

Governing Body meeting (held in public)

DATE: 26 November 2015

Title	Board Assurance Framework	
This paper is for Discussion and Information as a standing agenda item		
Recommended action for the Governing Body	That the Governing Body: Note.	
Potential areas for Conflicts of interest	None identified in this report.	
Executive summary	<p>The Governing Body is presented with the report on the Board Assurance Framework; risks on the corporate risk register with a residual risk rating of 15 and above.</p> <p>In this report there is only one risk that meets the criteria (Risk 243). The risk relates to the underlying acute position during 2015-16.</p>	
How does this paper support the CCGs objectives?	Patients:	Identify and managing the risks facing the organisation should contribute to the improvement of the health and wellbeing of people in Bexley in partnership with our key stakeholders.
	People:	Identify and managing the risks facing the organisation should contribute to the empowerment of our staff to make NHS Bexley CCG the most successful CCG in (south) London.
	Pounds:	Identify and managing the risks facing the organisation should contribute to the delivering on all of our statutory duties and become an effective, efficient and economical organisation.
	Process:	Commissioning safe, sustainable and equitable services in line with the operating framework and which improves outcomes and patient experience should be added by the ability of the organisation to identify and manage risks effectively.
What are the Organisational	Key risks	Failure to identify and effectively manage risks facing the organisation.

Clinical Commissioning Group

implications	Equality	None identified in this report.	
	Financial	None identified in this report.	
	Data	None identified in this report.	
	Legal issues	Failure to identify and effectively manage risks may result in legal implications for the organisation.	
	NHS constitution	Failure to identify and effectively manage risks may lead to a breach of the NHS constitution.	
Engagement	Not applicable.		
Audit trail	Not applicable.		
Comms plan	The report will be available to all employees.		
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Date	12 November 2015		

RISK SCORE MATRIX

		Likelihood					
		1	2	3	4	5	
		Rare - Can't believe the risk will ever happen <0.1 %	Unlikely - Do not expect the risk to happen but it is possible 0.1-1 %	Possible - The event may occur occasionally 1-10 %	Likely - The event will probably occur but is not a persistent issue 10-50%	Almost certain - The event will undoubtedly occur, possibly frequently >50%	
Impact	5	Catastrophic - Death or major disaster / loss / Non-delivery of key objective/ Loss of >1 per cent of budget / Failure to meet specification/ slippage Loss of contract / payment by results / Claim(s) >£1 million	5	10	15	20	25
	4	Major - Significant / permanent harm / Uncertain delivery of key objective / Loss of 0.5–1.0 per cent of budget. / Claim(s) between £100,000 and £1 million	4	8	12	16	20
	3	Moderate - Hospitalised or medium term injury / Major financial loss (£20K to £100K) including litigation settlement	3	6	9	12	15
	2	Minor - More than 3 days off sick due to injury / Loss of 0.25–0.5 per cent of budget /Claim(s) between £10,000 and £20,000	2	4	6	8	10
	1	Negligible - No obvious injury or harm / Loss of 0.1–0.25 per cent of budget / Claim less than £10,000	1	2	3	4	5

Risk Score	Action
15-25	Highest Priority – Escalate to the Governing Body
10-14	High Priority – Escalate to the Executive Management Committee
7-9	Medium Priority – Escalate to Departmental Director
1-6	Lower Priority - Manage within Departmental Teams

Board Assurance Framework (BAF)

Introduction

The report presents Board Assurance Framework (BAF) to the Governing Body. BAF is made up of all corporate risks with a residual rating of 15 and above in the corporate risk register. It is intended to provide assurance to the Governing Body on how effectively directors and managers are managing risks identified within the organisation.

Assistant Directors (ADs) of the CCG meet monthly to review the risk register. The Chief Financial Officer contributes to the ADs discussions and reviews. The ADs as 'owners' of the risks, review the risks, update register and add new risks where identified. The ADs meeting through discussions iron out any crossover issues and allow the sharing of ideas on emerging risks and how they should be accounted for in the register. Moreover, it is helping to develop further a culture that recognises the importance of risk management and its relevance to strategic and operational performance of the organisation.

Departmental teams also review their risks at departmental meetings and make recommendations for the update of their departmental risks. BAF is reported to the AIAC and updated before it is presented to the Governing Body.

Risk Register

As part of the CCG's risk management and assurance process, the governing body should have oversight of the board assurance framework. Currently, we have only one risk that meets the criteria from the commissioning department.

The risk has a residual risk rating of 16. The risk is about underlying acute position which may cause significant cost pressures in 2016-17. The outcome may result in the organisation not breaking even in 2016-17. Even though the target rating is 9 the forecast is 12.

Recommendation

The governing body is asked to consider and note the Board Assurance Framework.

**NHS Bexley Clinical Commissioning Group
Board Assurance Framework (All Risks Scored above 15+)**

Risk Ref	Risk <i>High-level potential risks that are unlikely to be fully resolved and require ongoing control</i>	Movement since Last Assessment	Residual Risk Rating			Forecast Risk Rating		
			Likelihood	Impact	RAG Status	Likelihood	Impact	RAG Status
243	There is a risk that the underlying acute position in 2015/16 (which is not visible in 2015/16 due to the contracts being either block or cap and collar) may cause significant cost pressures in 2016/17 which may result in the CCG not breaking even in 2016/17 (Dir: Finance)	↔	4	4	16	3	4	12

NHS Bexley Clinical Commissioning Group Board Assurance Framework (All Risks Scored above 15+)

Step 1 - Identify				Step 2 - Evaluate					Step 3 - Plan				Step 4 - Record & Review								
Date Raised	Ref	Accountable Lead (Risk Owner) Accountable Director (Risk Sponsor)	Risk Description & Cause (What could prevent the Objective from being achieved)	Potential Consequence (Impact)	Inherent Likelihood Score	Inherent Impact Score	Inherent Risk Rating	Controls In Place i.e. Actions implemented where this is evidence/documentated note evidence of Risk being controlled	Residual Likelihood Score	Residual Impact Score	Residual Risk Rating	Risk Movement from Last Assessment	Risk Response	Target Risk Rating	Control Gap What further action needs to be put in place	Action Deadline	Forecast Likelihood (Post Actions)	Forecast Impact (Post Actions)	Forecast Risk Rating (Post Actions)	Interdependencies i.e. Does it Impact any one else	Audit and Integrated Assurance Committee RAG Rating of Mitigating Actions
DIRECTORATE : Finance																					
Pounds: Delivering On All Of Our Statutory Duties																					
13/10/2015	243.2	Theresa Osborne Sarah Blow	There is a risk that the underlying acute position in 2015/16 (which is not visible in 2015/16 due to the contracts being either block or cap and collar) may cause significant cost pressures in 2016/17 which may result in the CCG not breaking even in 2016/17	Failure to meet statutory duties	4	4	16	The CCG is currently working with the CSU to ensure that the underlying positions on the acute contracts are accurate	4	4	16	↔	Treat	9	At present LGT has significant data issue due to the implementation of Cerner which need to be resolved urgently to ensure robust data is available for planning purposes, the CSU currently has capacity issues due to staff turnover	31/12/2015	3	4	12		0