

Report to the Primary Care Trust on 22 March 2012

REPORT ON THE NHS SOMERSET ASSURANCE FRAMEWORK

1 INTRODUCTION

- 1.1 This paper presents to the Primary Care Trust the NHS Somerset Assurance Framework (Appendix 1) and the Corporate Risk Register (Appendix 2).

2 ASSURANCE FRAMEWORK

- 2.1 The organisation maximises its use of the Assurance Framework because by following this process the Board gains:

- clarity of the assurance process for the organisations principle risks
- better definition of where and when assurance will be received
- better focused agendas for key committees
- clear reporting lines to the Board on issues that may affect the Statement on Internal Control

- 2.2 NHS Somerset's Assurance Framework is a working document that is regularly updated through risk assessment by lead Directors and is monitored quarterly through the Integrated Governance Committee.

- 2.3 The Quarter 3 2011/12 Assurance Framework is presented to the Board as Version 1.1

3 BACKGROUND

- 3.1 The Department of Health requires all NHS organisations to have in place an assurance framework that is simple, clear, fit for purpose and patient focused. The framework must map objectives to risks, controls and assurances and be embedded, providing regular information to the Board. Assurance Frameworks are expected to be aligned with the Strategic objectives.

- 3.2 The Assurance Framework is a key element of the governance documents used by the Primary Care Trust to inform its declaration of compliance with core standards and the annual statement of internal control. As part of the audit process both the external and internal auditors review the adequacy of the Assurance Framework. The Primary Care Trust is expected to have had a framework in place for each full year.

3.3 It is mandatory that healthcare organisations have a corporate risk register that shows all significant risks. For Somerset Primary Care Trust, these are risks that have been scored as 12 or above using the Primary Care Trust risk assessment tool. The Risk Registers help to inform the Assurance Framework.

4 ASSURANCE FRAMEWORK 2011/12

4.1 The Assurance Framework is based around the NHS Somerset strategic objectives with identified risks to achieving those objectives, via the risk register, identifying gaps apparent in the control measures in place, along with the actions required in order to treat risks and control them as reasonably practicable.

4.2 Regular review of the Assurance Framework enables the Board to deliver effectively the organisational objectives set out within the Operating Plan, through the management and reductions of the risk to achieving these objectives. The principal risks taken from the Primary Care Trust Directorate and Corporate Risk Register are cross referenced to the appropriate objectives along with the key controls, sources of assurance and the reporting route to the Board.

4.3 The framework includes the key controls for each objective along with the key controls, independent sources of assurance - both positive and negative - and Board reports. Where there are gaps in either controls or assurances these are given with action plans, target dates and the name of the Director responsible.

4.4 The Assurance Framework takes account of the Primary Care Trust's Strategic Framework 2009/10 to 2013/14, and the Annual Operating Framework 2011/12.

4.5 Regular performance reports to the Board and Committees highlight emerging problems describing the action to remedy the situation and the Assurance Framework takes account of performance reports which are an essential element when assessing the effectiveness of control.

5 REPORT ON GAPS IN CONTROLS AND ASSURANCES

5.1 Gaps in controls occur where there is a lack of assurance, either positive or negative, about the effectiveness of one or more of the key controls. This may be as a result of lack of relevant reviews, or concerns about the scope or depth of reviews that have taken place.

5.2 Gaps in control of key risks are also identified through internal and external audit and risk assessment processes and reported as part of the Assurance Framework with action plans.

5.3 Gaps in assurance are based on a conclusion that one or more of the key controls on which the organisation is relying are not effective.

- 5.4 The Board and the Integrated Governance Committee consider whether the sources of assurance that it has for managing and mitigating the identified risks are still effective and sufficiently robust.
- 5.5 At 31 December 2011, the key risks to the achievement of NHS Somerset's principal objectives have been identified as:
- controlling emergency admissions
 - ensuring adequate access to achieving waiting time targets
 - managing the financial position – including QIPP programmes
 - control of healthcare acquired infections
 - ensuring the realisation of the benefits of 'Transforming Community Services'
 - the implications for management capacity of the NHS Reform programme
 - ensuring the effective development of the Somerset Clinical Commissioning Group
 - ensuring the effective transfer of responsibilities to the Local Authority for public health functions and health and wellbeing boards
 - addressing health inequalities, including smoking and obesity
 - managing Continuing Health Care
- 5.6 Action plans are in place to address all the key risks identified in the Assurance Framework.
- 5.7 Risk assessment, effective control measures and reports to the Board have provided positive assurances on a number of principal risks during the period to 31 December 2011.
- 5.8 Key issues affecting these risks during the period were:
- A1: The Primary Care Trust fails to ensure adequate access to achieve waiting time targets

The level of risk has been reduced during the reporting period. Performance against contracted waiting time measures has been consistent but performance in December 2011 indicates the continued level of risk regarding non-achievement of the NHS Constitution requirements. There remains an underlying issue regarding orthopaedic

capacity and access to spinal services which is being addressed through remedial action plans.

- A3: The Primary Care Trust fails to control emergency admissions into acute trusts

The level of risk has been increased during the period as the performance against target for emergency admissions has fallen at both Musgrove Park Hospital and Yeovil District Hospital.

- A6: The Primary Care Trust fails to put in place appropriate policies and procedures for infection control

The number of reported cases of Clostridium difficile has increased at both Musgrove Park Hospital and Yeovil District Hospital. The increase is due to the greater sensitivity of the new testing kits which the microbiology service is now using and which were introduced earlier this year in line with the national guidance. A review process is underway.

- A24: The Primary Care Trust fails to develop effective arrangements for delegating responsibility for commissioning to Clinical Commissioning Groups

Plans are in place for delegation of responsibility but these remain subject to further national guidance and local discussion which is well under way.

5.9 No new risks were identified during the period but further discussions have taken place on the following and actions identified: These are:

- A3: The Primary Care Trust fails to control emergence admissions into acute Trusts
- A25: The Primary Care Trust fails to ensure the successful transfer of public health functions and health and wellbeing boards
- A26: The Primary Care Trust fails to ensure realisation of the benefits of the 'Transforming Community Services' programme

6 REPORTS

6.1 NHS Somerset's Risk Management Strategy and Policy outlines the governance framework which comprises:

- Assurance Framework
- Corporate and Directorate Risk Registers

- Organisational Risk Management Structure and details the committees, sub-committees, groups and forums which have shared responsibility for managing risk across the organisation
- 6.2 The Assurance Framework and Corporate Risk Register, together with action plans for mitigating risks, are considered quarterly by the Integrated Governance Committee. Directorate Risk Registers are considered by Directors and issues and action plans reviewed through the Executive Management Team and Directorate meetings. Local risk registers are reviewed and monitored by lead managers.
- 6.3 The Assurance Framework reflects the changes arising from the reform programme and considers the risks across the health community which may impact on NHS Somerset's ability to deliver its principal objectives during the period of transition created by the impending NHS Reforms.
- 6.4 The Board will continue to monitor performance reports as a key internal control which will identify any necessary additional control measures or improvements.
- 6.5 Known performance problems and the planned corrective action will be detailed within performance reports – these should be reflected in the descriptions of controls gaps and planned action.

7 CORPORATE RISK REGISTER 2011/12

- 7.1 It is mandatory that healthcare organisations have a Corporate Risk Register that shows all significant risks. For NHS Somerset, these are risks that have been scored at 12 or above using the Primary Care Trust risk assessment tool. The Corporate and Directorate Risk Registers help to inform the Assurance Framework.
- 7.2 Each Directorate records and monitors its own risks. Risks rated below 12 are managed at Directorate level and action plans to address or mitigate the risks are reviewed through Directorate structures and the Executive Management Team.
- 7.3 Each service or major scheme will have its own risk register to monitor and manage at a local level all associate risks. Where major projects or programmes are undertaken with partner organisations, a shared risk register will be maintained.
- 7.4 The NHS Somerset Corporate Risk Register is reviewed quarterly by the Integrated Governance Committee and by the Senior Management Team.
- 7.5 The NHS Somerset Corporate Risk Register focuses on risks relating to its function as a commissioning organisation.
- 7.6 Action plans are in place to address all of the risks identified in the Corporate Risk Register. The action plans relating to these increased levels of risk are reviewed regularly through the relevant operational committee and the Executive Management Team.

8 CORPORATE RISK REGISTER QUARTER 3 2011/12

8.1 Performance against contracted waiting time measures has been consistent but performance in December 2011 indicated the continued level of risk regarding non-achievement of the NHS Constitution requirements

- FP35: Failure to ensure adequate access to achieving waiting time targets

The Primary Care Trust has agreed an action plan with the Trusts and both organisations are working to the delivery of this plan for specific specialities.

8.2 Infection Control (N12) highlights the risk assessment on the management of Clostridium difficile rates against trajectory and annual provider and commissioner objectives. The action planned to introduce controls achieves a retained risk rating of 12.

8.3 No new risks were identified during Quarter 3 but the narrative has been amended, where relevant, within the risk assessments and action planned to introduce controls identified on the Corporate and Directorate Risk Registers.

8.4 The Quarter 3 2011/12 Corporate Risk Register is presented to the Board as Version 1.1.

9 RECOMMENDATION

9.1 The Board is asked to note that the:

- Integrated Governance Committee received the Quarter 3 2011/12 Assurance Framework and Quarter 3 2011/12 Corporate Risk Register on 17 January 2012
- Integrated Governance Committee will receive the Quarter 4 2011/12 Assurance Framework and Corporate Risk Register on 30 April 2012

9.2 The Board is asked to note the report on the NHS Somerset Assurance Framework and Corporate Risk Register.