

**Agenda Item 08**

Report to: Governing Body

Date of Meeting: 28 March 2019

Subject: Board Assurance Framework

Presented by: Chief Finance Officer

**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 is an on-going process and Integrated Governance & Audit Committee informs the Governing Body of the development of BAF for the CCG.  Please refer to summary report below for full activity during 2018/19 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. |
| **Sub Committee Process and Assurance:** | The Integrated Governance & Audit Committee |
| ***Implications:*** |  |
| **Risk Assurance Framework Implications:** | The Board Assurance Framework is a key component of the CCG’s system of internal control. |
| **Legal Implications:** | There are no legal implications. |
| **Equality Impact Assessment implications:** | An Equality Impact Analysis/Assessment is not required for this report  An Equality Impact Analysis/Assessment has been completed and approved by the EIA  Panel. As a result of performing the analysis/assessment there are no actions arising  from the analysis/assessment  An Equality Impact Analysis/Assessment has been completed and there are actions arising from the analysis/assessment and these are included in section \_\_\_\_ of the enclosed report |
| **Finance Implications:** | The Board Assurance Framework contains key financial risks to the organisation |
| **Quality Implications:** | This report details a positive impact on quality.  The proposal put forwards, if agreed, would have a positive impact in terms of enabling providers to meet safe staffing targets. Retention and recruitment is forecast to be improved, which would have a positive impact on the safe delivery of local services.  This report details a neutral impact on quality.  The report will not make any impact on experience, safety or effectiveness.  This report details a negative impact on quality.  The report details the need for budgets to be significantly reduced. It is clear that the report summarises that quality will be negatively impacted by this as decisions to remove services/provide a lower level of provision to solely meet the ‘must do’s’ of provision in terms of meeting people’s needs has to be made. It is forecast that service user experience will be negatively impacted by this position. |
| **Procurement Decisions/Implications *(Care Contracting Committee):*** | The Board Assurance Framework contains key risks linked to Contract Management |
| **Engagement Implications:** | The Board Assurance Framework 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> |
| **Appendices / attachments** |  |

**Board Assurance Framework**

**March 2019**

**Introduction**

The CCG Governing Body monitors the achievement of its strategic and business objectives; the Board Assurance Framework captures how assurance has 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.

The Board Assurance Framework domains are set out as per NHS England’s CCG improvement and assessment framework.

**Assurance**

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 took place in February 2019 and the audit provide substantial assurances with no recommendations.

**Key Progress 2018/19**

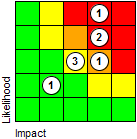
It is the responsibility of the risk assignees for each principal risk for updating, reviewing and managing their risks. The annual risk management reviews took place between May – July 2018 with risk managers and assignees. The purpose of these sessions are to provide the opportunity for Managers/Assignees to work together to review their risks paying particular attention to the risk ratings/internal controls and look at ways of improving our risk registers. This is also an opportunity to undertake an internal confirm & challenge and monitor static risks, for example if the risk rating of a risk hasn’t changed within the last 12 months, to evaluate whether the risk remains relevant and if so what actions will be taken.

A deep dive risk awareness session was developed to the Operational Leadership Team in April 2018. The session provide an reminder of the differences between strategic risk/operational risk and departmental risk, and considerations when applying a risk score/risk appetite.

**Current Position**

At the time of writing this report, there are currently 8 risk on the Board Assurance Framework, of these, 3 have a current risk rating of high (15 or above), please refer to table below.

|  |  |
| --- | --- |
|  | March 2018 |
| Total number of risks | 8 |
| High level risks (rated at 15+) | 3 |
| Medium to high level risks (rated at 12+) | 1 |
| Low to medium level risks (rated at 9+), | 3 |
| Low level risks (rated at 3+) | 1 |



The table below demonstrates the principal risks (that is a risk rating of 15 and above) as at 12 March 2018

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **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 |  | 6 Mar 19 | **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). |
| **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 five 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 2017/18 and quarterly meetings throughout 2018/19 have been positive.  Since 2017/18 improvements have been noted around some of the CCG's key performance areas including A&E, diagnostic waiting times, RTT and Cancer Waiting Times performance The CCG also received an assessment of ‘Green’ against its Quality of Leadership.  2017/18 Year end position of ASC targets and the Local Account was positive.  The CCG also received the best available ratings for diabetes services (Outstanding) and Patient & Community Engagement (Green Star) |
| **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 diagnostic waiting times, RTT and Cancer Waiting Times performance but this needs to be delivered consistently to gain greater assurances. |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **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 |  | 6 Feb 19 | **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  The STP In-hospital Working Group is starting to work more effectively and is addressing issues across providers  The ICP is getting more involved and starting to come up with proposals to divert activity and release pressures |
| **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  As part of the acute services review the Clinical strategy group (strategic clinical officers at NLaG and senior leadership from both CCGs) has been convened to look at potential options for a future service delivery which will need to be shared with the CCG. |
|  |  |  |  |  |  |  |  |
| CCG- BAF. 3005 | Instability in partnership finances or services/costs leads to unaffordable consequences for the CCG within the current year | 12 | 16 |  | 15 Feb 19 | **Assurance on controls** | Routine financial reports to the Governing Body  Delivery Assurance Committee scrutiny of financial plan delivery  QiPP monitoring  Local health community financial monitoring and reporting via the ICP finance group and STP Finance and Planning Group |
| **Positive Assurances** | SIB (System Improvement Board) assurance |
| **Gaps in controls** | None identified |
| **Gaps in assurances** | None identified. |

**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.