

Title of paper:	Governing Body Assurance Framework and Risk Management Strategy
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Agenda item:	8
For:	Decision

Summary

In order to discharge its statutory and constitutional responsibilities, the Governing Body has to set out the principle objectives of the CCG and ensure that there is a clear understanding of the actual and potential risks to achieving these.

The Governing Body Assurance Framework

The Good Governance Institute (2009) defines a Board Assurance Framework as

“a structure and process that enables the organisation to focus on those risks that might compromise achieving its most important (principal) annual objectives; and to map out both the key controls that should be in place to manage those objectives and confirm the Board has gained sufficient assurance about the effectiveness of those controls”

The 2013/2014 Governing Body Assurance Framework (GBAF) set out here identifies both the objectives and the key risks to them.

An earlier version of the GBAF was reviewed in the Audit Committee on the 19th June and at a Governing Body Seminar on the 28th June. The GBAF has been revised in light of comments at both of these meetings and following development of the principal objectives and the CCG's workplan for the year.

Surrey Downs has six focused objectives for 2013/14 which will probably continue into 2014/15. These reflect a balanced mix of strategic, operational and developmental activities:

1. TO ENSURE THAT THE CCG HAS MEDIUM TERM STRATEGIES IN PLACE FOR ITS MAIN COMMISSIONING FUNCTIONS
2. TO ENSURE THAT THE CCG HAS SUFFICIENT CAPACITY AND CAPABILITY TO DELIVER ITS BUSINESS
3. TO DELIVER SPECIFIC AND DEFINED QUALITY IMPROVEMENTS
4. TO IMPLEMENT SPECIFIC AND DEFINED SERVICE PATHWAY/PROVISION CHANGES
5. TO ESTABLISH OPERATIONAL CONTROL OF SERVICES, CONTRACTS & BUDGETS
6. TO ESTABLISH EFFECTIVE GOVERNANCE

The purpose of the Governing Body Assurance Framework (GBAF) is to:

- Ensure that there is clarity as to where accountability lies (individuals and structures such as relevant committees)
- Identify the main risks to achieving the CCG's objectives,
- Demonstrate the actions being taken to mitigate the likelihood or impact of the risk,
- Identify the controls and assurances (or lack of) relating to each main risk.
- Provide internal and external assurance that the CCG has a robust system of internal control which can be incorporated into the Annual Governance Statement.
- Bring a continuous focus to strategic risk, ensuring that Governing Body members are supported and allowed to discuss and challenge

Risk Management

The GBAF is managed in accordance with the draft Risk Management Strategy which shows how the organisation assesses risk. In addition to the GBAF there is a detailed risk register which links back to the GBAF and provides a connection between organisational strategy and day to day operations.

The aim of the Risk Strategy is to:

- Establish clear lines of accountability and reporting so that an unambiguous profile of all Risk Management issues is identified

- Support a culture whereby all staff understand their personal responsibilities in relation to managing risk and are provided with the appropriate support and training to discharge these responsibilities.

The risk scoring matrix is a familiar one combining an assessment of likelihood and impact on a five by five matrix. This is set out in the Risk Management Strategy.

At the heart of the risk management strategy are the principles of openness and escalation. Risk Management forms an integral part of the normal management process for Executive Leads. Managers are responsible for ensuring appropriate and effective processes are in place within their areas of responsibility. All Staff – including agencies, contractors and employees of other agencies working in SDCCG premises - have a responsibility to co-operate in order to manage risk effectively.

Relationship between the Governing Body Assurance Framework and the Risk Register

The GBAF is there to maintain the focus of the Governing Body on its principal objectives and risks to them. The risk register is an operational document that enables staff engaged in specific projects or areas of work to manage risk operationally. A specific risk may interface with more than one principal objective in the GBAF.

A key role of the Governing Body is to ensure that the GBAF and the Risk Register are constantly kept under review, and that accountable officers are tasked with ensuring that they are live and contemporary mechanisms for enabling real assessments of risk to take place and real actions to be set out to manage those risks.

Committees and other groups that have considered this paper: Audit, Risk and Corporate Governance Committee; Executive Committee; Clinical Quality Committee

Recommendation(s): The Governing Body is asked to AGREE the Governing Body Assurance Framework and Risk Management Strategy, noting that these will be subject to further discussion and amendment in line with the CCG's organisational development.

Implications for wider governance

Quality and patient safety: The GBAF is key to issues of quality and patient safety. Principal objective 3 but also objectives 1 and 2 refer.

Patient and Public Engagement: Surrey Downs CCG is committed to working with patients and the public on all aspects of its objectives.

Equality analysis: No EA has been carried out on this framework

Finance and resources: Principal Objective 5 refers.

Workforce: Workforce redesign is implicit in Principal Objective 2.

Statutory compliance: The Governing Body is required to have an Assurance Framework in order to complete its Annual Governance Statement and the requirements set out in its constitution, in particular the delegated responsibilities of the Audit, Risk and Corporate Governance.

Conflicts of interest: By providing an objective framework for the management of risk, the use of an Assurance Framework supports good governance in terms of conflicts of interest.

Risk and assurance: The Assurance Framework is central to all aspects of risk and assurance.

Communications Plan: This plan is on the CCG Website

Accompanying papers:

- Model for the relationship between the GBAF, the risk register and local risk registers
- Draft Governing Body Assurance Framework
- Draft Risk Strategy