in failure to address efficiency, workforce and quality gaps) and agreed this risk should be jointly owned by Dr Zak McMurray and Mr Brian Hughes

3. Review up to and including 23 November 2020

At the end of the monitoring period there remained 21 principal risks facing delivery of the CCG’s objectives – the level of risk is set out below.

Review period	Critical	Very High	High	Medium	Low	Risks Closed	TOTAL
Up to and including 23 Nov 2020	0	10	9	2	0	0	21
Up to and including 31 Jul 2020	1	7	10	2	0	0	20

4. Movement in risk scores

4.1 Risks reduced in score:

- Risk 4.1 The financial challenges of our own organisation and that of our system partners distort our priorities

Rationale:

The changes to the financial regime in response to the COVID-19 pandemic meant that for the first 6 months funding was based on actual spend and the second six months fixed funding is lower than previously anticipated, meaning that there is insufficient investment to support delivery of our objectives. National calculation of NHS blocks have resulted to different contractual spending compared to previous plans. A revised financial plan for the CCG was approved by Governing Body on 5 November. This identified a significant level of financial risk. The financial plan across SYB ICS reported a deficit position.

4.2 Increase in risk score

Risk 4.8 Our collective **risk appetite** is insufficient to realise the potential of our plans

Rationale:

Every activity that the CCG undertakes, or commissions others to undertake on its behalf, brings with it an element of risk that has the potential to undermine, or prevent the organisation achieving its strategic objectives. To discharge these requirements, the CCG has a responsibility to ensure proper governance in line with best practice in corporate, clinical and financial governance. Decisions made in partnership may fail to recognise the full risks to individual organisations and as a result organisations may lose trust in those decisions. Equally, a single organisation who is more risk adverse than partners may limit the progress that can be made. The current uncertainty regarding how services will operate post-COVID as well as lack of clarity re planning and financial framework makes the whole environment in which we are operating far more risky.

4.3 Summary position

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

Risk Reference	Risk Owner	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 23.11.20	
1.1	Failure to make sufficient progress on our Joint Commissioning priorities	BH	12	12	12			8	No	No
1.2	Fail to make sufficient progress on our goal of best start in life	SB	12	12	12			6	No	No
1.3	Fail to make sufficient progress on delivering our all age mental health objectives	SB	12	12	12			9	Yes	No
2.1	Organisations fail to meet quality standards	AW	12	16↑	16			9	No	No
2.2	System wide or specific provider capacity problems.	SB	15	15	15			9	No	No
2.3	Fail to effectively communicate with the public and involve patients	BH	12	16↑	16			8	No	No
2.4	Insufficient workforce to be able to maintain safe, efficient and high quality services	AW	12	12	12			9	Yes	No
2.5	Insufficient preparedness to deal with significant emergency events	BH	15	15	15			8	No	No
2.6	Unable to meet flu vaccine requirements set by NHSE of 75% against each cohort	AW	16		16			9	Yes	Yes
3.1	Insufficient capacity and resources to support development of Primary Care Networks (PCNs) and primary care at scale working	SB	12	12	12			9	Yes	Yes
3.2	Insufficient resilience in primary and community care.	SB	16	16	16			6	No	No
3.3	Inability to secure active engagement with/participation of Member Practices	ZM	12	9↓	9			8	No	No
4.1	The financial challenges of our own organisation & that of our system partners distort our priorities	JM	16	20↑	16↓			9	No	No
4.2	Lack of maturity of place based relationships result in failure to address efficiency, workforce & quality gaps	ZM/ BH	12	12	12			6	No	No
4.3	Policy drive for system integration ahead of legislative change may risk the development of partnerships	LS	12	12	12			6	No	No
4.4	The digital infrastructure is inadequately maintained/ developed.	CT	16	16	16			9	Yes	No
4.5	The estates infrastructure is inadequately maintained/ developed	JM	12	12	12			9	No	No
4.6	Fail to address the impact that the services that we commission have on the environment.	ZM	12	12	12			9	No	Yes

4.7	Our internal QIPP plan does not deliver the level of efficiency changes required	SB	16	16	16			9	Yes	No
4.8	Our collective risk appetite is insufficient to realise the potential of our plans	JM	12	12	16↑			8	No	No
5.1	Insufficient internal workforce, talent management and succession planning	LS	9	9	9			4	No	Yes

5. Gaps in Assurance and/or Control

Eight risks have identified either a gap in control or assurance with two risks showing gaps in both. Of the eight risks identified four have action plans in place to close the gaps. Six risks have highlighted gaps in control and four gaps in assurance.

6. Requests to make changes to actions previously agreed

The 2019/20 Stage 2 audit report noted that changes were being made to actions within the GBAF and dates changed where target dates had not been met. It was agreed that any changes to the Action Log going forward should be reviewed by SMT prior to changes being made.

The following changes to the GBAF Action Log were considered and agreed by SMT and the GBAF updated accordingly:

Risk Ref	Risk	Action identified	Change requested
4.4	There is a risk that the digital information infrastructure that we have to deliver safe, efficient and high quality services is inadequately maintained/developed	Establish first draft of BBS IT digital strategy in response to place and NHS	Extend deadline
		Long term plan objectives	Extend deadline
		BBS IT Digital strategy signoff	Extend deadline
		Programme of works	Remove
		Seek funding opportunities	Remove
		Final draft of SCCG Strategy	Remove
4.5	There is a risk that the estates infrastructure is inadequately maintained/ developed and so impacts on the ability to integrate services/bring services closer to home	Development of individual strategic outline cases/programme initiation documents for the projects within the ICS Primary Care Capital Programme	Extend deadline
		Approval of draft programme business case by PCCC	Revise wording

Risk Ref	Risk	Action identified	Change requested
2.3	There is a risk that we fail to effectively communicate with the public and involve patients in CCG and system priorities and service developments, leading to loss of confidence in CCG decisions and potential legal challenge or referral to the Secretary of State	Work with our SCC partners on the 2030 Vision Engagement	Remove
		In line with the Joint Commissioning develop a joint SCCG/SCC public engagement plan that reflects the commissioning intentions and plans	Remove
		As part of the refresh of corporate objectives, the prospective and our strategy and linked develop a proactive communications and engagement plan for the year	Remove
		In line with the work of the Accountable Care Partnership programmes and implementation of transformational plans develop a joint city wide comm's plan that supports the Sheffield population to understand the changes and what they mean for them	Remove

6.1 Action Log

Progress continues to be made with regard closing identified actions.

Period	No of Actions identified	Actions Completed	Actions not due for completion	Actions overdue
Quarter 2	88	46	26	16

7. Feedback from Internal Audit – Head of Internal Audit Opinion Stage 1

The HOIA Opinion confirmed that the GBAF format and content was fit for purpose and covered the majority of required elements. The report has however, highlighted the following specific areas for consideration as we continue to update the GBAF over the remainder of the year:

- Review of actions which have fallen due since September 2020
- The year-end HoIA opinion will focus on **third party assurances** identified relating to 2020/21 – however to date none have been identified

- A number of principal risks were noted where **no assurance had been received to confirm that controls are effective** and that **no gaps in assurance were noted** for these
- Risk owners **should include anticipated dates for receipt of assurances** so that these can be followed up if not received in a timely manner. The date of receipt should also be recorded to aid consideration of how relevant the assurance remains
- Number of instances where controls listed actions or activity that is currently underway – **controls should identify what is already in place to mitigate the risks**
- Where current risk scores are identified which are above the risk appetite or target, that **gaps in control or assurance are identified** (12/20 risks identified)

8. Head of Internal Audit Opinion Stage 2 – Annual Governing Body Survey

Internal Audit is required to provide an annual Head of Internal Audit Opinion to support the organisation's Annual Governance Statement. Their opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

2020/21 has been an exceptional year with a global pandemic which has significantly impacted on the whole of the NHS. [A short survey](#) has been put together which is designed to assist the review understand Governing Body views of the effectiveness of governance and risk management arrangements, and will support internal audit in forming the Head of Internal Audit opinion assessment.

Members are asked for their support in completing the survey by **15 January 2021**. Responses are anonymous and a summary report will be provided to the CCG identifying areas for further development.

9. Technical updates to the GBAF

The Framework has recently undergone considerable review with regard to the technical issues previously experienced when updating the GBAF. The following changes are for noting:

- Only those fields which are white need to be reviewed/updated – all other coloured fields are header/information fields
- Only the main worksheet should be updated, unless any 'Gaps in Control/Assurance' have been identified and 'Yes' is selected from the drop down box – in which case the Gaps worksheet will require updating
- Cells marked 'rational for current risk score' and 'rationale for risk appetite' are now restricted to the number of words you may enter – too many words will turn the cell yellow warning users of this
- All 'actions' added to risks will automatically be copied to the Actions Log

NB if an action needs to be changed because it is no longer relevant for example, 'Action Changed' should be selected from the drop down box. If the action is beyond its target date 'No' should continue to be used. Actions should not be removed/deleted from worksheets

- Cells which are shaded/coloured are protected
- Updates will be automatically date stamped

10. 2020/2021 CCG GBAF Benchmarking Exercise

As in previous years, 360 Assurance have again undertaken a GBAF benchmarking exercise and this year they have teamed up with Audit Yorkshire and MIAA to undertake benchmarking on a wider scale than previously, with GBAFs from 34 CCGs examined.

Similar questions to those asked in previous years were asked but, unsurprisingly, they have also considered the significance and impact of COVID-19 on each GBAF and what this might say about risk management more generally within each organisation. A copy of the report is attached at **Appendix 1**.

The CCG compares favourably to many of the observations set out within the benchmarking exercise, particularly with regard to content of the GBAF. It does however provide areas for thought for future reviews of the Framework, particularly with regard to links to the operational risk register for example. There are however areas of good practice adopted by the CCG which are not reflected although are specific to the CCG.

The sections at the end of each exercise “Questions for Governing Body” provides a useful opportunity for discussion at a future GB OD session.

11. Recommendations

Governing Body is asked to:

- Review and comment on the Quarter 2 GBAF
- Note the new high level risk added (2.6 flu vaccinations)
- Note the actions and recommendations from the HOIA Stage 1 review
- Note the detail set out within the attached 2020/2021 CCG Benchmarking Report and the possible areas for future review
- Support the annual Head of Internal Audit Opinion statement by completing the internal audit Stage 2 survey for Governing Body by 15 January 2021

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On behalf of Cath Tilney, Associate Director of Corporate Services

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