

ROTHERHAM CLINICAL COMMISSIONING GROUP
ANNUAL GOVERNANCE STATEMENT 2013/14

May 2014

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NHS ROTHERHAM CLINICAL COMMISSIONING GROUP

ANNUAL GOVERNANCE STATEMENT 2013/14

Governance Statement by the Chief Officer, as the Accountable Officer of NHS Rotherham Clinical Commissioning Group.

1. INTRODUCTION

The clinical commissioning group was licenced from 1 April 2013 under provisions enacted in the Health & Social Care Act 2012, which amended the NHS Act 2006.

The clinical commissioning group operated in shadow form prior to 1 April 2013, to allow for the completion of the licencing process and the establishment of function, systems and processes prior to the clinical commission group taking on its full powers.

As at 1 April 2013, the clinical commissioning group was licensed without conditions.

2. SCOPE OF RESPONSIBILITY

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the clinical commissioning group's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the clinical commissioning group is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Clinical Commissioning Group Accountable Officer Memorandum.

3. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

This Governance Statement is intended to demonstrate the clinical commissioning group's compliance with the principles set out in The UK Corporate Governance Code, issued by the Financial Reporting Council.

4. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the clinical commissioning group, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the clinical commissioning group for the year ended 31 March 2014 and up to the date of approval of the Annual Report & Accounts.

5. THE GOVERNANCE FRAMEWORK OF THE CLINICAL COMMISSIONING GROUP

5.1 Corporate Governance Code

Whilst the detailed provisions of the UK Corporate Governance Code are not mandatory for public sector bodies, compliance with relevant principles of the Code is considered to be good practice. This Governance Statement is intended to demonstrate how the clinical commissioning group had regard to the principles set out in the Code considered appropriate for clinical commissioning groups. The NHS Rotherham Clinical Commissioning Group Governing Body has complied with the UK Corporate Governance Code in respect of:

5.1.1 Leadership

Headed by an effective Governing Body, comprised of a mixture of lay members, GPs, clinical professionals and Officers, with a clear division of responsibilities, a clear process for decision-making and a Chair responsible for leadership of the Governing Body. In addition the Governing Body has ensured that there are proper processes in place to meet the organisation's objectives and secure delivery of outcomes. The Governing Body can demonstrate that it has done its reasonable best to achieve its objectives and outcomes, including maintenance of a sound and effective system of internal control.

5.1.2 Effectiveness

Comprised of individuals with a range of skills, experience and knowledge. A formal process for appointments in place and adhered to. They have been provided with a range of strategic information covering quality, finance, performance, strategy, policy and risk which is subject to annual evaluation via the Annual Governance Statement. In addition the organisation learns and improves its performance through continuous monitoring and review of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

5.1.3 Accountability

There are clear accountability arrangements in place throughout the organisation. There are processes in place for effective management of conflicts of interest and a robust process for risk management and internal control through regular reporting and interaction with Internal and External Audit. The Governing Body ensures that there are proper and independent assurances given on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

5.1.4 Remuneration

This is set by the Remuneration Committee.

5.1.5 Relations with Shareholders

There are effective partnership arrangements with the local strategic partnership and also the local Health and Wellbeing Board. There are a range of other partnerships relevant to stakeholder groups including Patient Participation Groups, the local Safeguarding Boards, CCG Com for collaborative arrangements, and meetings with NHS England both to provide assurance and as a co-commissioner. Arrangements are in place to effectively share information between partners.

We achieve a dialogue with our shareholders based on the mutual understanding of our objectives by engaging our stakeholders in our strategic planning rounds and in specific clinical leadership events

5.1.6 Annual Accounts

In terms of annual accounts, a clear process has been identified which will ensure that CCG accounts are effectively closed down and accounts produced. Accounts scrutiny and sign-off is planned via the Governing Body with the accounts having first been reviewed in detail by the Audit and Quality Assurance Committee.

5.1.7 Discharge of statutory duties

Arrangements are in place to ensure effective discharge of statutory duties and this is documented through routine reporting arrangements.

5.1.8 Risk Management

A Board Assurance Framework and Risk Register have been maintained throughout the period and the 2013/14 risks reported twice at Governing Body.

5.2 Constitution and Establishment

NHS Rotherham Clinical Commissioning Group (CCG) was formally established on the 1st April 2013 following an authorisation process administered by NHS England. We are a Membership organisation comprising of 36 Member Practices.

There are 2 opportunities per annum to submit changes to our Constitution to NHS England for consideration, in June and November each year. In the June 2013 submission, the following changes were approved by NHS England:

	Amendment	Reason	Page No.
1	Version: 6 May 2013	Version control	1
2	West & South Yorkshire & Bassetlaw Commissioning Support Unit (WSYB CSU)	Merged CSU	4 & 29
3	Contributing to a carers strategy	Amended from 'Maintaining a carers strategy' which is incorrect – we	16

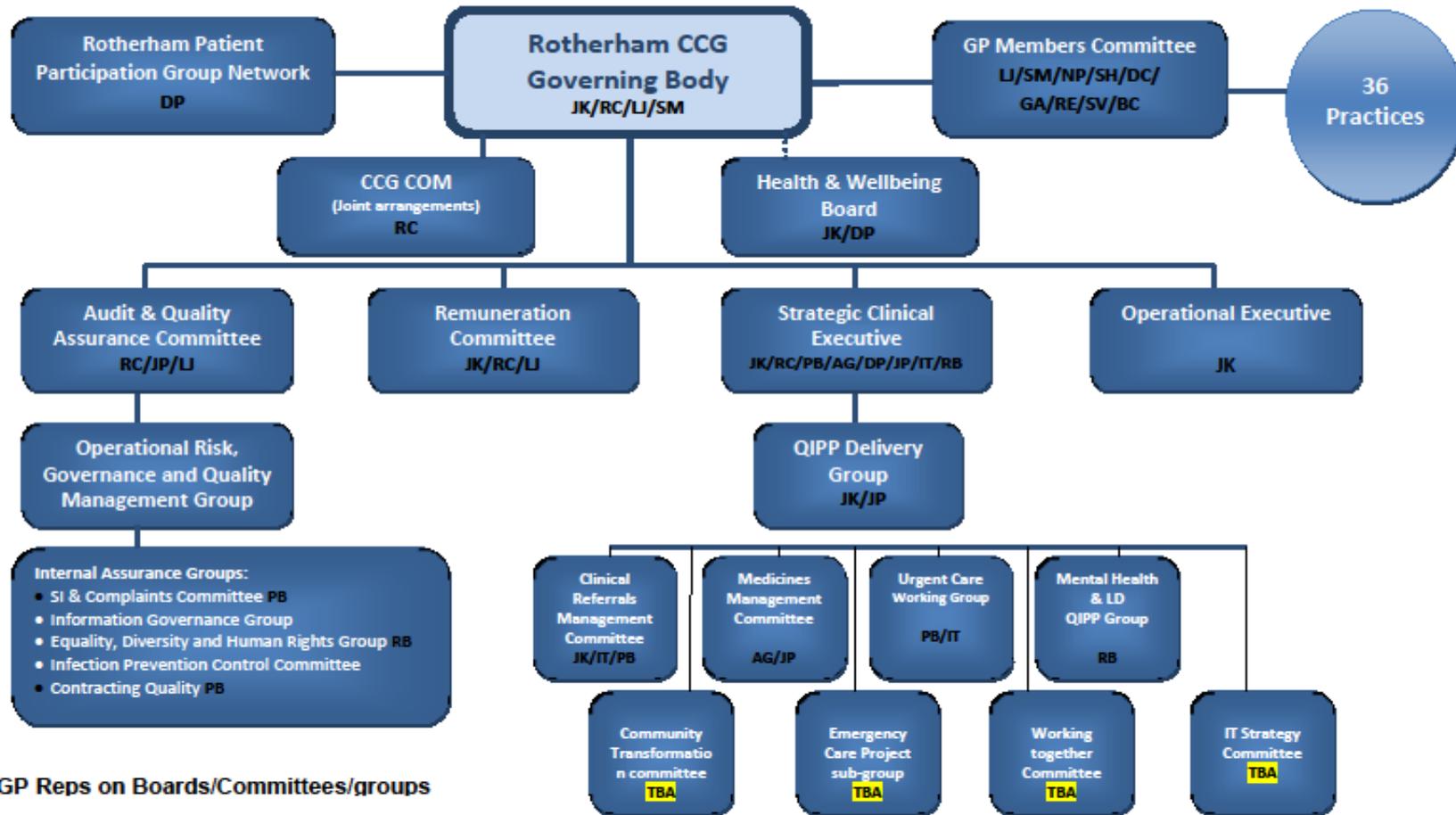
Amendment		Reason	Page No.
		support RMBC who lead on the Carers Strategy	
4	South Yorkshire & Bassetlaw and Hardwick & North Derbyshire CCGs Commissioning Network (CCG COM)	Includes Hardwick & North Derbyshire CCGs	17, 18 & 22
5	<p>The GP Members Committee is to be a strong advisory group to the Strategic Clinical Executive and Clinical Commissioning Group Governing Body and to ensure that the member practices are linked into all of the wider commissioning decisions of the Clinical Commissioning Group (the Group).</p> <p>It is representative of all of the GP Practices in Rotherham and is mandated by them. The committee's key role is to support the GPs on the Strategic Clinical Executive and to hold the Strategic Clinical Executive to account for its commissioning activities. It should provide a 'reference' point for all commissioning developments.</p>	Wording change to be consistent with TOR Appendix J	25
6	<p>Whistle Blowing: ...“The group recognises and confirms that nothing in or referred to in this constitution (including in relation to the issue of any press release or other public statement or disclosure) will prevent or inhibit the making of any protected disclosure (as defined in the Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998) by any member of the group, any member of its governing body, any member of any of its committees or sub-committees or the committees or sub-committees of its governing body, or any employee of the group or of any of its members, nor will it affect the rights of any worker (as defined in that Act) under that Act.”...</p>	<p>NHS England variance to CCG Constitution D Nicholson letter Publications Gateway ref: 00053</p> <p>CCGs are encouraged to: formally present an explicit minute at a public governing body meeting clarifying expectations and seeking formal adoption of the statement above; and include the statement in their constitutions making it clear that nothing in the constitution alters the right to make a protected disclosure.</p>	35
7	Appendix A Interpretation and definitions for standing orders and standing financial instructions	SOs, SFIs, and scheme of delegations – annual update approved CCG GB April 2013	38
8	GP members Committee	Definition inserted	39
9	Appendix D Standing Orders	SOs, SFIs, and scheme of delegations – annual update approved CCG GB April 2013	46
10	3 yearly; - Annual vote of confidence	<p>GPMC Currently the posts of Chair and Vice chair are reviewed on a 12 monthly basis and elections take place annually. Amend that both posts are reviewed and elected every 3 years,</p>	48 & 106 (TOR)

Amendment		Reason	Page No.
		commencing from April 2013 but to hold a vote of confidence for both posts annually to take place in March every year.	
11	Appointment made by open advert. Term of office - Substantive appointment Eligibility for reappointment – N/A; Grounds for removal from office – Gross misconduct. Competency as per CCG competencies policy; Notice period – 3 months	Registered nurse To bring NHS Rotherham CCG in line with other CCGs. Amend 'the appointment of the Registered Nurse from a temporary 2 year appointment to a substantive appointment'	49
12	Appendix E Scheme of reservation and delegation for the Trust Board	SOs, SFIs, and scheme of delegations – annual update approved CCG GB April 2013	65
13	Appendix F Financial policies	SOs, SFIs, and scheme of delegations – annual update approved CCG GB April 2013	92

5.3 Governance Structure

Our meeting governance structure is detailed below. There have been some recent changes to the QIPP structure in the year. Activity flowing through each Committee is captured in section 5 of this report.

NHS Rotherham Clinical Commissioning Group Governance Structure, with GP representation



GP Reps on Boards/Committees/groups

RC – Richard Cullen AG - Avanti Gunasekera	PB - Phil Birks JP – Jason Page	JK–Julie Kitlowski IT – Ian Turner	RB – Russell Brynes DP - Dave Polkinghorn	LJ – Leonard Jacob SM - Simon Mackeown NP - Naresh Patel	SH - Sophie Holden DC – David Clitherow GA – Geoff Avery	RE - Robin Evans SV – Srinivasan BC – Bipin Chandran
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January 2014

Status: Draft
Version Number: 1

5.4 NHS Rotherham CCG Governing Body

The Governing Body was in place throughout the period 2013/14 and was quorate at each meeting.

The budget for which the Governing Body is responsible for includes the resources for community health services, maternity care, elective hospital services, urgent care, ambulance services, emergency and non-elective hospital services, older people's healthcare, children and young people's healthcare, rehabilitation services, healthcare for people with mental health and learning disabilities, and continuing healthcare.

The membership of the Governing Body and its attendance record is detailed below

RCCGC Member	Position	From - To	Possible attendance	Attended	%
*D Tooth	GP – SCE member – Chair	1 st April 2013 – 30th September 2013	6	5	83
*J Kitlowski	GP – SCE member – Chair	1 st October 2013 – 31 st March 2014	6	6	100
R Cullen	GP – SCE member	1 st April 2013 – 31 st March 2014	12	11	92
L Jacob	GP – GPMC	1 st April 2013 – 31 st March 2014	12	12	100
S MacKeown	GP - GPMC	1 st April 2013 – 31 st March 2014	12	11	92
J Gomersall	Lay Member	1 st April 2013 – 31 March 2014	12	12	100
**S Lockwood	Lay Member	1 st April 2013 – 31 st October 2013	7	6	86
**P Moss	Lay Member	1 st December 2013 – 31 st march 2014	4	4	100
H Ashurst	Secondary Care Doctor	1 st April 2013 – 31 st March 2014	11	9	82
C Edwards	Chief Officer	1 st April 2013 – 31 st March 2014	12	11	92
K Firth	Chief Finance Officer	1 st April 2013 – 31 st March 2014	12	11	92
R Carlisle	Deputy Chief Officer	1 st April 2013 – 31 st March 2014	12	11	92
S Cassin	Chief Nurse	1 st April 2013 – 31 st March 2014	12	11	92
Participating Observers					
J Radford	Director of Public Health (participating observer)	1 st April 2013 – 31 st March 2014	12	12	100
K Wyatt	Chair of the Health & Wellbeing Board (participating observer) Councillor Doyle stood in for the Councillor Wyatt for one meeting due to a brief restructure within the Local Authority	1 st April 2013 – 31 st March 2014	12	6	50
Officers in attendance					
S Whittle	Assistant Chief Officer (Board Secretary)	1st April 2013 – 31st March 2014	12	12	100
Wendy Commons	Secretariat (minute taker)	1st April 2013 – 31st March 2014			

**Note 1 - Dr D Tooth resigned his position as chair of the CCG Governing Body and Chair of the SCE and stepped down at the end of September 2013. Dr J Kitlowski was elected Chair of the CCG GB and Chair of the SCE from October 2013. **Note 2 – S Lockwood resigned her position as Lay member in October 2013. P Moss was interviewed and appointed from 1st December 2013.*

Vote of Confidence:

One of the ways that the CCG demonstrates accountability to its members is by holding an annual vote of confidence of all its members.

The annual vote of confidence took place in October 2013. The two questions asked of members were:

- Do you have confidence in the executive teams of the CCG?
- Do you have confidence in the direction of travel?

The outcome from the vote was 100% confidence to both questions asked.

The main functions of the Governing Body were to:

- lead the setting of vision and strategy
- approve consultation arrangements for the Commissioning Plan and approve the 2014 - 19 Commissioning Plan
- monitor performance against delivery of the annual Commissioning Plan
- provide assurance of strategic risk
- ensure the public sector equality duty is met
- ensure active membership of Health and Wellbeing Board
- secure public involvement
- promote the NHS Constitution
- delegate assurance of continuous improvement in quality to the Audit and Quality Assurance Committee
- promote improvement in the quality of primary care medical services
- monitor the clinical quality of commissioned services
- have regard to the need to reduce health inequalities
- promote involvement of patients, their carers' and representatives in decisions about their healthcare
- act with a view to enable patients to make choices
- promote innovation
- promote research
- promote education and training
- promote integration of health services where this would improve quality or reduce inequalities
- have responsibility for all financial duties

The RCGG Governing Body considered a range of strategies, policies and quality/financial/performance assurance reports and risk/governance report throughout the year.

The Governing Body monitored performance on a monthly basis against the key performance indicators, which included the headline and support measures identified in the Operating Framework. For those indicators assessed as being below target, reasons for current performance was identified and included in the report along with any remedial actions to improve performance.

The Governing Body ensured that the organisation consistently followed the principles of good governance applicable to NHS organisations. This includes the oversight and development of systems and processes for financial control, organisational control, clinical governance and risk management. The Governing Body assessed strategic and corporate risks against the CCGs objectives via the Assurance Framework.

5.5 CCG Governing Body performance including self-assessment

The Governing Body has recently undertaken a self-assessment of its effectiveness. Feedback overall was very positive and in addition the following comments were discussed at a 'development day' for the Governing Body in March 2014.

Comments

- The meetings are very well organised and deliver appropriate content most of the time. Challenges are encouraged and discussions and debate are very useful and robust. I am made to feel welcome.
- In the sessions where there are clashes of interest especially with issues relating to GPs, Sometimes, one might have an idea or a suggestion that could have developed instantly. It would be useful if the chair of that session would ask for any other comments, just to enrich the decision making process when the relevant parties are outside the room.
- Agendas have a better balance of strategic and operational issues, conflicts of interest are well managed, the chair is very professional and the patient engagement report is now a standing item to ensure patient's voices are heard.
- It's been a good transition from the previous chair to the new one. There are times when maintaining focus and flow can be challenging for the Chair, especially where there are competing agendas - well done.

- The brevity of reports allows only the facts to come through and this "so what" test should continue to be applied going forward.
- New to the chair role so would be interested in understanding if the meetings are better or worse in each area compared to previous meetings.

Suggestions for Improvements:

- I wonder whether a scheduled 'pre meeting' would be useful to go through the agenda, clarify any misunderstandings on points of grammar, structure or meaning. Also to outline the priority of issues on agenda which may help chairman time manage the meeting appropriately.
- Not sure if it's an appropriate question but would we want public observers to have the opportunity to comment while at the meeting?
- Patient experiences would be very valuable if time could be set aside going forward.
- Balance between 'getting the business done' and sufficient discussion of the big issues.

It was agreed that:

- We would change the layout of the room so that the public could observe more easily
- Nameplates would be used
- The public would be asked for comments and feedback at the end of the meeting
- The 'big' items would be moved up the agenda.

The organisation has a number of Officers and competent advisors with lead responsibilities for Governance and Risk Management.

The Chief Officer has responsibility for:

- Ensuring that the clinical commissioning group fulfils its duties to exercise its functions effectively, efficiently and economically thus ensuring improvement in the quality of services and the health of the local population whilst maintaining value for money;
- At all times ensures that the regularity and propriety of expenditure is discharged, and that arrangements are put in place to ensure that good practice is embodied and that safeguarding of funds is ensured through effective financial and management systems.
- Works closely with the chair of the Governing Body, and ensures that proper constitutional, governance and development arrangements are put in place to assure the members (through the Governing Body) of the organisation's ongoing capability and capacity to meet its duties and responsibilities. This has included arrangements for the ongoing developments of its members and staff.

The Deputy Chief Officer has been responsible for research governance and risk management. He has coordinated the CCG's approach to governance, risk management and measures/monitors overall Governance and Risk Management performance within the organisation.

The Chief Nurse is responsible for the management of serious incidents, The role also has the lead for Clinical Governance and has responsibility for strategic development and operational implementation of Patient Safety, Clinical Risk Management, safeguarding, quality of commissioned services and infection prevention and control. Providing written evidence of assurance to the governing body on a monthly basis.

The Assistant Chief Officer is responsible for corporate governance, complaints, claims and freedom of information.

The Chief Finance Officer has responsibility for the implementation of financial risk management and ensuring strong financial governance processes and procedures are in place.

Lay members in conjunction with the Executive Team have responsibility for reviewing risk management strategies, processes and risk related issues via reports to the relevant Committees. Individuals have particular responsibilities in relation to their membership and chairmanship of various sub committees.

All staff undertake a workplace induction which raises awareness of risk management policies and procedures and complete core mandatory training.

A mandatory training needs analysis is in place which clearly identifies the mandatory training requirements for all staff.

5.6 Audit and Quality Assurance Committee

The Audit Committee was established in April 2013 at the inception of the Rotherham Clinical Commissioning Group as a statutory sub-committee reporting directly to the new Governing body.

The public rightly expect that the NHS should adhere to the highest standards of governance and the existence of the Rotherham Audit and Quality Assurance Committee conveys to both staff and the public the importance the Governing Body continues to attach to both internal control and corporate governance.

The Committee's primary role has been to review and report upon the adequacy and effective operation of the organisation's overall governance and Internal Control system, including risk management, financial, operational and compliance controls, together with the related assurances that underpin the delivery of the organisation's objectives contained within the Assurance Framework. This role is set out clearly in the Committee's terms of reference which were revised during 2013 to ensure these key functions are embedded within the new Constitution and governance arrangements of the Rotherham Clinical Commissioning Group.

The Committee reviews the effective local operation of Internal and External Audit, as well as the Counter Fraud Service. It ensures that a professional relationship is maintained between the External and Internal Auditors, so that reporting lines can be effectively used. In addition the Committee maintains oversight of the assurance processes associated with the quality of services commissioned on behalf of Rotherham patients. Methods of assurance of quality are at the heart of the recent national public debate about quality standards and patient care within the modern NHS arising from the publication of a number of critical reports including those by Francis and Keogh.

The Committee membership during 2013/14 was comprised of the two new lay members of the Clinical Commissioning Group (CCG) and two General Practitioners supported by representatives of both Internal and External Audit and senior CCG officers

The membership of the Audit & Quality Assurance Committee and its attendance record is detailed below:

Member	Position	From - To	Possible Attendance	Attended	%
Mr J Gomersall	Lay Member for Governance	1 st April 2013 – 31 st March 2014	5	5	100
*Mrs S Lockwood	Lay Member – Public and Patient Engagement	1 st April 2013 – 31 st October 2013	2	1	50
*Mr P Moss	Lay Member – Public and Patient Engagement	1 st December 2013 – 31 st March 2014	2	1	50
Dr R Cullen	GP - SCE	1 st April 2013 – 31 st March 2014	5	5	100
Dr J Page	GP - SCE	1 st April 2013 – 30 th June 2013	1	0	0
Dr L Jacob	GP - GPMC	1 st July 2013 – 31 st March 2014	5	4	80
Standing invitations to attend:					
The Chief Finance Officer			5	5	100
The Chief Nurse			5	4	80
Assistant Chief Officer			5	4	80
The CCG'S Internal Auditors - provided by E.M.I.A.S/ 360 Assure			5	5	100
The CCG's External Auditors – provided by KPMG			5	5	100
The Counter Fraud Officer			5	4	80
In addition, other officers from within the organisation have been invited to attend where it was felt that to do so would assist in the effective fulfilment of the Committee's responsibilities. In accordance with the terms of reference the Chief Officer also attended a meeting during 2013.					

**Mrs S Lockwood resigned her position as Lay Member in October 2013. Mr P Moss was interviewed and appointed from 1st December 2013.*

The Audit and Quality Assurance Committee has met formally on 5 occasions during the year with all members attending regularly. Minutes of these meetings have been reported back directly to the Clinical Commissioning Group Governing Body.

The Chairman attends periodic meetings of the chairs of the audit committees of the other local Clinical Commissioning Groups

Links established between the Audit and Quality Assurance Committee Chair and the Chairs of the Audit committees of other Rotherham public service organisations, to discuss areas of mutual interest in partnership working have been continued and extended. This year this group has focussed attention upon the minimisation of risks within public services at a time of considerable uncertainty and change.

The Audit and Quality Assurance Committee itself has focussed upon examining the risks associated with both the new health service structures and also upon the effects of financial constraints particularly upon our major local health provider services. Close working relationships have been maintained with health providers and the Chair and a GP attended the local Foundation Trust's Audit Committee to observe at first hand their assurance and governance processes

The Committee has also examined the effectiveness of the governance arrangements of the CCG and in accordance with good practice reviewed our own performance during the year. In relation to the Governance of the CCG the chair has attended and reported back on the functioning of the Members Committee, the Clinical and Operational Executive meetings and the work of the operational Quality Group.

Our own internal review was undertaken by way of a survey of Committee members in February 2014, results of which are shown at Appendix 1. The audit of AQuA members effectiveness can be found at appendix 2 and the comparisons with 2012/13 results at appendix 3.

Additionally the Committee has examined in detail a number of proposed new policy documents relating to matters as varied as Human Resources, Equality and Diversity and Emergency Planning, all of which contribute to the governance processes of the CCG.

Financial Statement - During the financial year the group has received exception updates on financial issues of the CCG.

The Annual Audit letter of the former PCT was discussed and the positive outcomes noted.

The Chief Finance Officer reported regularly on any risks to the financial position at each meeting and together with other miscellaneous matters such as single tender actions and losses and special payments. The Committee has also received updates on progress with the agreed efficiency programmes which are integral to both the delivery of the medium term financial plan and the overall Commissioning Plan

During the year the Committee has been assured by the robustness of the financial arrangements through independent audit reports.

Internal Control and Risk Management Systems - At each meeting the Committee has considered reports from its Internal and External Auditors, and has also received updates on the risk management framework operating within the CCG. This has enabled the Audit and Quality Committee to examine the effectiveness of the organisation's Assurance Framework, financial performance and the processes for governance. Consideration of these areas has informed further work to ensure that the Risk Register has been regularly revised to both reflect the rapidly changing backdrop to the work of the CCG and also to improve the actual maintenance of data within the register itself.

The organisation's **Annual Governance Statement** was discussed and formally endorsed. It was recommended for approval by the Governing Body and signature by the Chief Officer.

External Audit - During 2013/14 the CCG's External Auditors have been KPMG and during the year the Audit and Quality Committee has worked constructively with the audit manager and his team. Our external auditors have attended every meeting. Areas jointly examined have included:

- The nature and scope of the Annual Audit Plan.
- The extent of the co-ordination between Internal and External Audit plans.
- Receiving and considering reports derived from the Annual Plan.
- Receiving and considering the Annual Audit letter before its submission to the Board.

The work of external audit is monitored by the Committee through regular progress reports. Their work is both timely and professional. The recommendations made are relevant and helpful in our overall assurance and governance arrangements and our work on minimising risk. There are clear and open relationships with officers and the reports produced are comprehensive and well presented.

In addition to local health service matters the Committee has been kept apprised by our external auditors of developments elsewhere in public services both nationally and on the world stage. These discussions have been helpful in extending the Committees awareness of the wider context of our work.

Internal Audit - The Audit and Quality Committee has regularly reviewed and considered the work and findings of Internal Audit, 360 Assurance. Our new internal auditors have attended every meeting to discuss their work. The auditors have not indicated any area of particular concern that should be brought to the Committee or Governing Body's attention and the Committee is highly satisfied with the liaison and coordination with our internal auditors.

During the year the following areas relating to internal audit have been considered;

- The nature and scope of the Annual Audit Plan
- Progress on implementing the plan including individual audit reports
- The Head of Internal Audit's annual opinion on the system of Governance
- Local Counter Fraud Progress Reports presented to each meeting.

For both Internal and External Audit, the Audit Committee have ensured that management actions agreed in response to reported weaknesses are being fully implemented in a timely manner.

The audit of the West and South Yorkshire and Bassetlaw CSU completed by Deloitte – the auditors of NHSE – was received by the CCG on **22nd May 2014**. At the time of writing the CCG is undertaking a comprehensive assessment of those findings. Whilst there are a number of recommendations within the report, there are no significant risks arising as a result of the findings however the CCG is actively working with the CSU to ensure that action is taken to remove any gaps in control identified.

Counter Fraud - The counter fraud work following organisational changes continues to evolve and the service is appreciated by the Audit and Quality Assurance Committee as it has improved our ability to tackle fraud issues. In particular the Committee are assured that the counter fraud training offered to NHS organisations and the widely distributed newsletter are playing an important role in raising awareness of potential fraud within the health service.

Integrated Governance - The Audit and Quality Assurance Committee is responsible for the maintenance of an effective system of integrated governance. It has maintained oversight of the whole process by seeking specific reports on assurance on both clinical, financial and managerial matters. In addition the group has been closely involved with establishing a governance and assurance framework fit for purpose for the Clinical Commissioning Group.

Clinical Quality - During 2013/14 the Audit and Quality Assurance Committee has given increased attention to assuring the clinical quality of services the CCG commissioned on behalf of patients. Specifically we have examined the recommendations of the Francis and Keogh reports and the actions taken by CCG staff to ensure our providers are actively pursuing those recommendations.

Our Committee meetings have been reorganised to allocate a specific part of the agendas to quality and patient safety issues including examination of the clinical quality reports of our major providers as well as updates on serious incidents and other quality indicators from the Chief Nurse. The Committee also seeks assurance through the presentation and discussion of reports from both the Adult and Children's Safeguarding Boards and reports of liaison with the Care Quality Commission and Local Authority in relation to residential and nursing homes

Feedback is given to the Committee from announced and unannounced clinically led visits to health service providers. Similarly the Committee is given details of clinical audits carried out within the services we commission as a CCG. In addition the Audit and Quality Assurance Committee receive regular reports from the sub group established to give detailed consideration of the operational implications of quality concerns.

Close liaison has been maintained with all our providers and the assurance processes on quality of patient care have been strengthened during the year by board to board meetings with the local hospital foundation trust and mental health trust.

Looking Ahead

As a result of its work during the year the Committee is satisfied that the CCG has appropriate and robust internal controls in place and that the new systems of governance incorporated in the constitution are fully embedded within the organisation. The Committee has been assured that there are no areas of significant duplication or omission in the systems of governance and internal control. The sound financial legacy of the Rotherham Primary Care Trust has been successfully continued during the first year of full operation of the Clinical Commissioning Group and at the same time constant vigilance has been maintained in relation to the quality of services commissioned.

The committee is keen to take forward the 'good practice' guidance developed by 360 Assurance, 'Building framework for Board/Governing Body assurance' they were particularly impressed with the diagram that pulled aspects of governance into one model. **Appendix 4**

5.7 Remuneration Committee

The Remuneration Committee was established in April 2013 at the inception of the Rotherham Clinical Commissioning Group as a statutory sub-committee reporting directly to the new Governing body.

The Committee has delegated authority on behalf of the Governing Body to determine appropriate terms of service for any appointments that require local determination of terms and conditions.

On behalf of the Governing Body, it determines all aspects of remuneration - including any performance related payments, pensionable pay and other entitlements, as applicable.

It will also determine arrangements for termination of employment and other contractual terms for those staff.

It determines allowances payable to members of the Governing Body the Strategic Clinical Executive and GP Members Committee.

In undertaking these responsibilities it operates within the provisions of the relevant contractual provisions for these staff groups and taking due account of relevant national guidance, directions and legislation.

Remuneration Committee Membership during 2013/14

Member	Position	From - To
Mr J Gomersall	Lay member for governance (Chair)	1 st April 2013 – 31 st March 2014
*Mrs S Lockwood	Lay Member – Public and patient Engagement	1 st April 2013 – 31 st October 2013
*Mr P Moss	Lay Member – Public and patient Engagement	1 st December 2013 – 31 st March 2014
**Dr D Tooth	GP (GB Chair)	1 st April 2013 – 30 th September 2013
**Dr J Kitlowski	GP (GB Chair)	1 st October 2013 – 31 st March 2014
Dr R Cullen	GP – SCE (Finance & governance)	1 st April 2013 – 31 st March 2014
Dr L Jacob	GP - GPMC	1 st July 2013 – 31 st March 2014
In Attendance: Mr C Edwards – Chief Officer, Mrs K Firth – Chief Finance Officer, Mrs S Whittle – Assistant Chief Officer		

**Mrs S Lockwood resigned her position as Lay member in October 2013. Mr P Moss was interviewed and appointed from 1st December 2013.*

***Dr D Tooth resigned his position as chair of the CCG Governing Body and Chair of the SCE and stepped down at the end of September 2013. Dr J Kitlowski was elected Chair of the CCG GB and Chair of the SCE from October 2013.*

The Remuneration Committee has met 5 times throughout the year and has approved the following, The Annual allowance for:

- Chief officer, Chief Finance Officer, Deputy Chief Officer,
- Governing Body Nurse and Hospital doctor,
- Lay members,
- SCE GPs, GP Members Committee (Chair and vice chair), GP Safeguarding lead

The committee also discussed the HM Treasury review of Tax arrangements and approved the arrangements for the GPs working for the CCG

5.8 Joint Committees

5.8.1 Working Together

Seven Clinical Commissioning Groups (CCGs) in South Yorkshire and North Derbyshire, along with NHS England (South Yorkshire and Bassetlaw) and Mid Yorkshire CCGs have formed a partnership called 'Working Together' to develop a strategy to take action on the challenges that face the NHS in this area. The challenges include:

- sustainably meeting the needs of an ageing population,
- maximising productivity across all services,
- ensuring that services are fit for the future,
- meeting increased patient expectations and further improving patient care, whilst operating within a challenging financial environment.

Working together on a number of common key areas will allow commissioners to provide patients with improved service benefits that would not be achieved by working on their own. The aims of this collaboration are to strengthen our ability to:

- Deliver safe and sustainable acute services in the best place
- Improve the health and wellbeing of our patients in the most efficient and effective way.

5.8.2 Health & Wellbeing Board

The Health and Wellbeing Board is a statutory, sub-committee of the council. Locally, it will be the single strategic forum to ensure coordinated commissioning and delivery across the NHS, social care, public health and other services directly related to health and wellbeing in order to secure better health and wellbeing outcomes for the whole Rotherham population, better quality of care for all patients and care users and better value for the taxpayer.

The board brings together key decision makers to address issues of local significance and to seek solutions through integrated and collaborative working, whilst being an advocate and ambassador for Rotherham collectively on regional, national and international forums.

Functions of the board include:

- To enable, advise and support organisations that arrange for the provision of health or social care services to work in an integrated way, for the purpose of advancing the health and wellbeing of people in Rotherham
- To ensure that public health functions are discharged in a way that help partner agencies to fully contribute to reducing health inequalities
- To oversee the development of local commissioning plans, to ensure that all commissioning plans take account of the Health and Wellbeing Strategy and are aligned to other policies and plans that have an effect on health and wellbeing, and where necessary initiate discussions with the NHS England if an agreed concern exists regarding a failure to take account of the strategy
- To hold relevant partners to account for the quality and effectiveness of their commissioning plans
- To ensure that there are arrangements in place to provide assurance that the standards of service provided and quality of service are safe, meet national standards and local expectations
- To reduce health inequalities and close the gap in life expectancy by ensuring that partners are targeting services to those who need it the most
- To develop a shared understanding of the needs of the local community through the statutory joint strategic needs assessment (JSNA), and ensure public engagement and involvement in the development of the JSNA so that the experiences of local people influence policy development and service provision
- To promote the development and delivery of services which support and empower the citizen taking control and ownership for their own health, whilst ensuring the safeguarding of vulnerable adults and children
- To develop a joint Health and Wellbeing Strategy to provide the overarching framework for commissioning plans for the NHS, social care and public health, and other services that the board agrees to consider such as education, housing and planning, and to subject this strategy to regular review and evaluation

- To assess whether the commissioning arrangements for social care, public health and the NHS are sufficiently aligned to the joint Health and Wellbeing Strategy and promote joined up commissioning plans and pooled budget arrangements where all parties agree this makes sense
- To prioritise services (through the development of the Health and Wellbeing Strategy) that are focused on prevention and early intervention to deliver reductions in demand for health and social care services.
- To oversee at strategic level the relevant joint communications, marketing/social marketing and public relations programmes and campaigns required to support the delivery of health and wellbeing objectives in the borough and ensure that local people have a voice in shaping and designing programmes for change
- To ensure that the people of Rotherham are aware of the Health and Wellbeing Board, have access to the relevant information and resources around the different work streams and can contribute where appropriate

An annual survey was carried out in October 2013 to consider the governance and operational arrangements of the Rotherham Health & Wellbeing Board. Results were positive and discussions are currently being held to improve the Board's governance in line with the Better Care Fund.

5.8.3 South Yorkshire Commissioners & Providers Forum

The role of SYCOM & Providers Forum is to enable the South Yorkshire and Bassetlaw and North Derbyshire Clinical Commissioning Groups (CCGs), the South Yorkshire and Bassetlaw Area Team of NHS England and NHS Provider Organisations in South Yorkshire & Bassetlaw to collaborate and take joint decisions in the areas where there is a common interest, including patient pathways .

SYCOM & Providers Forum represents the interests of and is accountable to its members. It therefore reports to each organisation's Governing Body or equivalent.

NHS Rotherham CCGs representatives are the Chief Officer and Vice Chair of the Strategic Clinical executive.

SYCOM & Providers forum will: Achieve better patient experience, better outcomes and more efficient service delivery through collaborating in the commissioning and provision of healthcare across primary care, public health services, non-specialised secondary care and specialised services, by:

- Working together on service issues with providers with whom both CCGs and NHS England hold contracts
- Sharing commissioning & provider intentions
- Working together on quality and performance issues
- Sharing clinical expertise, best practice and management resource in service redesign along patient pathways
- Ensuring Strategic Clinical Networks and Operational Delivery Networks are appropriately informed by Commissioner and provider views
- Ensuring commissioners and providers take account of the work programme of SCNs and ODNs in determining their programme of commissioning work
- Providing leadership to the SY&B health system
- Collaboration and sharing best practice on QIPP

6. THE RISK AND CONTROL FRAMEWORK

NHS Rotherham CCG's Risk Management and Assurance Framework was in place throughout 2013/14.

The CCG has a responsibility to ensure that the organisation is properly governed in accordance with best practice corporate, clinical and financial governance. Every activity that the CCG undertakes or commissions others to undertake on its behalf, brings with it some element of risk that has the potential to threaten or prevent the organisation achieving its objectives.

This Integrated Risk Management Policy enables the organisation to have a clear view of the risks affecting each area of its activity; how those risks are being mitigated, the likelihood of occurrence and

their potential impact on the successful achievement of the CCG objectives. This document sets out the policy for the identification and management of risk within the CCG.

The policy applies to all members of the CCG, the Strategic Clinical Executive, Operational Executive and all managers to ensure that risk management is a fundamental part of the CCG approach to the governance of the organisation and all its activities.

The policy:

- Sets out the organisational attitude to and appetite for risk
- Clearly defines the structures for the management and ownership of risk
- Clearly identifies how to manage and mitigate situations in which a potential risk develops into an actual risk
- Specifies the way in which risk issues are considered at each level of business planning Specifies how new and existing activities are assessed for risk and dependent on the level of risk
- Uses common terminology and scoring in relation to risk issues which is replicated across the Assurance Framework and Risk Register
- Defines the structures for gaining assurance about the management of risk
- Defines the way in which the risk register, assurance framework and risk evaluation criteria will be regularly reviewed
- Is easily available to all staff on the CCG website.

Risk identification, assessment and monitoring is a continuous structured process in ensuring that the CCG works within the legal and regulatory framework, identifying and assessing possible risks facing the organisation, and planning to prevent and respond to these. The process of risk management covers the following 5 steps to risk assessment:

- Step 1 - Identify the Risk
- Step 2 – Assess the Risk
- Step 3 – Evaluate the Risk
- Step 4 – Record the Risk
- Step 5 – Review the Risk

Risk management is embedded in the activity of the organisation through the above measures and also through assessments of specific risks e.g. information governance, equality impact assessment, business continuity.

The Internal Audit Report on Risk Management, February 2013, assessed the process as providing significant assurance. The report identified three recommendations all of which have now been actioned.

NHS Rotherham CCG carried out an Information Governance (IG) work programme and undertakes assessment by the IG Toolkit annually. Delivery of the IG work programme was overseen by the Clinical Governance Operational Group, which is chaired by the Senior Information Risk Owner (SIRO). An information risk management programme is in place that is used to manage regular risk assessments of IT systems, IT services and key Information Assets. Risk assessments are reported to the Clinical Governance Operational Group and risks are escalated to the Corporate Risk Management Framework as required. All IG related incidents are managed through the corporate incident reporting process and are routinely reported to the IG Steering Group for review. During 2013/14 all reported IG incidents relating to Rotherham were of minor significance.

A Counter Fraud report is received at each Audit & Quality Assurance Group and aims to inform the Group of the proactive and reactive activity carried out by the Local Counter Fraud Specialist (LCFS). The content of the report is formatted to accord with the requirements of the latest NHS Counter Fraud Manual outlining where relevant activity has taken place across the 7 generic areas of counter fraud work:

- **Anti-Fraud Culture** (details of fraud awareness training, local newsletters and staff and contractor engagement)
- **Deterrence** (including policy reviews and patient fraud checks, specific liaison with UKBA under Op Chamberlain and NHS Fraud Awareness month)
- **Prevention** (including NHS Protect fraud prevention instructions, alerts and intelligence bulletins and local counter fraud alerts)

- **Detection** (including Local Proactive Exercises, the Local Intelligence Network to support the Accountable Officer for Controlled Drug, Overseas Visitors Forum and the National Fraud Initiative (NFI))
- **NFI** - The LCFS has assisted the CCG in this exercise, which was completed within the required timescales set out by the Audit Commission. All recommended matches identified by the Audit Commission were completed along with sample checking of other reports. No concerns were identified involving employees of the CCG
- **Investigations** (accepts and records all referrals of fraud reporting direct to NHS Protect)
- **Sanctions** (recorded via NHS Protects FIRST system)
- **Redress** (recorded via NHS protects FIRST system)

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the clinical commissioning group's obligations under equality, diversity and human rights legislation are complied with.

The clinical commissioning group has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this clinical commissioning group's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

7. CAPACITY TO HANDLE RISK/ACCOUNTABILITIES FOR RISK MANAGEMENT

7.1 NHS Rotherham CCG Governing Body

The Governing Body has a duty to assure itself that the organisation has properly identified the risks it faces, and that it has processes and controls in place to mitigate those risks and the impact they have on the organisation and its stakeholders. The Governing Body discharges this duty as follows:

- Identifies risks to the achievement of its strategic objectives
- Monitors these on an ongoing basis via the Assurance Framework
- Ensures that there is a structure in place for the effective management of risk throughout the CCG
- Receives assurance regarding risk management within organisations providing services commissioned by the CCG
- Approves and reviews strategies for risk management on an annual basis
- Receives the minutes of the Audit and Quality Assurance Committee, and any items that have been identified for escalation to the Governing Body.
- Receives the Risk Register and Assurance Framework twice a year, assures itself of progress on mitigating actions and assurance regarding the significant risks identified in relation to commissioned services
- Demonstrates leadership, active involvement and support for risk management

7.2 The Strategic Clinical Executive and GP Members Committee

The eight GP members of the Strategic Clinical Executive and members of the GP members Committee promote risk management processes, as part of clinical governance, with all Rotherham CCG member practices. This ensures that practices continuously improve quality of primary care and report risks relating to commissioned services to the CCG, and risks relating to primary care to NHS England to ensure that risks are identified and managed.

7.3 The Chief Officer

The Chief Officer has overall accountability for the management of risk and is responsible for:

- Continually promoting risk management and demonstrating leadership, involvement and support
- Ensuring an appropriate committee structure is in place, with regular reports to the CCG Governing Body
- Ensuring that the operational executive, strategic clinical executive and senior managers are appointed with managerial responsibility for risk management

- Ensuring appropriate policies, procedures and guidelines are in place and operating throughout the CCG
- Ensuring complaints, claims and health and safety management are managed appropriately

7.4 Deputy Chief Officer

The Deputy Chief Officer is the executive lead for risk management and has delegated responsibility for:

- Ensuring risk management systems are in place throughout the CCG
- Ensuring the Assurance Framework is regularly reviewed and updated and reported to the Audit and Quality Assurance Committee
- Ensuring that an organisational risk register is established, maintained and reported to the Audit and Quality Assurance Committee
- Ensuring that there is appropriate external review of the CCG's risk management systems, and that these are reported to the CCG Governing Body
- Overseeing the management of risks as determined by the Executive Team
- Ensuring that identified risk mitigation and actions are put in place, regularly monitored and implemented

7.5 Chief Finance Officer

The Chief Finance Officer has delegated responsibility for financial risk management.

7.6 Chief Nurse

The Head of Quality/ Lead Nurse has delegated responsibility for clinical risk management including:

- The executive lead responsible for safeguarding adults, safeguarding children and Infection, Prevention and Control
- Managing and overseeing the performance management of serious incidents reported by providers of its commissioned services regarding Rotherham registered patients as per delegated responsibility by NHS England. The Serious Incident procedure can be found at (<http://www.yorksandhumber.nhs.uk/document.php?o=6826>)
- Ensuring that processes are in place to provide assurance with regard to clinical risk management within commissioned services, this includes (but not exclusively), patient safety regarding commissioned services in line with local and national legislation and guidance
- Collating intelligence from the Strategic Clinical Executive GPs with responsibility for quality of primary care, secondary care and mental health services.

7.7 Individuals Responsible

Clinical Chair of CCG Governing Body, Vice Chair of CCG Governing Body, GPs with lead responsibility for Primary Care Quality, Secondary care, Mental Health Quality, Children's and Adult Safeguarding

The individuals identified above have responsibility for identifying risks in their specific areas and discussing these with the Chief Nurse and ensuring that assessment and mitigation is carried out providing assurance to the CCG Governing Body via the Audit and Quality Assurance Committee.

7.8 Planning and Assurance Manager

The Planning and Assurance Manager, has responsibility for:

- Ensuring that an organisational Risk Register and an Assurance Framework are developed and maintained and reviewed by the Executive Team
- Ensuring that risks are reviewed on a bi-monthly basis by the senior managers designated as risk holders
- Ensuring that the Operational Executive have the opportunity to review risks jointly
- Providing advice on the risk management process
- Ensuring that the CCG Assurance Framework and Risk Register are up to date for the CCG Governing Body and all of its sub committees
- Working collaboratively with Internal Audit
- Ensuring that the Integrated Risk Management Policy is updated on an annual basis and approved by the CCG Governing Body.

7.9 All Senior Managers

Senior Managers are responsible for incorporating risk management within all aspects of their work and for directing the implementation of the CCG Integrated Risk Management Policy by:

- Demonstrating personal involvement and support for the promotion of risk management
- Ensuring that staff accountable to them understand and pursue risk management in their areas of responsibility
- Setting personal objectives for risk management and monitoring their achievement
- Ensuring risks are identified and managed and mitigating actions implemented in functions for which they are accountable and are included in the organisational risk register as appropriate
- Ensuring risks are escalated where they are of a strategic nature
- Implementing the framework in relation to Health & Safety and other employment legislation by:
 - a) Ensuring that they have adequate knowledge and/or access to all legislation relevant to their area and as advised by appropriate specialist officers ensure that compliance to such legislation is maintained
 - b) Ensuring that adequate resources are made available to provide safe systems of work
 - c) Ensuring that all employees attend appropriate mandatory training, as relevant to the role, e.g. Health & Safety, Fire, Moving and Handling and risk management training
 - d) Ensuring that all staff are aware of the system for the reporting of accidents and near misses
 - e) Monitoring of health and safety standards, including risk assessments, and ensuring that these are reviewed and updated regularly
 - f) Ensuring the identification of all employees who require Health Surveillance according to risk assessments; ensuring that where Health surveillance is required no individual carries out those specific duties until they have attended the Occupational Health Department and have been passed fit
 - g) Ensuring that the arrangements for the first-aiders and first aid equipment required within the organisation are complied with. That the location of first aid facilities are known to employees; ensuring that proper care is taken of casualties and that employees know where to obtain appropriate assistance in the event of serious injury
 - h) Making adequate provision to ensure that fire and other emergencies are appropriately dealt with

7.10 All Staff

All staff working for the CCG are responsible for:

- Being aware that they have a duty under legislation to take reasonable care of their own safety and the safety of others who may be affected by the CCG's business and to comply with appropriate CCG rules, regulations, instructions, policies, procedures and guidelines
- Taking action to protect themselves and others from risks
- Identifying and reporting risks to their line manager
- Ensuring incidents, claims and complaints are reported using the appropriate procedures and channels of communication
- Co-operating with others in the management of the CCG's risks
- Attending mandatory and statutory training as determined by the CCG or their Line Manager
- Being aware of emergency procedures relating to their particular locations
- Being aware of the CCG's Integrated Risk Management Policy and complying with the procedures

7.11 Contractors, Agency and Locum Staff

- Managers must ensure that where they are employing or contracting agency and locum staff they are made aware of and adhere to, all relevant policies, procedures and guidance of the CCG, including the CCG Incident reporting policy and procedure and the Health and Safety Policy
- Take action to protect themselves and others from risks
- Bring to the attention of others the nature of risks which they are facing in order to ensure that they are taking appropriate protective action

8. RISK ASSESSMENT

Following completion of the planned audit work for the financial year for the clinical commissioning group, the Head of Internal Audit issued an independent and objective opinion on the adequacy and effectiveness of the clinical commissioning group's system of risk management, governance and internal control. The Head of Internal Audit opinion is provided at section 10.

During the year the Internal Audit issued no audit reports with a conclusion of limited assurance.

During 2013/14 There have been no Serious Untoward Incidents involving data loss or confidentiality breach.

NHS Rotherham CCG undertakes an annual assessment and corresponding work programme using the information governance toolkit. For 2013/14 the organisation achieved level 2 or greater across all controls and was assessed as satisfactory.

The Deputy Chief Officer acts in the capacity of SIRO and the Chief Nurse is the Caldicott Guardian both of whom are members of the CCG Governing Body.

Current risks as at the end of March 2014

The CCG operates a standard 5x5 matrix for assessing risk.

Risk Matrix		Likelihood				
		(1) Rare	(2) Unlikely	(3) Possible	(4) Likely	(5) Almost certain
Consequence	(1) Negligible	1	2	3	4	5
	(2) Minor	2	4	6	8	10
	(3) Moderate	3	6	9	12	15
	(4) Major	4	8	12	16	20
	(5) Extreme	5	10	15	20	25

1-5	Low
6-11	Medium
12-15	High
16-20	Very High
25	Extreme

The RCCG Risk Register and Assurance Framework were updated on an ongoing basis to reflect any changes to currently identified risks or to add newly identified risks, and were both updated in full every 2 months. The Audit and Quality Assurance Committee received both the Risk Register and Assurance Framework at each of its meetings and the CCG Governing Body received both documents (twice) during 2013/14.

As at 18 March there are 67 risks on our register, these are categorised as follows:

Score	How many	Category of Risk Rating
20	2	Very High
16	6	Very High
15	4	Very High
12	8	High
9	10	Medium
8	11	Medium
6	11	Medium
5	3	Low
4	3	Low
3	6	Low
2	3	Low

The 15 risks scoring 5 or below have been 'retired', these will remain on our records but will no longer be reported upon.

As at 18 March there are 24 risks on our assurance framework, these are categorised as follows:

Score	How many	Category of Risk Rating
20	1	Very High
16	5	Very High
15	1	Very High
12	6	High
9	4	Medium

8	3	Medium
6	1	Medium
3	3	Low

The 3 risks scoring 5 or below have been 'retired', these will remain on our records but will no longer be reported upon.

The 7 significantly high risks are:

AF Number	Risk Description	Risk Score
AF19	Adverse impact on patient care due to problems at TRFT evidenced by: leadership change, liquidity pressures and unresolved EPR implementation issues	20
AF11	Failure to improve GP quality and efficiency (in partnership with NHS E) (current concerns are due to overall GP capacity)	16
AF12	Failure to deliver system wide efficiency programmes for prescribing, planned care and unscheduled care	16
AF09	Failure to maintain and improve quality of services and ensure effective quality and safety assurance processes are in place regarding NHSR CCG commissioned services (e.g. assurance on provider CIPs).	16
AF26	Impact on CCG of other commissioners efficiency plan	16
AF27	Named GP for Safeguarding Children due to leave organisation.	16
AF25	Reduction in resources through introduction of Better Care Fund	15

During 2013/14 the following risks were added to the Assurance Framework:

Date reported to AQuA	AF Number	Description	
April 13	AF19	Adverse impact on patient care due to problems at TRFT evidenced by: leadership change, liquidity pressures and unresolved EPR implementation issues.	20
April 13	AF20	Failure to complete local elements of the regional implementation programme for NHS 111	12
June 13	AF22	Impact of Caldicott 2 inhibiting CCGs efficiency programmes, quality assurance and financial governance	16
Nov 13	027	Failure to improve Child and Adolescent Mental Health Services (CAMHS)	20
Jan 14	AF25	Impact on CCG of other commissioners efficiency plan	16
Jan 14	AF26	Reduction in resources through introduction of Better Care Fund	16
March 14	AF27	Named GP for Safeguarding Children due to leave organisation. This will leave a significant gap in safeguarding assurance in primary care	16

9. REVIEW OF ECONOMY, EFFICIENCY AND EFFECTIVENESS OF THE USE OF RESOURCES

The Governing Body has overarching responsibility for ensuring that the CCG has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the principles of good governance. Our Constitution delegates responsibility to ensure appropriate arrangements are in place for the CCG to fulfil this duty to the Audit and Quality Assurance Committee. The Chief Finance Officer has delegated responsibility to determine arrangements to ensure a sound system of financial control.

The Audit & Quality Assurance Committee receives opinions from the work of the internal and external auditors to the clinical commissioning group and is able to advise the Governing Body on the assurances available with regards to the economic, efficient and effective use of resources by the clinical commissioning group.

10. REVIEW OF THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the

internal auditors and the executive managers and clinical leads within the clinical commissioning group who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Governing Body and the Audit & Quality Committee

My review is informed by the Head of Internal Audit Opinion Statement set out below:

I am pleased to report that the organisation has achieved **Significant Assurance** as there is a generally sound system of internal control, designed to meet objectives, and that controls are generally being applied consistently. This opinion is determined through our review of your Assurance Framework (AF) and associated processes and the work that we have undertaken throughout the year.

My review is also informed by:

- Internal and External Audit Reports
- Local Authority Scrutiny process
- NHS Staff Survey
- Performance Management systems
- Internal Committee structure with delegated responsibility for risk identification, evaluation, control, review and assurance.
- Review of the Assurance Framework
- Risk Registers
- Annual Commissioning Plan
- Quality schedules and Dashboards

I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the:

- NHS England Area Team
- Audit and Quality Assurance Committee
- Operational Risk Governance and Quality Management Group
- NHS Rotherham Clinical Commissioning Group Governing Body

The Assurance Framework is used as the plan to address weakness and ensure continuous improvement of the system. NHS Rotherham Clinical Commissioning Group have been involved with the development of the Assurance Framework and have maintained an overview of the Assurance Framework, commenting as appropriate and endorsing actions. The Assurance Framework has been approved by Audit & Quality Assurance Committee.

The Governing Body has overseen the work of Audit & Quality Assurance Committee, determines the CCG's approach to risk management and ensures that systems of internal control exist and are functioning properly. Audit & Quality Assurance Committee oversee all issues of risk management within the PCT, ensuring that all significant risk management concerns are considered and communicated appropriately to the Governing Body. The Governance systems and Governing Body agreed a process to ensure that the Assurance Framework is monitored and updated as a live document.

The CCG Governing Body and Audit & Quality Assurance Committee review the establishment and maintenance of an effective system of internal control and risk management and also received and reviewed the Assurance Framework.

The following Committees and Officers have played a significant part in maintaining and reviewing the effectiveness of the system of internal control in 2013/14 and have managed risks assigned to them.

- **Governing Body:** Responsible for providing clear commitment and direction for Risk Management within the CCG. The Governing Body delegates responsibility for risk management to the Audit and Quality Assurance Committee.
- **Audit and Quality Assurance Committee:** Responsible for providing an independent overview of the arrangements for risk management within the CCG. It provides assurance to the Governing Body that appropriate Financial and Clinical Governance and clinical risk management

arrangements are in place across the organisation. It undertakes its own annual self-assessment of its effectiveness and reviews all Internal and External Audits.

- **Chief Officer:** As Senior Responsible Officer for the CCG, the Chief Officer is responsible for achieving the objectives in the context of sound and appropriate business processes.
- **Chief Finance Officer:** As Senior Responsible Officer for NHS finances of the CCG, the Chief Finance Officer is responsible for ensuring that the organisation complies with the Standing Financial Instructions to achieve financial balance.
- **Executive Officers:** Each Executive Officer is responsible for ensuring that risks have been properly identified and assessed across all their work areas, paying particular attention to cross-cutting risks. They are responsible for agreeing the risk register entries for their work areas and for ensuring that each departmental/team lead is actively addressing the risks in their area and escalating risks up to Executive level for their attention as appropriate.
- **NHS England Area Team:** We have quarterly Assurance Reviews with the local Area Team of NHS England, which covers a South Yorkshire & Bassetlaw footprint. All reviews in 2013/14 have been positive, and have also served to strengthen the co-commissioning relationship with NHS England. The reviews have covered the six authorisation domains and the national CCG assurance framework.
- **Head of Internal Audit:** The Head of Internal Audit has a central role in the process of securing this Statement on Internal Control, and in advising the Chief Executive and the Audit Committee on the “health” of the CCG’s risk management processes. As part of Internal Audit work, reviews are carried out to assess the robustness of the implementation of the Risk Management Strategy across the organisation. They provide information on the various strengths and weakness of the approach adopted by NHS Rotherham, and advise on where improvements are necessary and desirable for the good governance of the organisation.

11. SIGNIFICANT ISSUES

No significant control weaknesses have been identified during the year. The CCG has received positive feedback from Internal Audit on the Assurance Framework and this, in conjunction with other sources of assurance, leads the CCG to conclude that it has a robust system of control.

12. CONCLUSION

My review confirms that NHS Rotherham CCG has a sound system of internal control that supports the achievement of its policies, aims and objectives.

Chris Edwards
Accountable Officer - May 2014

APPENDIX 1 – SURVEY OF COMMITTEE MEMBERS

Our own internal review was undertaken by way of a survey of Committee members in February 2014

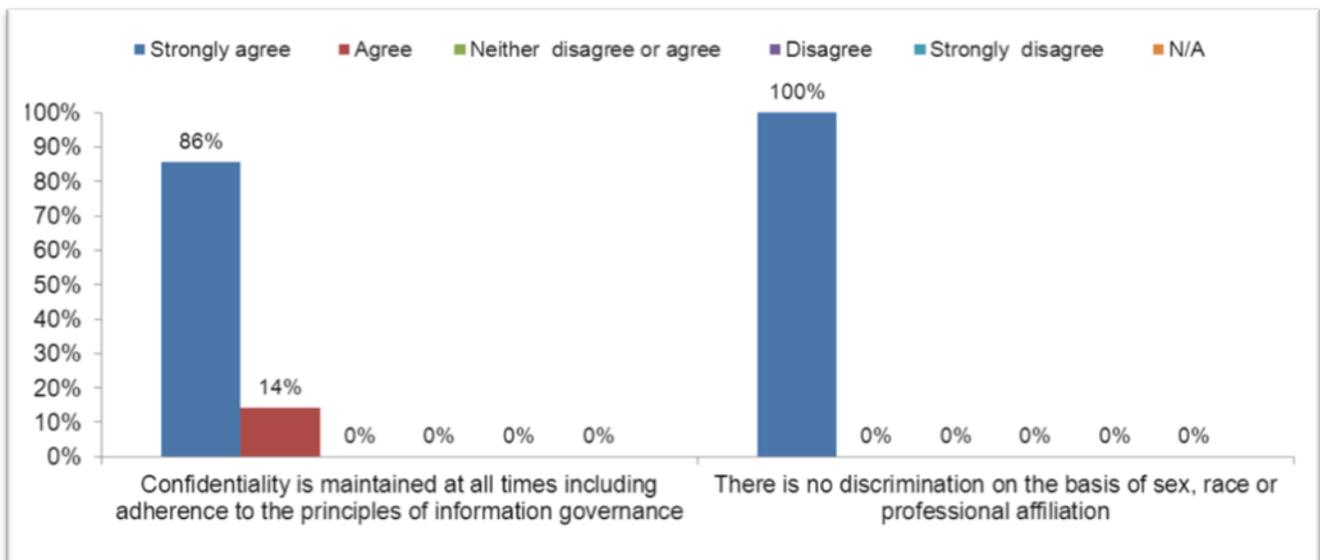
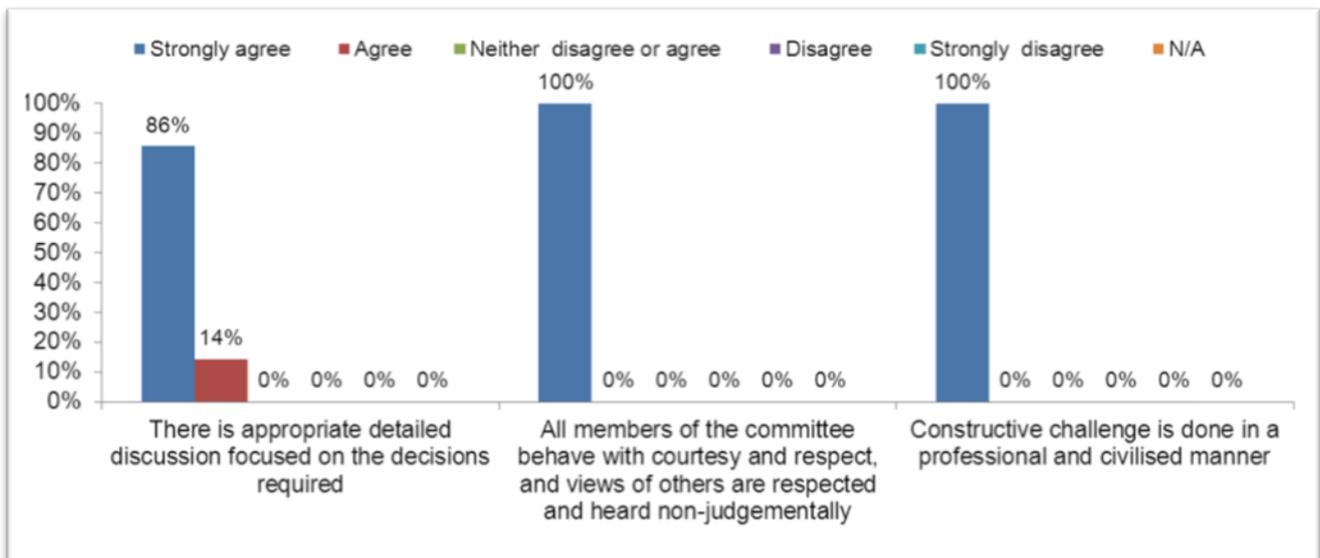
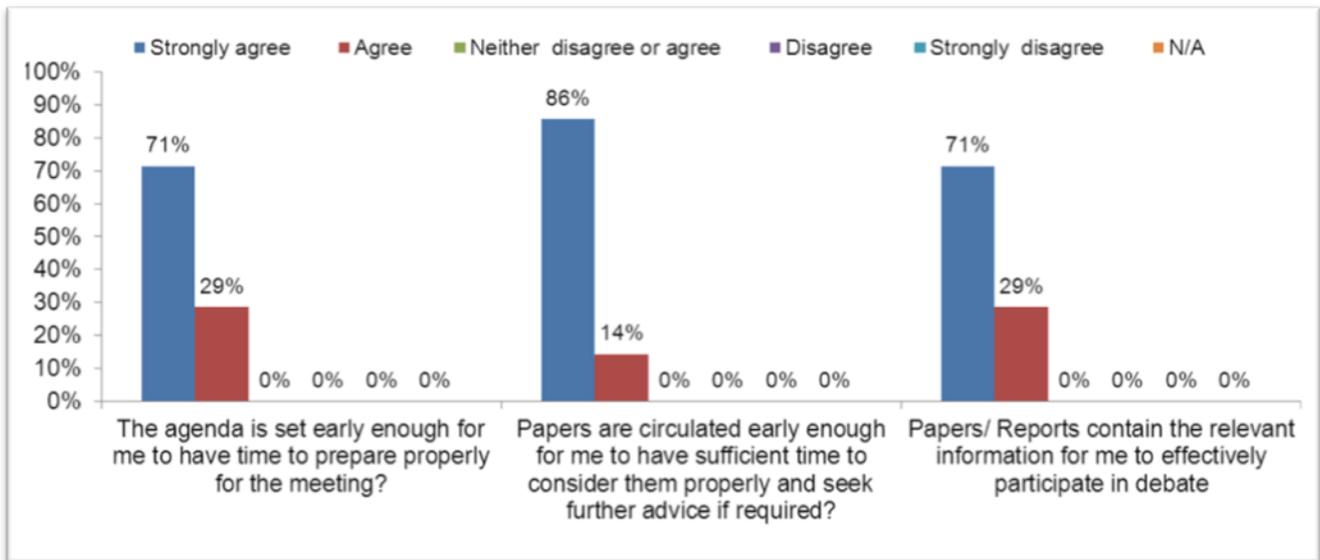
Answer Options	Strongly agree	Agree	Neither disagree or agree	Disagree	Strongly disagree	N/A
The agenda is set early enough for me to have time to prepare properly for the meeting?	71%	29%	0%	0%	0%	0%
Papers are circulated early enough for me to have sufficient time to consider them properly and seek further advice if required?	86%	14%	0%	0%	0%	0%
Papers/ Reports contain the relevant information for me to effectively participate in debate	71%	29%	0%	0%	0%	0%
There is appropriate detailed discussion focused on the decisions required	86%	14%	0%	0%	0%	0%
All members of the committee behave with courtesy and respect, and views of others are respected and heard non-judgementally	100%	0%	0%	0%	0%	0%
Constructive challenge is done in a professional and civilised manner	100%	0%	0%	0%	0%	0%
Appropriate deputies attend meetings well briefed and able to effectively participate in the meetings	43%	43%	14%	0%	0%	0%
Confidentiality is maintained at all times including adherence to the principles of information governance	86%	14%	0%	0%	0%	0%
There is no discrimination on the basis of sex, race or professional affiliation	100%	0%	0%	0%	0%	0%
I am happy to receive exception reports because I am comfortable with the operational committees systems and processes for managing issues	43%	57%	0%	0%	0%	0%
Individuals invited to present to the committee are appropriately briefed by the most relevant committee member	14%	71%	14%	0%	0%	0%
The Chair promotes good standards of corporate governance	86%	14%	0%	0%	0%	0%
The Chair controls the conduct of the meeting effectively	86%	14%	0%	0%	0%	0%
The Chair acts as a link between the Governing body, and Audit & Assurance Committee in relation to escalation of issues	86%	14%	0%	0%	0%	0%
The Committee delivers assurance on the effectiveness of internal controls, risk management and governance	86%	14%	0%	0%	0%	0%
There is appropriate discussion of patient issues at meetings	43%	57%	0%	0%	0%	0%
There is appropriate discussion of clinical outcomes at meetings	14%	86%	0%	0%	0%	0%

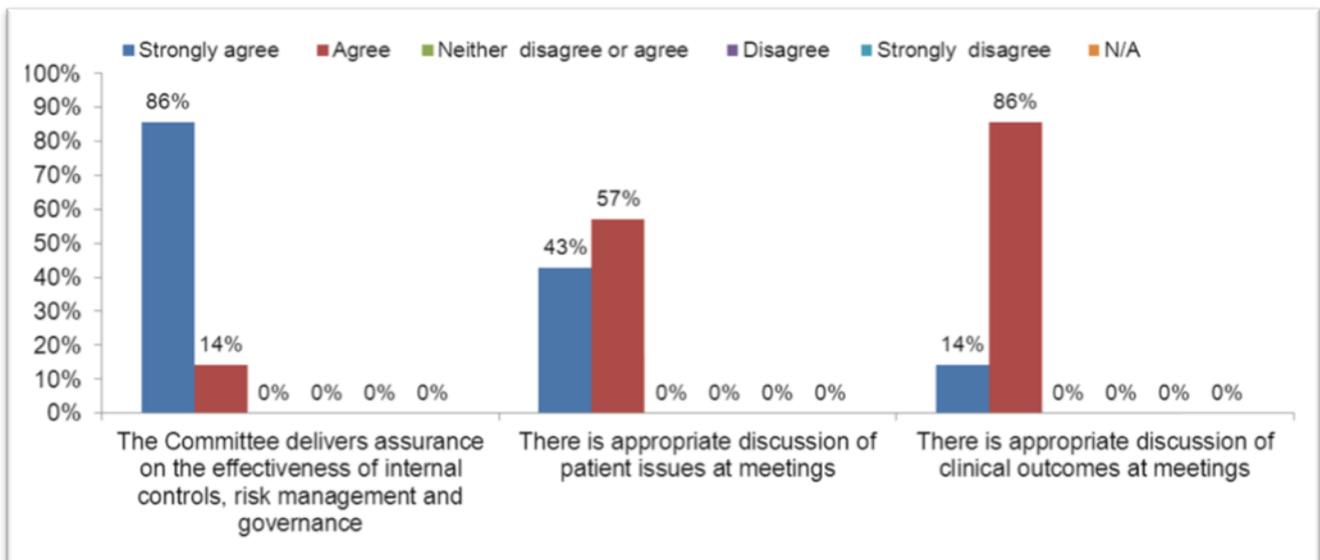
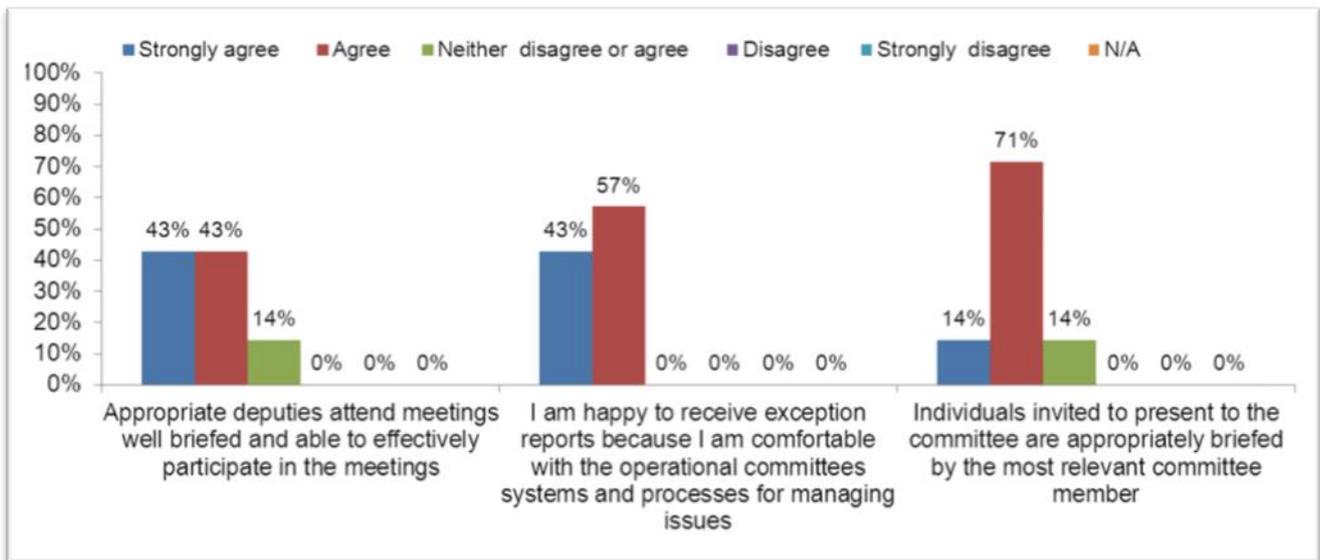
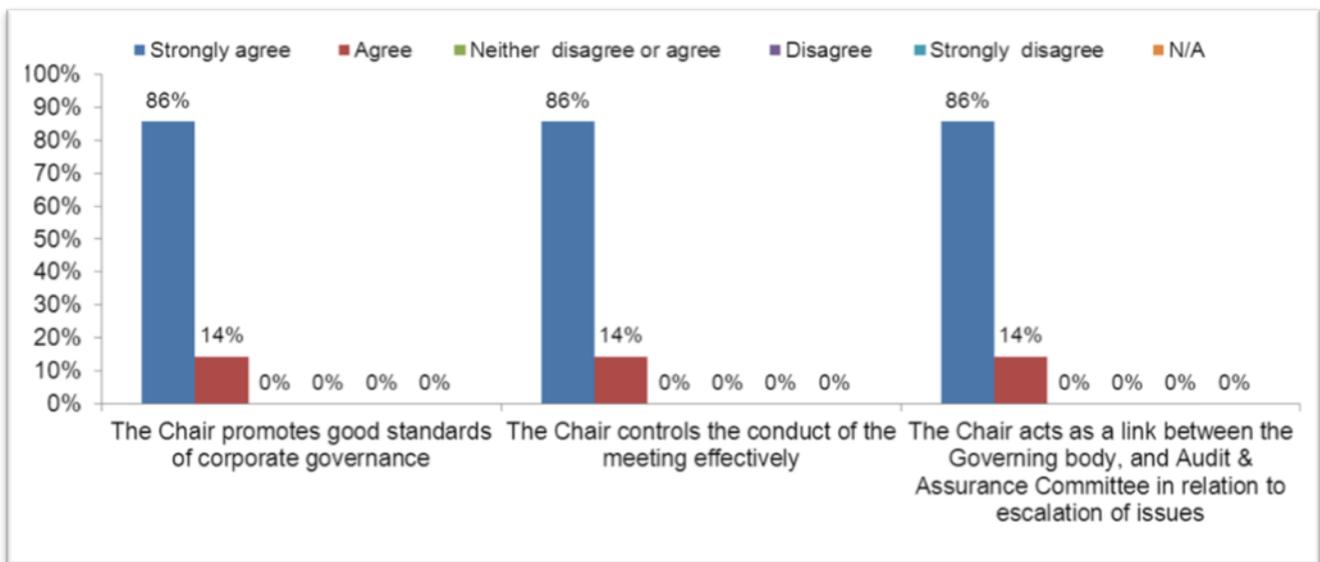
Comments – Excellent well run committee

APPENDIX 2 - AQUA COMMITTEE MEMBERS EFFECTIVENESS

Results from the committee members effectiveness at the Audit and Quality Assurance Committee Meetings.

Sample Size = 7



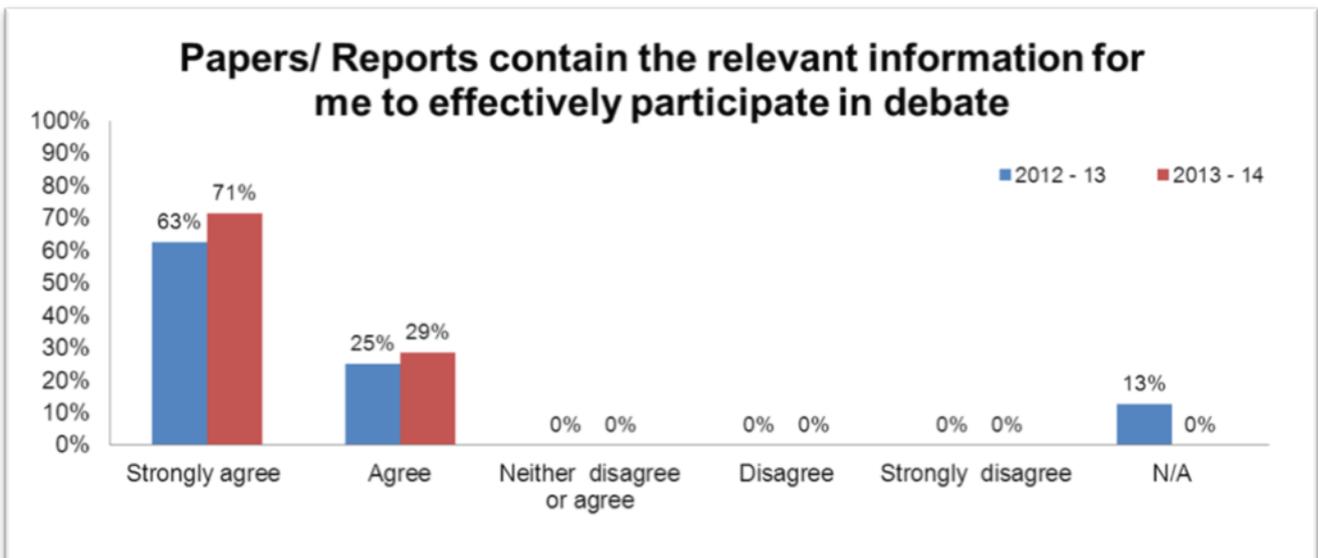
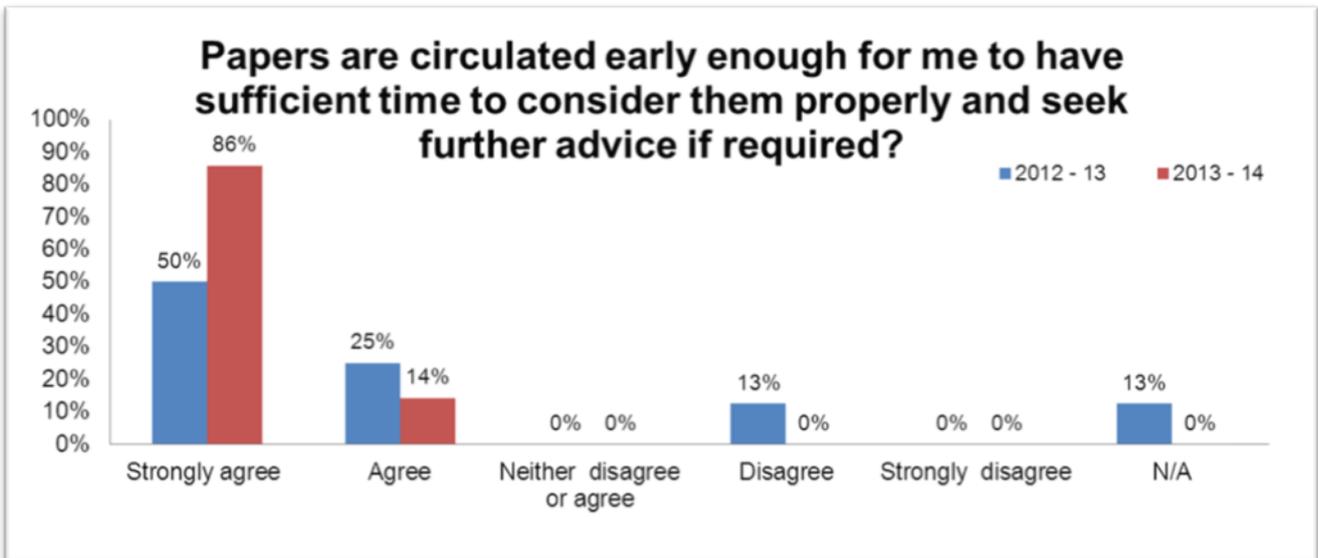
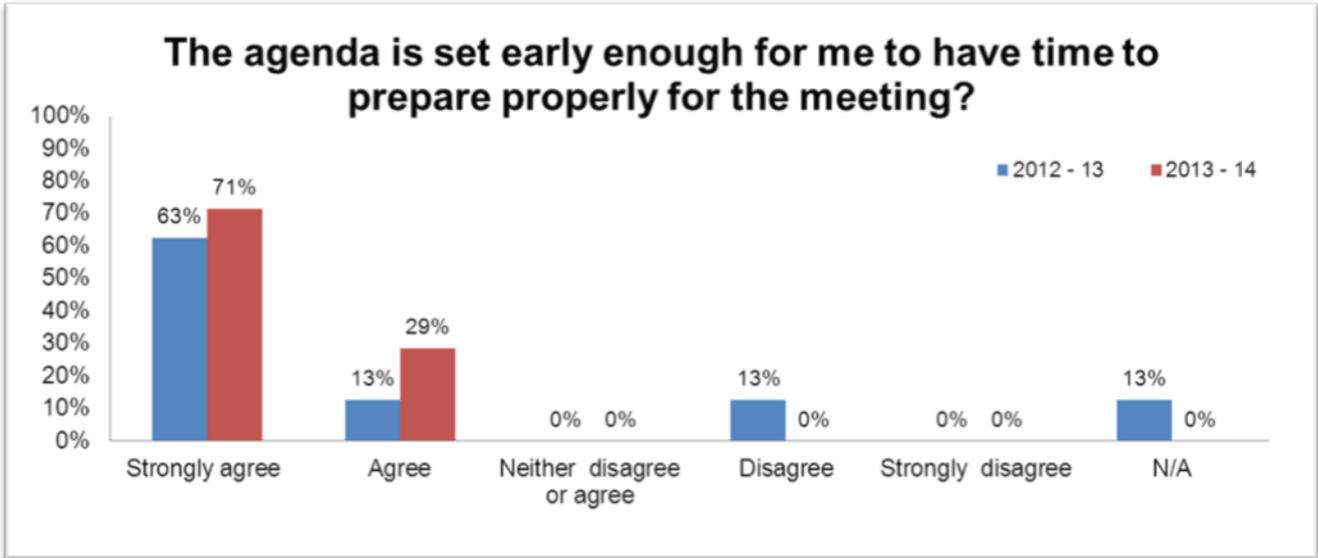


Comments

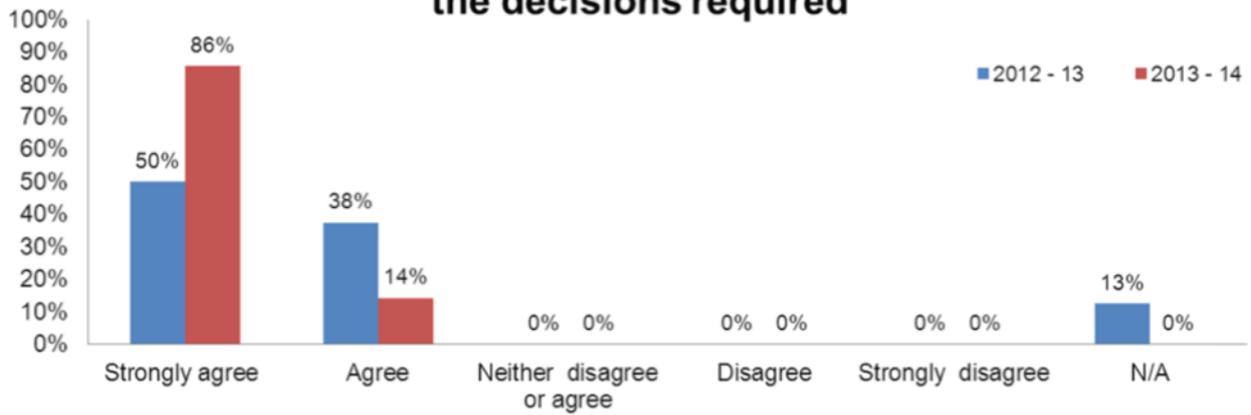
Excellent well run committee.

APPENDIX 3 - AQA COMMITTEE MEMBERS EFFECTIVENESS COMPARISON 12/13 & 13/14

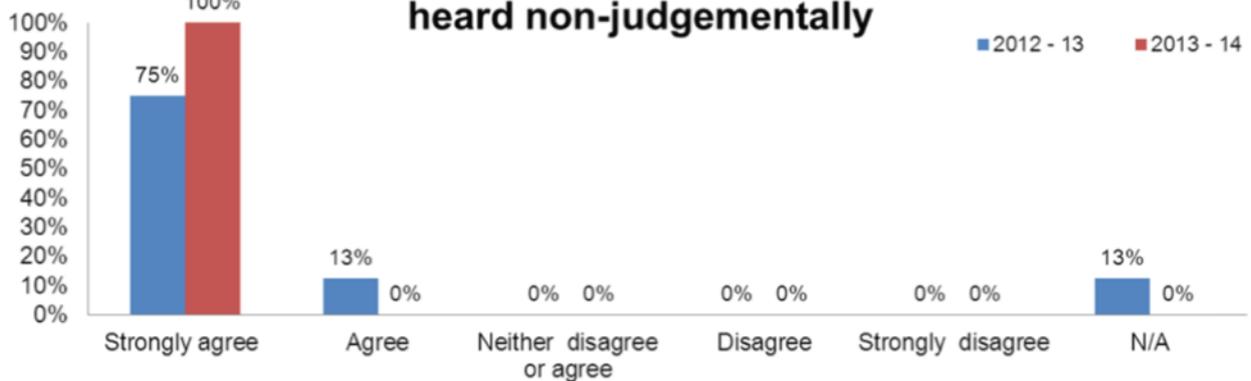
Results from the committee members effectiveness at the Audit and Quality Assurance Meetings - Comparison between 2012/13 and 2013/14.



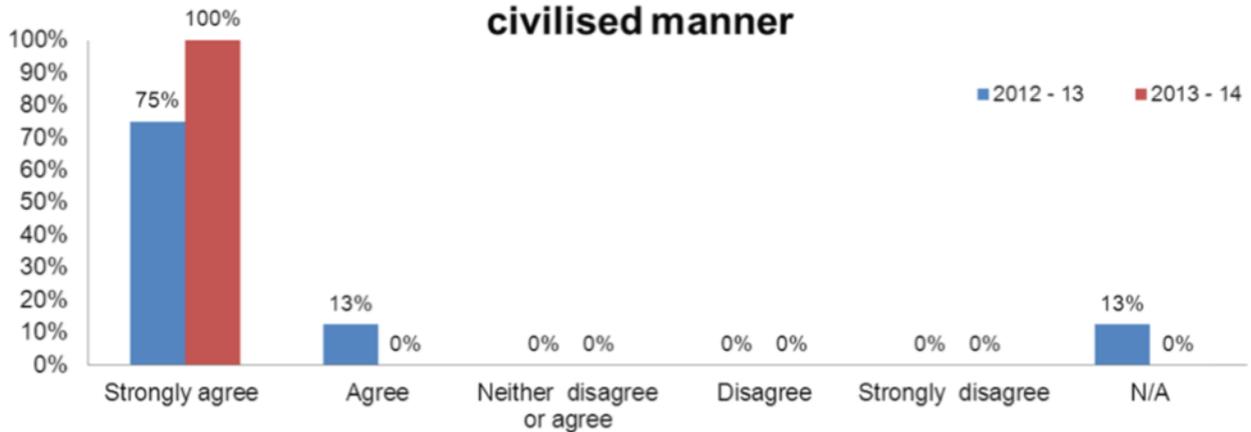
There is appropriate detailed discussion focused on the decisions required



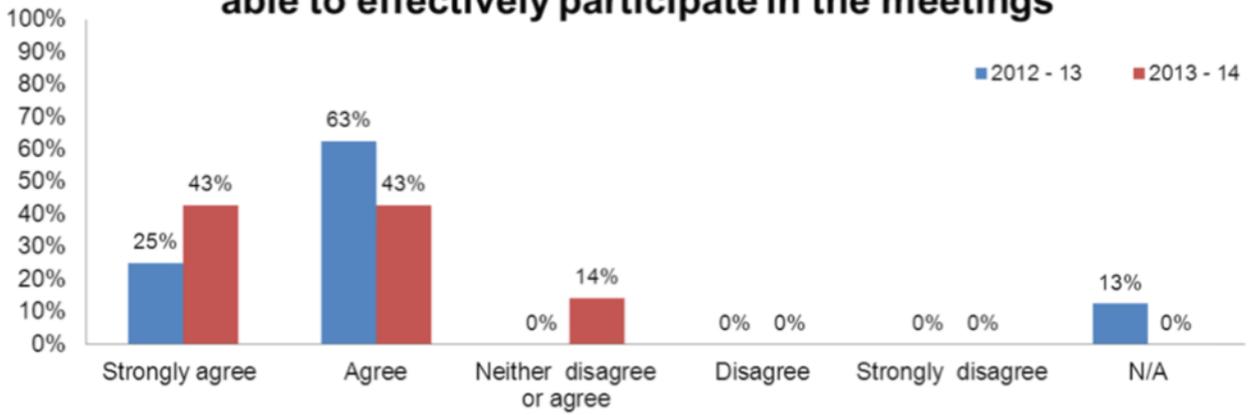
All members of the committee behave with courtesy and respect, and views of others are respected and heard non-judgementally



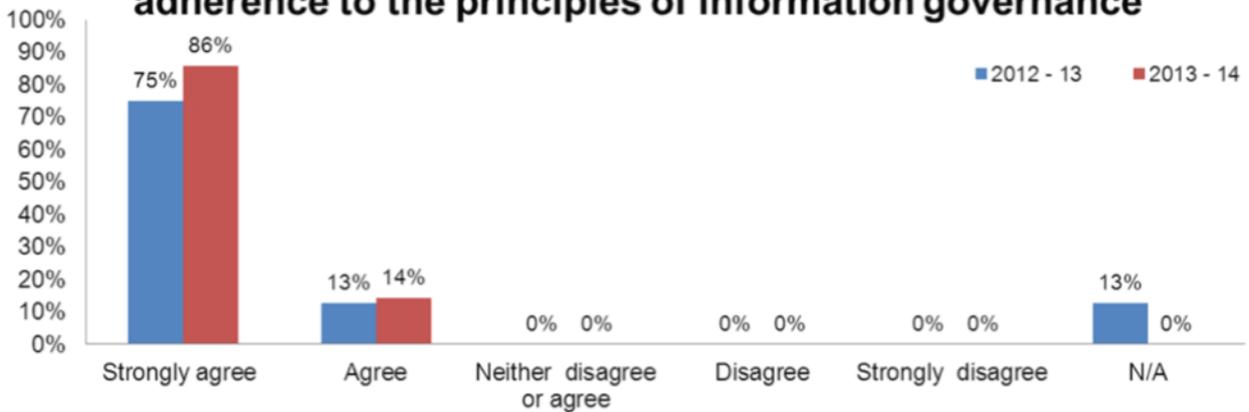
Constructive challenge is done in a professional and civilised manner



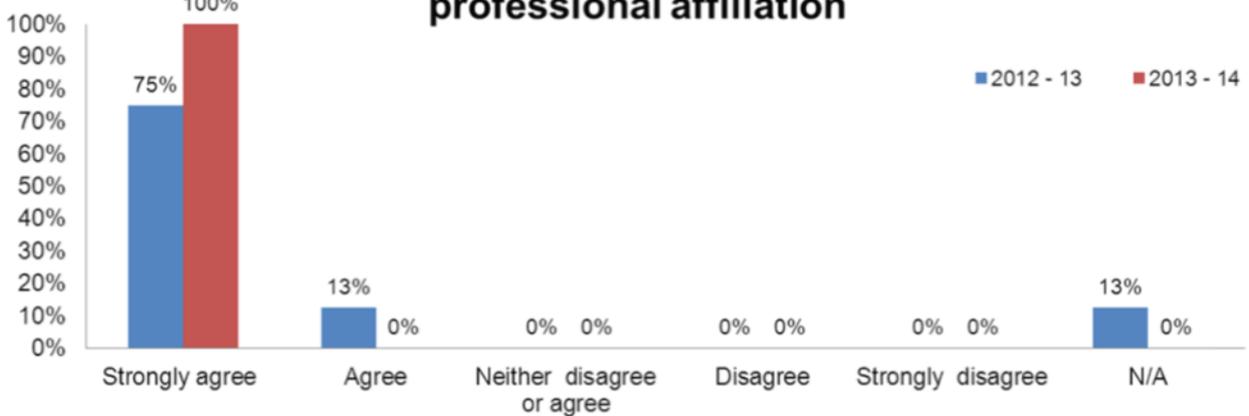
Appropriate deputies attend meetings well briefed and able to effectively participate in the meetings



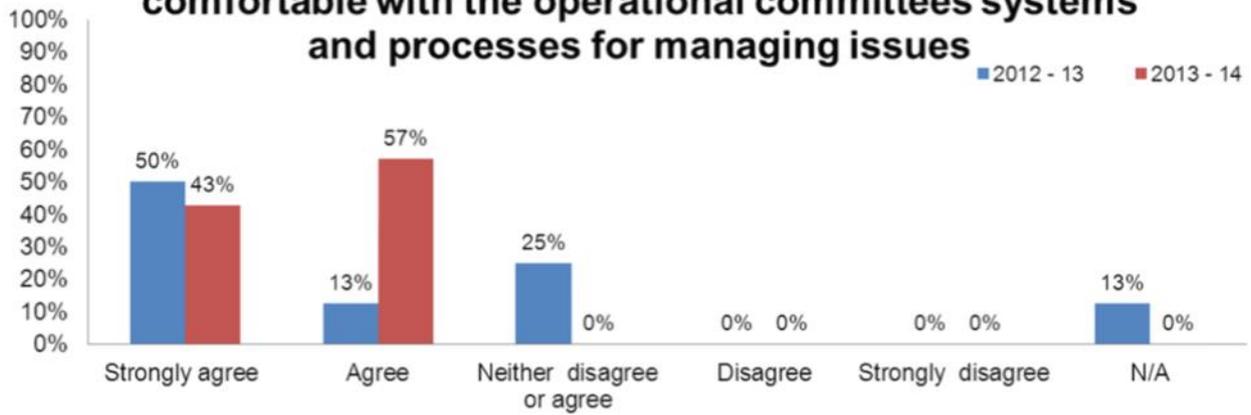
Confidentiality is maintained at all times including adherence to the principles of information governance



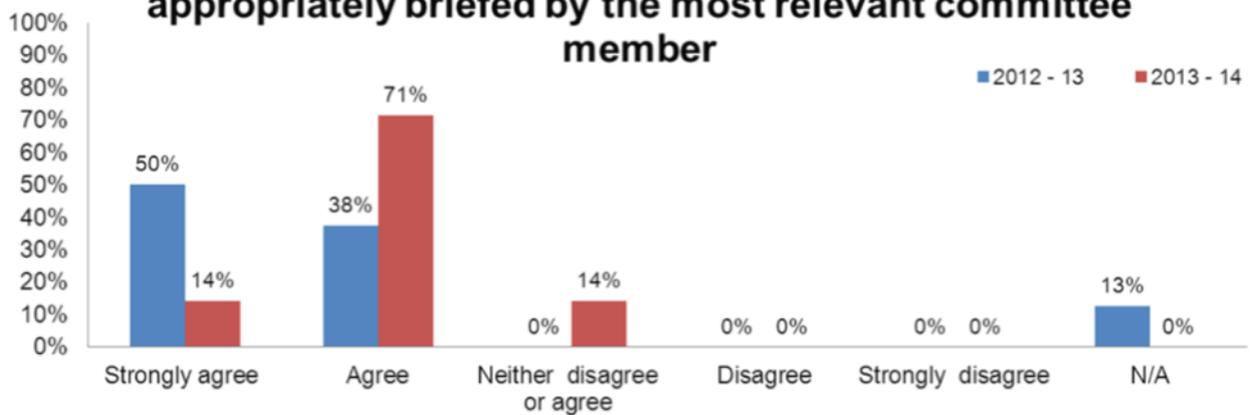
There is no discrimination on the basis of sex, race or professional affiliation



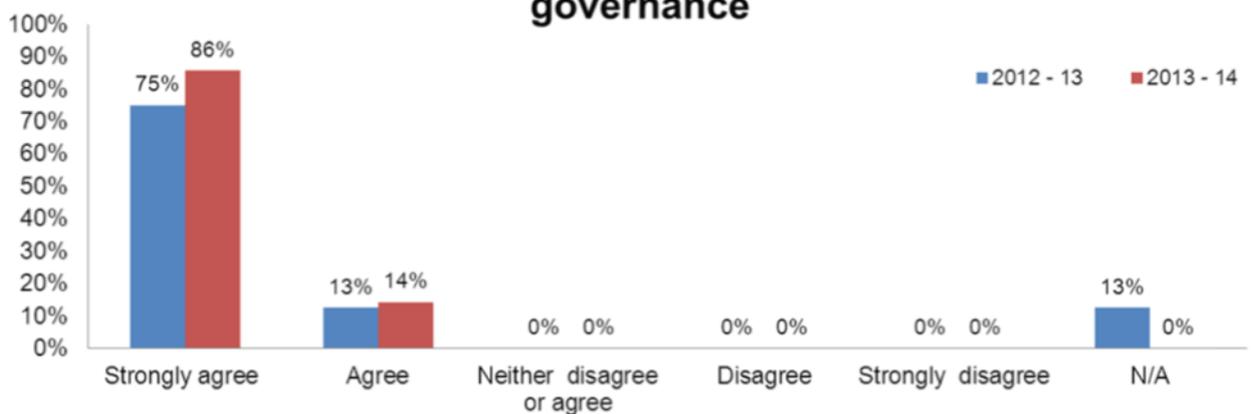
I am happy to receive exception reports because I am comfortable with the operational committees systems and processes for managing issues



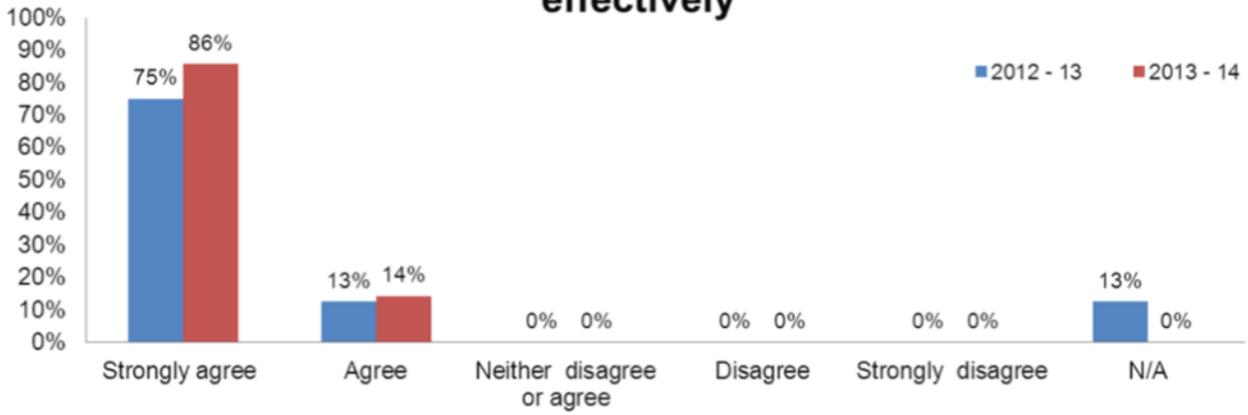
Individuals invited to present to the committee are appropriately briefed by the most relevant committee member



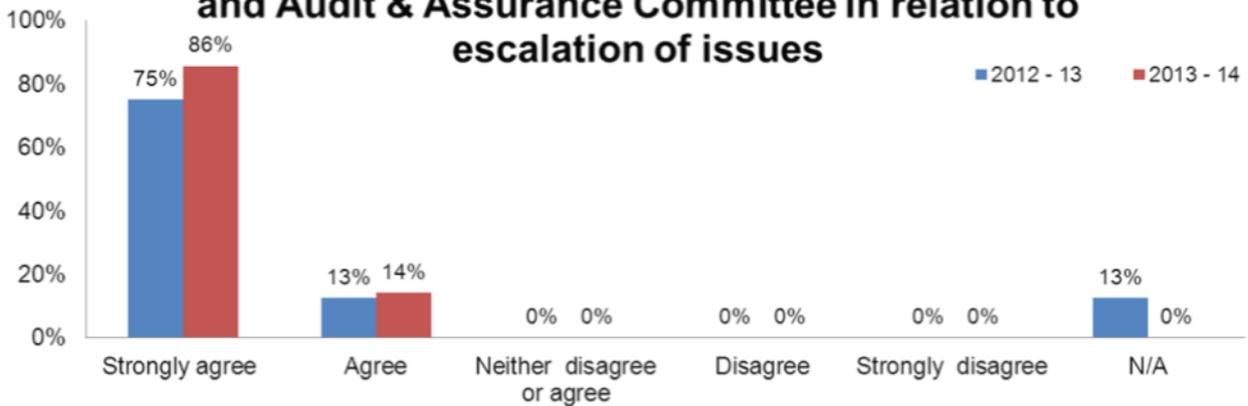
The Chair promotes good standards of corporate governance



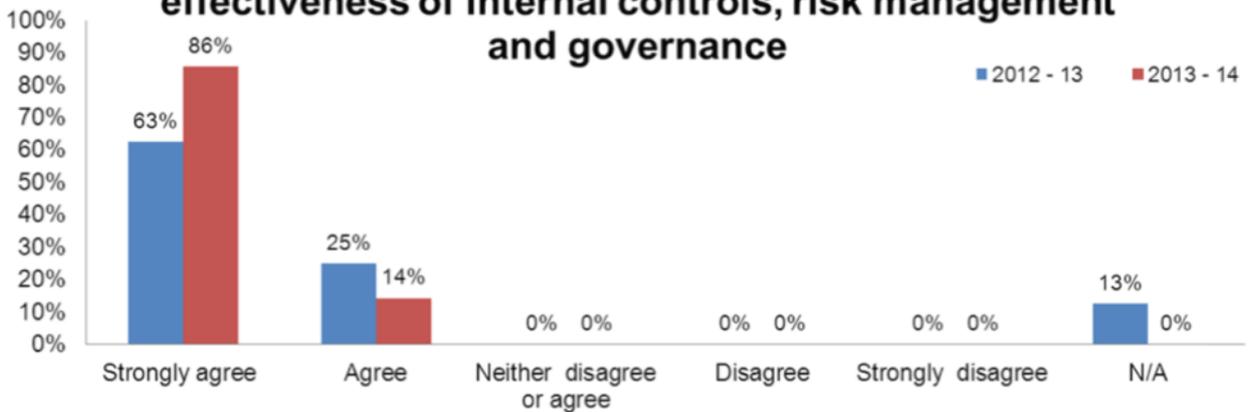
The Chair controls the conduct of the meeting effectively



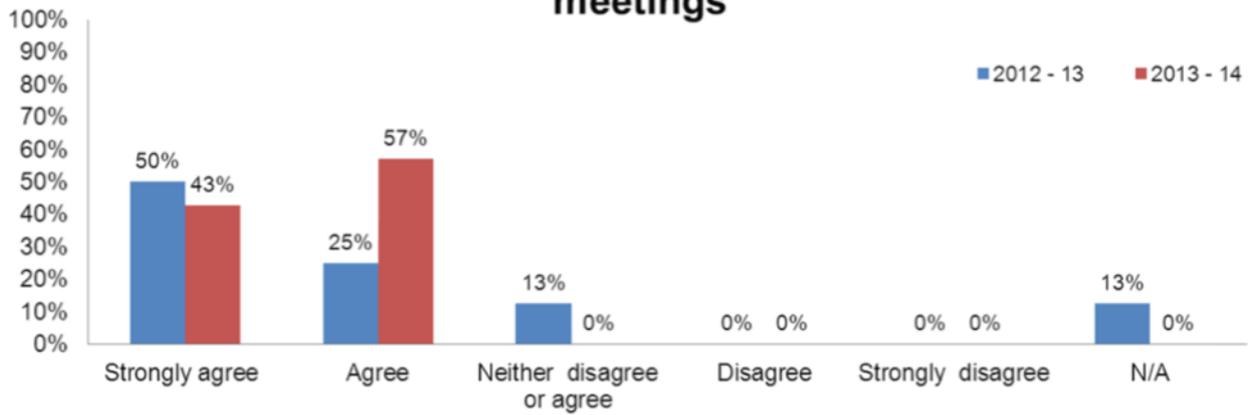
The Chair acts as a link between the Governing body, and Audit & Assurance Committee in relation to escalation of issues



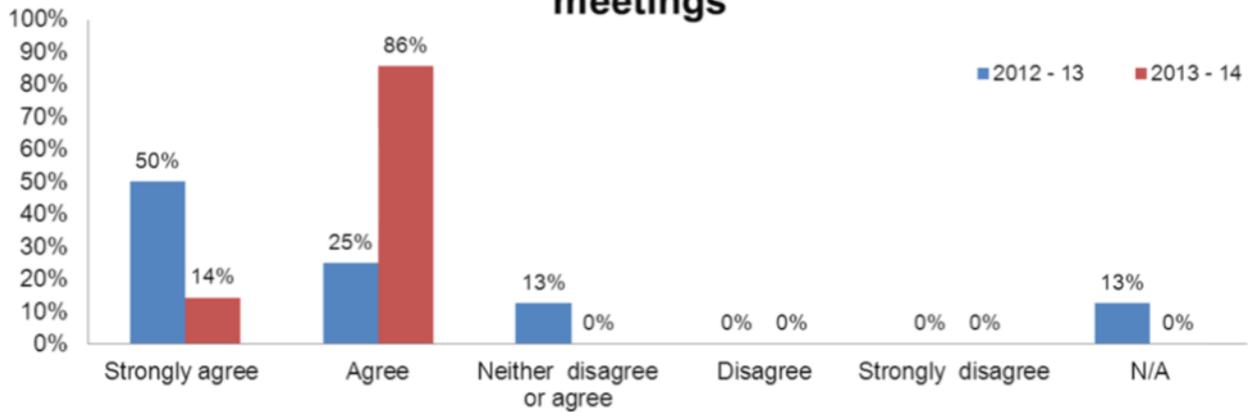
The Committee delivers assurance on the effectiveness of internal controls, risk management and governance



There is appropriate discussion of patient issues at meetings



There is appropriate discussion of clinical outcomes at meetings



APPENDIX 4 – THE COMPONENTS OF GOVERNANCE – DIAGRAM

