

Title of paper:	Governing Body Assurance Framework and Risk Register
Meeting:	Governing Body, 21 st March 2014
Author:	Justin Dix, Governing Body Secretary
email:	justin.dix@surreydownsccg.nhs.uk
Exec Lead:	Karen Parsons, Chief Operating Officer

Purpose	To Agree	
	To Advise	
	To Note	

Development

Description of the risk register and assurance framework

The Governing Body Assurance Framework and Risk Register are produced in conjunction with Heads of Service and other managers and reviewed by the Executive Committee. The Assurance Framework enables the Governing Body to understand the risks to the principal objectives of the organisation and direct the Executive accordingly.

The risk register is closely aligned to the Assurance Framework but sets out a range of more operational risks within the organisation.

Review

The Audit Committee reviews both the Assurance Framework and the Risk Register in order to give the Governing Body assurance that they meet the requirements for the Annual Governance Statement and the system of internal control generally.

The Assurance Framework and Risk register has been reviewed and updated with heads of service.

Executive Summary and Key Issues

Assurance Framework

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The Governing Body should NOTE the following changes

1.5 Failure of estates strategy – the strategy has been delayed from March to June.

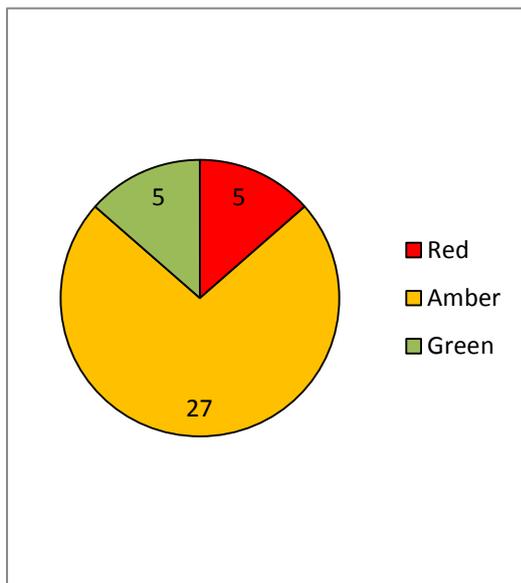
2.1 Workforce updated for recent appointments

2.2 Potential information failure narrative updated to reflect improved outlook but no change to score

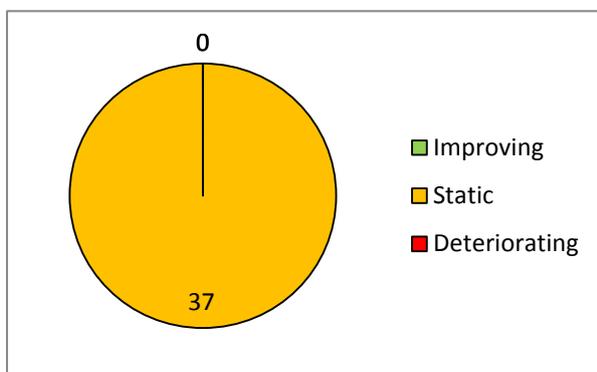
2.5 Development of a governing body development programme – original deadline December then put back to February but not completed – revised deadline is now end of April in line with end of year assessment of organisational effectiveness.

3.1 failure of soft intelligence and 3.2 failure of quality reviews – actions delayed until end of April.

Balance of red amber green:



Change since last period



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Risk Register

The Governing Body should NOTE the following changes:

Contracting risks -

- CONTR01 – EDICS arbitration outcome has shifted from April to July.
- CONTR02 - risk of quality of estate on specific sites in Epsom – downgraded from 8 to 6 as estates work is now in progress.

Contracting risks –

- CORPO 01 – the preparation of a major incident plan has shifted from End Feb to end of May due to lack of capacity in the corporate team.
- CORPO2 – A number of staff have still not completed their online IG Training therefore this has been lifted from a 12 to a 16 in terms of risk.
- CORP04 Business Continuity – downgraded from 15 to 12 as actions on business continuity have been largely completed and weather situation has calmed, further actions are however required and a review is planned prior to Easter.

Performance risks –

- PERF01/02, the SECAMB performance issues, were exchanges discussed at the Quality Committee and there have been changes to host commissioner and actions now in place following review. Narrative updated accordingly.

Quality Risks -

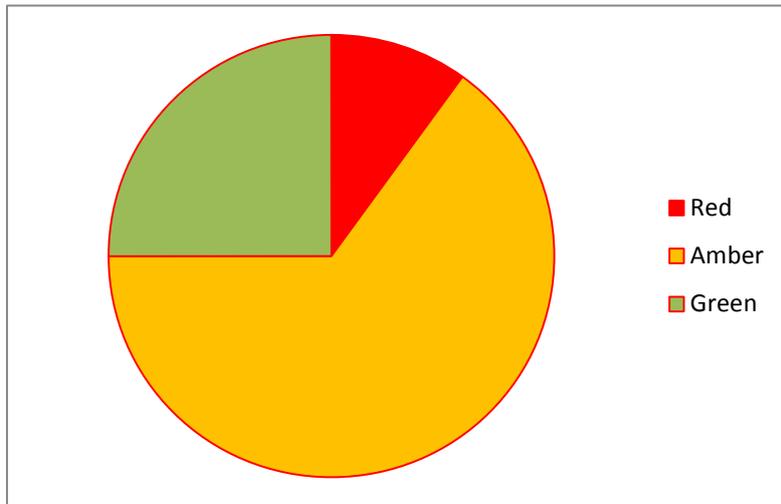
- QUAL1 Safeguarding training – narrative updated to reflect improved training position, risk downgraded from 9 to 6.

Service Redesign risks -

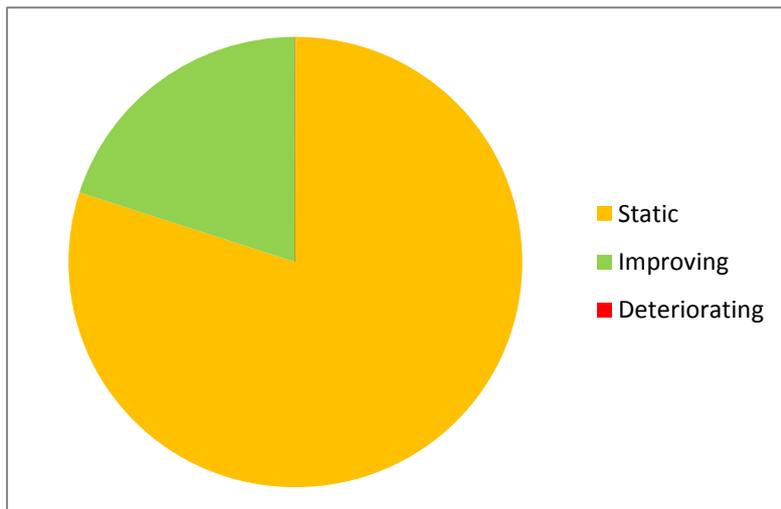
- The Governing Body is asked to AGREE to the closure of SERVRED04 Potential loss of patient records / patient information in relation to EDICS as this has now been fully mitigated.

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Balance of red, amber, green



Balance of Static, Improving, Deteriorating



Reiteration of the difference between the Assurance Framework, Risk Register, and project risk registers

Assurance Framework	Risk Register	Project Registers
Risks to the organisation’s principal objectives	Broad range of operational risks	Risks specific to projects where change is being sought
Key Focus for Governing Body with mitigation by the Executive	Key focus for the Executive with mitigation by Heads of Service	Key focus for Heads of Service with mitigation by Project Leads

Treat, Transfer, Tolerate or Terminate methodology

The Assurance Framework uses this methodology (the four “Ts”) to structure risk lead’s responses.

- **Treat** - treat or mitigate is in practice the most common response, achieved by taking action to reduce the probability of the risk occurring or by reducing the impact. This enables the organisation to continue with the activity/objective but with controls and actions in place to maintain the risk at an acceptable level.
- **Transfer** - this option is normally taken to transfer a financial risk or pass the risk to an insurer. However, there is also the opportunity to agree to transfer risks to a partner organisation in a joint project, but it is important that all parties are clear to the exact extent of each partner’s liability and responsibility for the risk.
- **Tolerate** - it may be appropriate to tolerate the risk without any further action for example due to either a limited ability to mitigate the risk or the cost of mitigation may be disproportionate to the benefit gained. The decision to tolerate would ideally be supported by a contingency plan in the event that the risk escalated.
- **Terminate** - some risks can only be contained at an acceptable level by terminating the activity. The capacity to address risks in the NHS in this way is limited, although it may apply to some projects that are no longer considered viable due to the resources required to manage the risks being disproportionate to the potential outcomes or benefits. The decision to

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terminate may mean that other more manageable or strategically acceptable risks have to then be described. An example would be terminating a contract that is unsafe or unsustainable. Terminating it may eliminate the risk but may mean that other risks have to be described and managed in the short term.

Recommendation(s):

The Governing Body is advised that the Assurance Framework and Risk Register provide positive assurance in most areas, however there are concerns about financial trends, partnerships and localities. There is also an end of year risk around Information Governance which is being actively mitigated.

The Governing Body is asked to

- NOTE the amendments set out above to the risk register and assurance framework
- AGREE to the closure of risk SERVRED04 Potential loss of patient records / patient information in relation to EDICS as this has now been fully mitigated.

Attachments / References:

- Surrey Downs CCG Governing Body Assurance Framework March 2014 (under separate cover due to size and format of document)
- Surrey Downs CCG Risk Register March 2014 (under separate cover due to size and format of document)

Implications for wider governance

Quality and patient safety: Quality and Patient safety risks will be reviewed by the Clinical Quality Committee in April

Patient and Public Engagement: None specific

Equality Duty: There is a risk on the risk register regarding achievement of the CG's Equality Duty.

Finance and resources: Finance and resource are reviewed by the Executive Committee.

Communications Plan: This paper is available on the CCG web site.

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Legal or compliance issues: The Assurance Framework and Risk Register are a part of the Annual Governance Statement and the overall system of internal controls. A number of individual risks relate to statutory duties.

Risk and Assurance: The CCG's approaches to risk management and risk tolerance are still maturing. There also remains a need to achieve a better understanding of risk throughout the organisation, with managers using risk assessment tools as part of everyday work rather than risk just being perceived as a compliance exercise.

