

**Agenda Item 08**

Report to: (Governing Body/Committee): Governing Body

Date of Meeting: 13 February 2020

Subject: Annual Review of Board Assurance Framework

Presented by: Laura Whitton

**STATUS OF THE REPORT *(auto check relevant box****)*

For Information

For Discussion

For Approval / Ratification

Report Exempt from Public Disclosure  No  Yes

|  |  |  |
| --- | --- | --- |
| **PURPOSE OF REPORT:** | North East Lincolnshire CCG Board Assurance Framework (hereafter CCG BAF) acts as a high-level risk identification system and provides a structure and process that enable the CCG to focus on the principal risks to achieving its strategic objectives. The Board Assurance Framework highlights gaps in control, gaps in assurance processes and details of necessary action to be taken.  The BAF format enables the Governing Body to review each of the risks, analyse the controls and assurances, clearly identify any gaps and the actions needed to address them.  To support the Governing Body in carrying out its duties effectively the Integrated Governance & Audit Committee monitors the BAF on a quarterly basis, which ensures robust and adequate progression of the risks are kept live and relevant. This Integrated Governance & Audit Committee informs and escalates any risk to the Governing Body as and when required.  Please refer to summary report below for full activity during 2019/20 and appendices/attachments section of this report for full copy Board Assurance Framework. | |
| **Recommendations:** | The Governing body are asked to note   * The update provided; * Review the BAF and identify any gaps and; * The level of assurance received by the CCG, in relation to its strategic risks and comment where appropriate. | |
| **Committee Process and Assurance:** | The Integrated Governance & Audit Committee | |
| ***Implications:*** |  | |
| **Risk Assurance Framework Implications:** | Failure to implement an effective risk management process could result in the  CCG failing to effectively recognise and manage its principal risks which could prevent necessary mitigation being undertaken and potentially impact on our patients/community. | |
| **Legal Implications:** | The BAF contains key legal/statutory risks to the organisation | |
| **Data Protection Impact Assessment implications (DPIA):** | Are you implementing a new system, data sharing arrangement, project, service redesign or changing the way you work? | **No** |
|  | If yes to the above – have the DPIA screening questions been completed? | Choose an item. |
|  | Does this project involve the processing of personally identifiable or other high risk data? | **No** |
|  | If yes to the above has a DPIA been completed and approved? | Choose an item. |
| **Equality Impact Assessment implications:**  *.* | An Equality Impact Analysis/Assessment is not required for this report | |
| **Finance Implications:** | The BAF contains key financial risks to the organisation | |
| **Quality Implications:** | This report details a neutral impact on quality.  The report will not make any impact on experience, safety or effectiveness. | |
| **Procurement Decisions/Implications *(Care Contracting Committee):*** | The BAF contains key risks linked to Contract Management | |
| **Engagement Implications:** | The BAF contains key risks linked to communications and engagement | |
|  |  | |
| **Conflicts of Interest** | *Have all conflicts and potential conflicts of interest been appropriately declared and entered in registers, which are publicly available?*  Yes  No  No known conflicts of interest identified.  Any interests, which are declared at a meeting, will be included on the CCG’s Declaration of interest Register. | |
| **Links to CCG’s Strategic Objectives** | Sustainable services  Empowering people  Supporting communities  Delivering a fit for purpose organisation | |
| **NHS Constitution:** | <https://www.gov.uk/government/publications/the-nhs-constitution-for-england>  The role of the Integrated Governance & Audit Governance Committee is to monitor the CCG Assurance Framework and key component of the CCG’s system of internal control and as a formal committee of the Governing Body makes recommendations to the members | |
| **Appendices / attachments** |  | |

**February 2020**

**Introduction**

The CCG Governing Body monitors the achievement of its strategic and business objectives; the Board Assurance Framework captures how assurance have been received by the CCG and whether it militates against the risks that the CCGs objectives might not be achieved.

The CCG Governing Body should have the opportunity during the financial year to monitor the assurance it has received and identify any gaps that should be addressed in order to be assured. Where gaps are identified, or key controls and assurances are insufficient to reduce the risk of non-delivery, action needs to be taken. Planned actions will enable the Governing Body to monitor progress in addressing gaps or weaknesses and to ensure that resources are allocated appropriately.

**Key Progress 2019/20**

**Risk Management reviews -** have been completed, and again have had a positive approach. However, these have been challenging this year, it has been agreed that:-

* Annual reviews to continue, these would be part of 1.1 or catch up meeting were Governance Team would be invited to attend.
* Quarterly review by Operational Leadership Team – including escalations of late reviews/issues with risk management reviews

**Assurance Mapping –** Every year Internal Audit assesses the effectiveness of controls in place within the CCG and provides an annual opinion in support of the CCG’s Annual Governance Statement. The BAF provides the basis for the preparation of a fair and representative Annual Governance Statement. It is the subject of annual review by both Internal and External Audit.

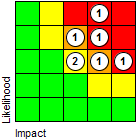
A recent internal audit of the CCG BAF has recently taken place and we are currently awaiting the outcome of this audit. This will form part of the annual Head of Internal Audit Opinion.

The BAF domains are currently set out as per NHS England’s CCG improvement and assessment framework (IAF). However, the IAF recently been updated and it has been agreed at Integrated Governance & Audit Committee in December to put on hold the re-mapping of the risk domains to match the new IAF domains and look at best practice and other options, with a possibility to map the domains to the CCG Strategic objectives. It is proposed a risk workshop will be held with Governing Body & Integrated Governance & Audit members in order to understand risks and how they link to strategic priorities.

**Current Position**

At the time of writing this report, there are currently 7 risk on the Board Assurance Framework, of these, 3 have a current risk rating of high (15 or above), please refer to table below.

|  |  |
| --- | --- |
|  | February 2020 |
| Total number of risks | 7 |
| High level risks (rated at 15+) | 3 |
| Medium to high level risks (rated at 12+) | 2 |
| Low to medium level risks (rated at 9+), | 2 |
| Low level risks (rated at 3+) | 0 |



The table below demonstrates the principal risks (that is a risk rating of 15 and above) as at 4 February 2020

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Risk Code** | | **Risk Summary** | | **Initial Risk Rating** | **Current Risk rating** | **Current Risk Trend Icon** | **Last reviewed date** | **Control** | | |
| CCG-BAF.2002 | | Risks in delivery of key annual performance and quality indicators (Health & Social Care) and standards, including constitutional standards | | 12 | 20 |  | 10 Jan 2020 | **Assurance on controls** | | Regular reporting in to Governing Body, Delivery Assurance Committee, CoM and the operational leadership team.  Through reporting to groups above and oversight from Planned Care Board improvement in performance has been noted around RTT particularly in some specialties there has been a focus on (eg Ophthalmology).  Additional controls have been developed through joint weekly Planning meetings with NLCCG & NLAG where Trust reporting of activity and KPIs based on more real time data is allowing the system to react more immediately to areas of concern or receive earlier assurances on improvements. |
| **Positive Assurances** | | NHSE continue to acknowledge the CCG is taking an active leadership role to address the issues in relation to NLaG.  Further assessment of six clinical areas in the CCG Improvement and Assessment Framework demonstrate that NEL are in the top cohort of CCGs in the country, although improvement is required in three.  NHSE's overall assessment of the CCG in the improvement and assessment framework was ‘Good’ for 2018/19 and quarterly meetings throughout 2018/19 have been positive.  Improvements have been noted around some of the CCG's key performance areas including A&E, RTT and IAPT performance. 2018/19 Year end position of ASC targets was also positive.  The CCG received the best available ratings for diabetes services (Outstanding) and Patient & Community Engagement (Green Star).  The CCG has also received the highest possible rating (Green Star) for the way it involves the local community in important decision making |
| **Gaps in controls** | | None |
| **Gaps in assurances** | | We recognise that there is significantly increased oversight and assurance mechanisms in place to oversee NLaG performance however, gaps will remain until we start to see improvements feeding through. Some improvements have been noted around A&E and RTT performance but this needs to be delivered consistently and other areas of performance to see improvements to gain greater assurances. |
| **Risk Code** | **Risk Summary** | | **Initial Risk Rating** | | **Current Risk rating** | **Current Risk Trend Icon** | **Last reviewed date** | **Control** | | |
| CCG-BAF.2003 | NLaG Service Sustainability | | 20 | | 16 |  | 27 Jan 2020 | **Assurance on controls** | Chief Executive representation from NL & NEL CCGs and NLaG on the System Improvement Board (SIB) | |
| **Positive Assurances** | System Improvement Board whose membership includes NHS England and NHS Improvement.  NEL CCG continue to receive positive feedback at its assurance meetings with NHS England  There has been a recent NHSI/E meeting at which the NEL/NL system received positive feedback on the progress made in terms of joint planning and working together and reduced its assessment of the overall system risk level. | |
| **Gaps in controls** | Need assurance of collaborative arrangements with other providers. | |
| **Gaps in assurances** | Reporting to Governing Body working to effectively highlight all the collaborative arrangements  There is currently no system wide strategic service plan that all organisations have signed up to which is a gap, however there is now a mechanism in place by which such a plan will be produced and this is expected to be complete by the autumn. | |
|  |  | |  | |  |  |  |  |  | |
| CCG- BAF. 3005 | Financial challenges in partner organisations in the wider system could lead to financial consequences for NEL CCG | | 12 | | 15 |  | 14 Jan 2020 | **Assurance on controls** | Routine financial reports to the Governing Body (CCG, Northern Lincolnshire System & the Union)  Delivery Assurance Committee scrutiny of financial plan delivery  QiPP monitoring  Routine system financial reporting to the wider system via the Contract Transformation Board, and the system Accountable Officers & Union Board  Local health community financial monitoring and reporting via weekly System Planning Meeting and STP Finance and Planning | |
| **Positive Assurances** | SIB (System Improvement Board) assurance  In year Financial Plan reports to IG&A and board  Internal audit plan is risk -based  Governance arrangements in place re NLAG contract.  Governance arrangements in place re the Union | |
| **Gaps in controls** | None | |
| **Gaps in assurances** | Strengthen the assurances from CCC to the Governing Body to include a section on market strategy and management. | |

**Recommendations**

* Governing Body Members are asked to note:
* The update provided;
* Review the BAF and identify any gaps and;
* The level of assurance received by the CCG, in relation to its strategic risks and comment where appropriate.