

Meeting: Governing Body			
Meeting Date	27 September 2017	Action	Approve
Item No.	9a	Confidential	No
Title	Governing Body Assurance Framework		
Presented By	Lisa Featherstone, Deputy Director of Business Delivery		
Author	Lisa Featherstone, Deputy Director of Business Delivery		
Clinical Lead	-		

Executive Summary
<p>More than ever before and in context of a culture of decentralisation, increased local autonomy and accountability, the CCG's Governing Body needs to be confident in the systems, policies and people it has in place to efficiently and effectively drive the delivery of its objectives by focusing on the minimising of risk.</p> <p>This Governing Body Assurance Framework (GBAF) for 2017-18 is presented to advise on the current levels of risk and continued actions to enable the delivery of the Strategic Objectives.</p> <p>Since last presentation of the GBAF to the Governing Body, the Strategic Objectives have been reviewed and approved through governance arrangements. Risks from the previous GBAF have been assessed by the Risk Owner and mapped across the new GBAF as presented.</p> <p>In summary of the risk profile:</p> <ul style="list-style-type: none"> • 7 presenting a significant level of risk (level 15 or above) to delivery of the CCG's strategic objectives; and • 1 presenting a high level of risk (level 8-12) to delivery of the CCG's strategic objectives. <p>No risks are currently recorded against the following Strategic Objectives:</p> <ul style="list-style-type: none"> • Strategic Objective 3 : To develop Primary Care to become excellent and high performing commissioners • Strategic Objective 5 : To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning. • Strategic Objective 7 : To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions. <p>The Governing Body should consider the GBAF and identify any further risks that have the potential to impact on the delivery of the Strategic Objectives if not managed appropriately, specifically in respect to Strategic Objectives 3, 5 and 7.</p>

Recommendations
<p>It is recommended that the Governing Body:</p> <ul style="list-style-type: none"> • note the Governing Body Assurance Framework presented; and • identify any further principal risks to delivery of the Strategic Objectives for inclusion within the GBAF.

Links to CCG Strategic Objectives	
To empower patients so that they want to, and do, take responsibility for their own healthcare. This includes prevention, self-care and navigation of the system.	<input checked="" type="checkbox"/>
To deliver system wide transformation in priority areas through innovation	<input checked="" type="checkbox"/>
To develop Primary Care to become excellent and high performing commissioners	<input checked="" type="checkbox"/>
To work with the Local Authority to establish a single commissioning organisation	<input checked="" type="checkbox"/>
To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning.	<input checked="" type="checkbox"/>
To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy.	<input checked="" type="checkbox"/>
To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions.	<input checked="" type="checkbox"/>
Supports NHS Bury CCG Governance arrangements	<input checked="" type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	Yes
GBAF – All risks	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any financial Implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has an Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Is an Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any associated risks?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

Are the risks on the CCG's risk register?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Failing to have in place or monitor progress of risks captured on the Governing Body Assurance Framework and their associated controls and assurance could adversely impact on the CCG's Head of Internal Opinion and End of Year External Auditor opinion.						

Governance and Reporting		
Meeting	Date	Outcome
Audit Committee	01/09/2017	The Audit Committee supported the continued development of the GBAF in advance of presentation to the Governing Body
	Click here to enter a date.	

Governing Body Assurance Framework

1.0 Introduction

- 1.1. This paper is presented to provide an overview of the strategic risks which may threaten the achievement of the Clinical Commissioning Group's Strategic Objectives.
- 1.2. More than ever before and in context of a culture of decentralisation, increased local autonomy and accountability, the CCG Governing Body needs to be confident in the systems, policies and people it has in place to efficiently and effectively drive the delivery of its objectives by focusing on the minimising of risk.
- 1.3. As part of the signing of the Annual Governance Statement (AGS) by the Accountable Officer and approval of the Annual Accounts and Annual Report, the need for the Governing Body to demonstrate they have been properly informed of the totality of their risks is paramount.
- 1.4. The Governing Body needs to be able to evidence that it has systematically identified its objectives and managed the principal risks to achieving them over the course of the year.
- 1.5. The Governing Body Assurance Framework (GBAF) formalises the process of securing assurance and scrutinising risks to the delivery of the CCG's strategic Objectives and is a key piece of evidence to support and demonstrate the effectiveness of the CCG's system of internal control.

2.0 Background

- 2.1. All NHS organisations are required to develop and maintain an Assurance Framework in accordance with governance regulations applied to the NHS.
- 2.2. Developed from and aligned to the 5 year strategy and 2 year operational plan, the GBAF should reflect the strategic objectives of the CCG and provide a simple but comprehensive method for ensuring that the CCG's objectives are delivered and that the principal risks to meeting those objectives are effectively managed.
- 2.3. It also provides a structure for providing the evidence to support the Annual Governance Statement.

3.0 The Assurance Framework

- 3.1. Whilst there is no formally prescribed template for presenting the GBAF, there are specific areas that should be included to provide a comprehensive 'snap shot' to tell the story in relation to each risk identified, as detailed in *italics* below.
- 3.2. The risks that threaten the achievement of the organisations strategic objectives are defined as *principal risks*. The Governing Body should proactively manage potential principal risks, rather than reacting to the consequences of risk exposure.
- 3.3. These risks are assessed against and an *original* level of risk is determined on the basis of no controls being in place.

- 3.4. Consideration is then given to the **key controls** that are in place to manage the principal risks. These risks and the controls should be documented and subject to scrutiny by independent reviewers where possible.
- 3.5. The Governing Body needs to assure itself that the controls identified not only manage the principal risks but are also provided at the right level. These are captured as sources of **assurance**, and where possible, independent assurance sources should be used.
- 3.6. Having identified the current level of controls and assurance the **current risk** level is determined and the **level of assurance** that the risk is managed is also agreed. There are four levels of assurance: full, significant, limited and none.
- 3.7. Where assurance mechanisms show that controls are not sufficient to manage the principal risks, or the assurance is not at a sufficient level, then **gaps in controls** and **gaps in assurance** should be recorded.
- 3.8. Mitigation **actions** to address the gaps and further control or assure against the risk are identified, the **target risk**, which should be achieved once actions are complete and gaps reduced is also reflected.
- 3.9. It is essential that the Governing Body receive an update on the effectiveness of the GBAF on a regular basis so that it has assurance that principal risks are being effectively controlled and managed. This can then be reflected in the AGS at the end of the year.
- 3.10. The Governing Body has delegated authority to the Audit Committee to advise on the establishment and maintenance of the effective system of integrated governance across the whole of the CCG's activity, which includes receiving, scrutinising, challenging and providing the necessary assurance to the Governing Body on the GBAF.

4.0 Quarter1 Governing Body Assurance Framework Review

- 4.1. The Governing Body Assurance Framework was last presented to the Governing Body at its meeting on 22 March following review by the Audit Committee on 3 March 2017.
- 4.2. In April 2017, the Governing Body reflected on delivery of the Assurance Framework during 2016-17 and also re-considered the Strategic Objectives of the CCG and the associated risks, recognising that many of the risks previously included were more long standing and should be carried forward.
- 4.3. The revised strategic objectives, were submitted to the Governing Body for final approval in June 2017, however the item was deferred and considered at the Governing Body meeting in July 2017.
- 4.4. The GBAF presented at Appendix 1 reflects the new strategic objectives and the associated principal risks to delivery, which have been reviewed by the risk owner and mapped accordingly to the relevant Strategic Objective.
- 4.5. The GBAF remains a dynamic document and will be reviewed on a quarterly basis with the respective risk owners and presented to the Audit Committee for review.

5.0 A Summary Assessment

- 5.1. As outlined above, the GBAF presented at Appendix 1 reflects the current position as:
- 5.2. Eight (8) risks have been carried forward from the 2016-17 GBAF onto the report presented across five (5) of the seven (7) strategic objectives and the current risk profile of these is summarised as :
- 7 presenting a significant level of risk (level 15 or above) to delivery of the CCG's strategic objectives; and
 - 1 presenting a high level of risk (level 8-12) to delivery of the CCG's strategic objectives.
- 5.3. No risks are currently recorded against the following Strategic Objectives:
- Strategic Objective 3 : To develop Primary Care to become excellent and high performing commissioners
 - Strategic Objective 5 : To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning.
 - Strategic Objective 7 : To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions.
- 5.4. A number of new principal risks have also been identified and will be developed for inclusion in future reports:
- Development of the new governance arrangements to support the CCG and LA move towards its One Commissioning Organisation function (SO4)
 - Delivery of the Transformation Plan and associated best use of the transformation fund to deliver the required outcomes(SO5)
 - Urgent Care System and Economy Risk (SO2)
- 5.5. The Governing Body should consider the GBAF and identify any further risks that have the potential to impact on the delivery of the Strategic Objectives if not managed appropriately, specifically in respect to Strategic Objectives 3, 5 and 7.

6.0 Recommendations

- 6.1. The Governing Body is asked to:
- note the Governing Body Assurance Framework presented; and
 - identify any further principal risks to delivery of the Strategic Objectives for inclusion within the GBAF.

Lisa Featherstone
Deputy Director of Business Delivery
September 2017

Appendix 1 : Governing Body Assurance Framework

Strategic Objective 01 - To empower patients so that they want to, and do, take responsibility for their own healthcare. This includes prevention, self-care and navigation of the system

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk
1.1 - Because of a lack of effective engagement with communities there is a risk that the public will not access preventative services or accept responsibility for own healthcare	Margaret O'Dwyer	5	4	20	1. Close working with Public Health to co-ordinate joint working and messages 2. Communications and Engagement Strategy for CCG activity 3. Public engagement on urgent care re-design will promote self-care 4. Patient Cabinet in place to promote active engagement and public voice 5. Self-care will have an increased focus in refresh locality plan 2017 6. Agreed investment proposition from GM (core component of the Communication and Engagement Strategy)	1. Patient Cabinet reports to the Governing Body 2. Lay Member for PPI voting member on the Governing Body and Primary Care Commissioning Committee 3. Healthwatch attend PCCC 4. Patient Feedback reports to PCCC 5. Quarterly assurance reviews with GM IAF	5	3	15	Significant	Gap(s) in controls: 1. Patient engagement specific to schemes but could be more proactive or wide-reaching 2. Engagement Strategy for locality plan 3. No integrated Communications and Engagement Strategy Gap(s) in assurances: 1. Assurance is only internal at this time, external sources of assurance to be identified 2. 360 Stakeholder Survey	Communications and Engagement strategy to be refreshed to include OCO and Locality Care Organisation Patient Engagement Toolkit to be re-introduced CCG Engagement Programme to be developed Develop an integrated Communications and Engagement Strategy	50% 100% 50% 0%	5	2	10

Strategic Objective 02 - To deliver system wide transformation in priority areas through innovation

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk
2.1 - Because of a lack of engagement with partners and other key stakeholders at the right time in service re-design processes there is a risk that innovative and new approaches across sector may not be considered	Margaret O'Dwyer	4	3	12	1. Key partners engaged through CCG Clinical Cabinet 2. Internal governance supports engagement and involvement with stakeholders 3. Communications and Engagement Strategy in place 4. Terms of Reference for Clinical Cabinet and Patient Cabinet 5. Individual Engagement Strategies when significant service redesign is anticipated e.g. urgent care 6. LCO Alliance/Partners working together to drive forward efficiencies 7. Joint clinician development sessions undertaken August 2017 (LCO/OCO) 8. Integrated Engagement Strategy	1. NES governance architecture across health and social care supports alignment where appropriate across sectors 2. Contract and Quality Monitoring arrangements 3. Internal Audit commissioned 4. Board being established (remit yet to be confirmed)	4	3	12	Limited	Gap(s) in controls: 1. Communications and Engagement Strategy not reflective of the changing landscape 2. Effectiveness of Patient Cabinet 3. Potential implications for commissioning staff re: LCO remit re: service redesign Gap(s) in assurances: 1. Commissioning Internal Audit to be completed 2. Board remit outstanding	Current Communications and Engagement strategy to be refreshed Ensuring Clinical Cabinet and Patient Cabinet ways of working supports engagement in its wider sense and will promulgate engagement Undertake impact on commissioning staff Board remit outline	50% 50% 0% 0%	4	2	8
2.2- Because of a recent CQC assessment in 2016/17 at Pennine Acute Hospitals Trust, there is a risk that quality and performance at the local provider does not make the required improvements in the delivery of health care services for the local population	Catherine Jackson	5	4	20	1. New SRFT Leadership Team in place 2. Improvement Plan submitted to CQC and approved. Improvement plan monitoring reported to GB on a regular basis 3. GMHSCP Improvement Board established with supporting governance group 4. Additional £20m funding agreed to aid recovery 5. PAHT Quality and Improvement Strategy	1. Regular reports to the Governing Body on performance and quality 2. Quality and Performance Committee scrutiny of measures 3. CQC assurance of progress against improvement plan 4. CQC reinspection	5	3	15	Significant	Gap(s) in Controls: 1. Gap(s) in assurances: 1. CQC re-assessment not due until Q3 17/18	Reporting mechanism to be considered to provide increased assurance to Governing Body CQC reassessment to take place	100% 0%	5	1	5

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk	
as stipulated by the CQC and other regulators and stakeholders					ratified 6. Quality Improvement and Prioritisation meetings lead by CCGs providing greater visibility 7. Key Lines of Enquiry (KLOEs) in place												
2.3 - Because of a recent CQC assessment in 2016/17 at Pennine Care Foundation Trust, there is a risk that quality and performance at the local provider does not make the required improvements in the delivery of health care services for the local population as stipulated by the CQC and other regulators and stakeholders	Catherine Jackson	5	4	20	1. CQC Improvement Plan for Mental Health and Community Services 2. Local Level Plans (as part of overall improvement plan) 3. Strategic/Board level focus 4. Local level surveillance through Quality and Performance provider meeting 5. New Chief Executive and Director of Nursing recently appointed 6. NHS Improvement leading collaborative working across 5 CCGs to drive change 7. CQC Action Plan received and approved 8. PCFT Recovery Board /Quality Improvement Board/ Quality Assurance Board chaired by CO GMHSCP	1. Regular Reports to CCG Governing Body 2. CCG awareness of where service improvement is required 3. PCFT awareness of CQC findings and improvement expectations 4. Structure approved by NHS Improvement 5. Regular reporting to PCFT Recovery Board/Quality Improvement Board/Quality Assurance Board (External assurance)	5	4	20	Significant	Gap(s) in Controls: 1. New Chief Executive and Interim Director of Nursing appointed (2.3a) Gap(s) in assurances: 1. Evidence of required improvements (2.3b)	Reporting mechanism to be considered to provide increased assurance to Governing Body Evaluate evidence for the required improvements Observe working ethos - watching brief to be maintained	100% 0% 0%	5	1	5	

Strategic Objective 04 - To work with the Local Authority to establish a single commissioning organisation

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk
4.1 Because the CCG and Local Authority have different priorities and drivers, there is a risk that integrated commissioning does not progress at pace to achieve value for money, improved outcomes	Stuart North	5	4	20	1. Health and Wellbeing Board in place attended by CCG Chair and Accountable Officer 2. Joint Leadership Team in place across LA and CCG 3. Single vision confirmed by CCG and LA, including common commissioning principles 4. OCO PID approved 5. Open book accounting and pool budgets explored 6. Locality Plan in place (being refreshed) 7. Joint working on Locality Plan refresh	1. CCG Assurance meetings with GMHSCP 2. Legal advice on OCO development 3. OCO PID approved through respective governance arrangements 4. Common commissioning principles approved through respective governance arrangements 5. GM Commissioning review	5	3	15	Significant	Gap(s) in controls: 1. Open book and pooled budgets to be agreed 2. Quick wins to be identified 3. Understanding of new culture to foster innovation and achieve desired outcomes Gap(s) in assurances: 1. 2. OCO governance arrangements to be approved	Quick wins to be identified and progressed Common commissioning principles to be approved through respective governance arrangements Open book accounting and pooled budgets to be approved through respective governance arrangements Locality Plan refresh to be approved through respective governance arrangements Transformation Fund submission to be approved by GMHSCP Organisation development to be undertaken to understand cultures and establish shared principles	50% 75% 25% 100% 90% 25%	5	2	10
4.2 - Because of the need to work as one commissioner there is a risk that the new governance structure fails to recognise the importance of clinical decision making	Kiran Patel	5	4	20	1. Clinical involvement to shape LCO 2. Clinical input into Health and Wellbeing Board 3. Clinical input into work streams e.g. social prescribing 4. Clinicians involved in joint leadership team 5. Learning from Pathfinder	1. Meeting minutes from LCO steering group 2. Reports to GB on progress and development 3. Legal advice re:governance received 4. 360 Stakeholder Survey	5	4	20	Limited	Gap(s) in controls: 1. Role of clinicians as providers or commissioners in LCO development to be agreed 2. OCO governance yet to be determined. Gap(s) in assurances: 1. External sources of assurance to be identified	Continued development, engagement and involvement of Primary Care Roles and responsibilities of Primary Care as commissioners and providers to be explored and made explicit Governance of OCO to be determined	25% 25% 50%	5	2	10

Strategic Objective 06 - To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk
6.1 - Because of the inability to identify sufficient QIPP programmes there is a risk that we will not achieve required quality, innovation, productivity or prevention improvements	Margaret O'Dwyer	5	4	20	1. QIPP process in place 2. PMO arrangements in place 3. Additional capacity across Commissioning Directorate in place 4. Outsourcing of QIPP related capacity and scheme identification through Right Care and Dr Foster 5. QIPP initiatives and actions in individual workplans to be identified through clinical workstreams 6. Additional short term mitigations identified and approved 7. Right Care focus intelligence packs available 8. Interim external resource identified to oversee QIPP opportunities	1. MIAA QIPP Audit (although limited assurance) 2. QIPP report to Finance Committee and GB	4	5	20	Limited	Gap(s) in controls: 1. Longer term (5 year) QIPP plan to be developed 2. QIPP/PMO process to be overhauled to expedite delivery of priority schemes 3. Long term mitigations yet to be identified Gap(s) in assurances: 1. MIAA QIPP audit report and assurance level to be increased as currently limited assurance	QIPP and Project Assurance Framework to be developed QIPP process to be reviewed Roles and responsibilities to be agreed at an operational level RightCare to be interrogated as a source of opportunity QIPP pipeline to be developed To meet the RightCare requirement to review 40% of opportunities in year one and 80% in year 2	100% 100% 100% 100% 40% 50%	5	2	10
6.2 - Because the CCG may be required to pursue short term financial balance at the expense of long term sustainability and or might not maximise a return on investment on refundable funds, there is a risk that the CCG might not make the necessary changes required for	Mike Woodhead	5	4	20	1. 5 year Plan and 2 year Operational Plan 2. Short term mitigations and contingencies 3. Risk Sharing - existing in Greater Manchester and North East Sector 4. Developing Locality Plan 5. Transformation Fund investment agreed	1. Monthly Financial Position reported to Finance Committee and Governing Body 2. NHSE/GM returns and ASS 3. NHSE assurance framework and self-assessment 4. Internal and external audit reviews 5. Value for Money Audit 6. GMHSCP Assurance on 2 Year Financial Plan 7. Report into Transformation Board 8. Report into Management Group 9. GMHSCP hold the CCG to account	5	3	15	Significant	Gap(s) in control: 1. Transformation Fund approved in principle August 2017 awaiting formal confirmation 2. Uncertain future - form and function 3. Clarity on long term GM funding 4. Clarity on GM vs Local vs organisational control totals 5. Clarity on OCO/LCO and integration plans 6. Due diligence to be undertaken with Bury MBC 7. Shadow arrangements to be articulated 8. Revised implementation and financial plan for each scheme requires sign off	Strengthen risk sharing agreements - Complete initial financial due diligence work with Bury MBC Revised financial plans Develop robust locality plan and transformation funding bid Moving to 2-year contracts and operating plans Engagement in GM Strategy setting Exploration of different contracting models Revision of financial and activity contract schedules Shadow arrangements to be	25% 50% 100% 100% 100% 10% 0% 0%	5	2	10

Risk Description	Risk Owner	C	L	Score	Controls	Assurance	C	L	Risk	Level of Assurance	Gaps in Controls/Assurance	Action	Progress	C	L	Risk
financial sustainability and optimal service provision											9. Establishment of Programme and Project Management resources and structures yet to be undertaken/finalised 10. Internal investment agreement to be finalised between OCO/LCO <u>Gap(s) in assurances:</u> 1. External Audit review not yet due	articulated Monitor financial plan for each scheme Establish/review resource and structures for Programme and Project Management Investment agreement with LCO and OCO Management of risk associated with the Transformation Plan	0% 0% 0% 0%			