

Governing Body									
Date of Meeting						Paper Number			
Title					Assurance Framework and Risk Management				
Sponsoring Director (name and job title)					Nigel Foster, Interim Chief Officer				
Sponsoring Clinical / Lay Lead (name and job title)									
Author(s)					Tianne Thompson (Interim Head of Corporate Affairs) and risk owners				
Purpose					<p>The Assurance Framework highlights the major risks to the successful achievement of the CCGs strategic objectives.</p> <p>The Assurance Framework has been extensively revised for 2015/16 to simplify and increase the usefulness of the Framework going forward. This paper is to update the Committee with the latest draft of the Framework.</p>				
The Governing Body is required to (please tick)									
Approve	<input checked="" type="checkbox"/>	Receive	<input type="checkbox"/>	<input type="checkbox"/>	Discuss	<input checked="" type="checkbox"/>	Note	<input type="checkbox"/>	<input type="checkbox"/>
Risk and Assurance <i>(outline the key risks / where to find mitigation plan in the attached paper and any assurances obtained)</i>					The Assurance Framework provides details of each of the risks, the risk owner, the risk rating and the controls and assurance that are in place; along with a risk mitigation plan.				
Legal implications/regulatory requirements					Depending on the nature of the risk, a particular risk may have legal implications and or regulatory requirements - the risks have been evaluated against these requirements and the implications of any breaches.				
Public Sector Equality Duty					Evaluation of risks will include CCGs' compliance with the Equality, Diversity and Human Rights agendas				
Links to the NHS Constitution (relevant patient/staff rights)					All risks are evaluated with the NHS Constitution standards and other statutory and regulatory obligations in mind.				
Strategic Fit					Managing the risks outlined in the Assurance Framework is essential to delivery of the CCG's strategic objectives.				
Commercial and Financial Implications <i>(Identify how the proposal impacts on</i>					The financial implications associated with specific risk scenarios are taken into consideration in evaluation of the "rating". In addition, the Assurance Framework is supported by a Finance Risk Register				

<p><i>existing contract arrangements and have these been incorporated?</i></p> <p><i>Include date Deputy CFO has signed off the affordability and has this been incorporated within the financial plan.</i></p> <p><i>Include details of funding source(s)</i></p>	
<p>Quality Focus</p> <p><i>(Identify how this proposal impacts on the quality of services received by patients and/or the achievement of key performance targets</i></p> <p><i>Include date the Director of Nursing has signed off the quality implications)</i></p>	<p>The quality implications associated with specific risk scenarios are taken into consideration in evaluation of the “rating”. In addition, the Assurance Framework is supported by a Quality Risk Register</p>
<p>Clinical Engagement</p> <p><i>Outline the clinical engagement that has been undertaken</i></p>	<p>Clinicians are involved in a number of areas where risks have been identified and particularly through consideration of risks at Quality Committee and Operational Leadership Teams.</p>
<p>Consultation, public engagement & partnership working implications/impact</p>	
<p>NHS Outcomes</p> <p><i>Please indicate (highlight) which Domain this paper sits within by highlighting or ticking below:</i></p> <p><i>Please note there may be more than one Domain.</i></p>	<p>Domain 1 Preventing people from dying prematurely; ✓</p> <p>Domain 2 Enhancing quality of life for people with long-term conditions; ✓</p> <p>Domain 3 Helping people to recover from episodes of ill health or following injury; ✓</p> <p>Domain 4 Ensuring that people have a positive experience of care; and ✓</p> <p>Domain 5 Treating and caring for people in a safe environment; and protecting them from avoidable harm. ✓</p>
<p><u>Executive Summary</u></p> <p>1. Background</p> <p>The Assurance Framework provides the CCG with a mechanism of identifying, assessing and managing risks with significant impact on the delivery of our strategic objectives. The Leadership Team and the Operational Leadership Team include designated ‘Risk Owners’ responsible for reviewing and monitoring these risks. The Governing Bodies use the Assurance Framework to evaluate our system of internal control, including the monitoring of any action plans that contribute to giving positive assurance in achieving our overall strategic aims. The Risk Registers provide additional assurance to the Governing Bodies that risks are being identified and managed appropriately at an operational level. ..</p> <p>This paper examines and outlines work undertaken since the June meeting of the Audit Committee to improve the CCG Assurance Frameworks and its relationship to the underpinning Risk Registers, and the Audit Committee’s review of progress on the 25th</p>	

September 2015. Progress on the recommendations from the June Audit Committee are detailed below.

June Recommendation (1) - *The Assurance Framework will be revised, simplified and streamlined to operate from a strategic viewpoint* - Completed

The Assurance Framework has been strengthened and improved to include the following features:

- A refreshed format to simplify the risk evaluation exercise
- A snapshot cover sheet listing all 14 risks scenarios and the corresponding risk scoring adopting the same format in the main document
- A new risk rating matrix - now included in the Risk Management Strategy
- Re-evaluation and consolidation of all existing risks
- Migration and transfer of risks over to the new Assurance Framework
- New strategic risks scenarios developed with engagement from senior management
- Improvements to the mechanisms of internal control and risk mitigation by including of all three risk evaluation points, including the initial, residual, risk movement scoring and action plans.

June Recommendation (2) - *The initial list of key concerns to be covered in the Assurance Framework listed needs to be considered by the Senior Leadership Team and Governing Bodies.* - Completed

June Recommendation (3) - *The detailed Risk Registers need to be reviewed to ensure they capture the appropriate issues at a departmental / project level. The timeline will also be synchronised with the Assurance Framework and to allow aggregation into an overall Corporate Risk register* – Largely Completed

June Recommendation (4) - *The CCG needs to consider the option of using specialist risk management software such as Datix Version 12 to manage the Risk Registers and Assurance Framework.*- Proposal being developed with Quality Team (who use other Datix functionality) and CSU. Also there has been a site visit to Hampshire Hospitals.

June Recommendation (5) - *The Risk Management Framework (and potentially CCG Constitutions) needs revising to reflect any changes to the approach to risk management* – in progress.

2. Assurance Framework September 2015/16

The new Assurance Framework consists of 14 strategic risk scenarios agreed by senior management and the Audit Committee. It outlines the strategic risk position of the CCG and sets out our on-going monitoring and management arrangements for these risks.

The detailed review and scrutiny of the Governing Body Assurance Framework ensures that appropriate controls and assurances are in place to manage the mitigation of these risks. Analysis identifies any objectives that are at a greater risk and provides opportunities for remedial action which will increase the level of assurance.

This Assurance Framework attaches details the Principal Risks as at September 2015 that may prevent the CCG from achieving its strategic objectives. Information included in the report identifies:

- Controls that have been put in place to manage the risks;
- Assurances that have been received to demonstrate if the controls are having the desired impact;
- Details of any gaps in the assurance; and
- Comments and further actions required.

There are currently fourteen risk scenarios. The breakdown of risks are grouped by their net risk ratings and are as follows:

- 3 net rated extreme / red (15-25)
- 9 net rated as high / amber (8-12) and
- 2 net rated as moderate / yellow (4-6)

The highest level individual risks are RS09, RS10 and RS14 with risk scores of 15.

All risks and their actions are regularly reviewed and scrutinised. The scrutiny process involves each risk owner, the Audit Committee, and the CCG Governing Body. The scores are tracked during the financial year, to enable monitoring of the effectiveness of the actions, controls and assurances.

This is the first time the Assurance Framework has been presented to Governing Bodies in this format, and further refinement of the controls and assurances are likely to take place as part of ongoing discussion and review.

3. Risk Registers

New risk registers have been developed across the CCGs scheme of delegation and should feature as standing items on the appropriate committees and groups. As per the Risk Management Strategy and where necessary, risks rated as “extreme” may be escalated to the Assurance Framework. This is still “work in progress”.

Recommendations

The Governing Body is asked to:

- Note the position with regard to the Assurance Framework and arrangements in place for managing high level risks.
- Review the outstanding gaps in both control and assurance and where necessary seek further assurance that these are being managed.
- Note the recommendations of the Audit Committee and the assurance that operational risks are being effectively managed by officers.
- Note that the Audit Committee will receive quarterly updates on progress.