



Merton

Clinical Commissioning Group

Report to the Merton Clinical Commissioning Group Governing Body

Date of Meeting: 23rd January 2014

Agenda No: 7.4

Attachment: 17

Title of Document: Merton Clinical Commissioning Group (CCG) Board Assurance Framework (BAF)	Purpose of Report: To Receive and Note
Report Author: Louise Morgan, South London Commissioning Support Unit (SLCSU)	Lead Director: Jenny Kay, Director of Quality, Merton CCG
Executive Summary The recent meeting of the Audit and Governance Committee in December 2013 commended the development of the Board Assurance Framework (BAF) as a key mechanism for reinforcing strategic focus and risk management by the Governing Body. In recent months the CCG has taken forward its approach to developing the Board Assurance Framework and Risk Register. This work has included the following elements: <ul style="list-style-type: none"> • Minor refresh of the CCG's corporate objectives to better express the long-term intentions of the organisation. An in-depth objective setting process for 2014/15 will be undertaken early in the New Year as part of the development of the CCG's 2 year operational plan and 5 year strategic plan. • Calibration of strategic and operational risks to prioritise the main risks of delivering each of the corporate objectives. Through this process a number of new strategic risks have been identified which are now included within the Board Assurance Framework. • Within the corporate risk register, risks have been categories according to commissioning, quality and finance portfolios. • In collaboration with each risk owner, the current risk scores and risk appetite have been reconsidered and further controls and assurances provided to ensure a proportionate and dynamic response is in place for each identified risk. It was agreed that work will continue in during the New Year to further embed the process of risk management within the broader CCG.	
Key sections for particular note (paragraph/page), areas of concern etc: See Overleaf .	
Recommendation(s): To accept this report as a source of assurance that the CCG managers, in collaboration with their CSU colleagues, continue to manage strategic and operational risks to achieving the CCG's objectives in line with its Risk Management Policy.	

<p>Committees which have previously discussed/agreed the report: Executive Management Committee (November 2013) Audit and Governance Committee (December 2013)</p>
<p>Financial Implications: n/a</p>
<p>Other Implications: (including patient and public involvement/Legal/Governance/ Risk/ Diversity/ Staffing) n/a</p>
<p>Equality Analysis: n/a</p>
<p>Information Privacy Issues: n/a</p>
<p>Communication Plan: As per Freedom of Information (FOI) Act 2000</p>

<p>Key sections for particular note (paragraph/page), areas of concern etc: The six south west London CCGs are discussing with each other and with their Governing Bodies how the challenges outlined in the BSBV case for change will be addressed going forward. A comprehensive analysis of risk will be incorporated to support the outcomes of these discussions and will be included in the Board Assurance Framework thereafter.</p> <p>On this basis, the Governing Body is asked to agree the closure of the following risk on the Board Assurance Framework: <i>Risk 476 Risk that BSBV programme does not succeed</i>. New risks to achieving Objective 3 will be identified during the course of Quarter 4 (January – March 2014) as part of the Governing Body Seminar on 20th February 2014.</p>

Merton CCG - Board Assurance Framework

January 2013

The Board Assurance Framework provides a structure and process which enables Merton Clinical Commissioning Group (CCG) to focus on the strategic risks to achieving its strategic objectives and be assured that adequate controls are in place to reduce the risks to acceptable rating. Merton CCG has identified various risks, which are low level and are managed at an operational level and therefore do not feature in this document.

Information included in the report identifies:

- Controls that have been put into place to manage the risks
- Assurances that have been received to demonstrate if the controls are having the desired impact
- Details of any gaps in the assurance
- Further actions required

Summary page

Corporate Objectives	Potential Principle Risk	Initial score	Current Score	Tolerance/Risk appetite Score	Date to achieve	Date of last review
Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes	Risk 464 Quality measurements could be more comprehensive to provide further assurance of quality of provider services	12	9	6	March 2014	October 2013
	Risk 465 Impact of service change creates rather than reduces demand which adversely affects management of activity, cost effectiveness and affordability.	12	6	3	March 2014	October 2013
	Risk 469 SLCSU fails to perform adequate commissioning support as it continues to expand	12	6	6	March 2014	October 2013
	Risk 623 Risk that QIPP will under perform	12	12	9	March 2014	October 2013
	Risk 798 External and internal pressures means that:- <ul style="list-style-type: none"> We are unable to deliver the planned budget for 2013-14 and We are unable to deliver a robust financial position in the medium term, which reduces our ability to deliver our Commissioning Intentions. 	16	12	9	March 2014	New risk (consolidation of 686, 687, 689)
Objective 2 To prepare for CCG authorisation and compliance with CCG Assurance Framework during 2013/14.	Risk 460 Ineffective CCG member involvement leading to disengagement of membership and lack of movement	6	6	3	March 2014	October 2013
Objective 3 To take ownership and leadership of the strategy	Risk 476 Risk that BSBV programme does not proceed <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">Closed - January 2014</div>	20	20	12	March 2014	October 2013

programme						
Objective 4 To ensure staff make the transition to the new system effectively and ongoing development of the workforce	Risk 461 Risks associated with the creation of new organisation/organisational development	8	8	4	March 2014	October 2013
Objective 5 To ensure MCCG is compliant with statutory (and non-statutory) duties and obligations	Risk 457 Lack of patient and public trust to commission appropriate services for Merton population	12	9	3	March 2014	October 2013
	Risk 477 Failure to establish an effective system of internal control leading to poor performance and probity	15	9	6	March 2014	October 2013
	NEW: Failure to establish appropriate systems and processes for safeguarding children and adults	6	6	3	March 2014	New risk
	NEW: Failure to establish business continuity/ emergency planning arrangements for a major incident or breakdown of a service within providers	5	5	5	March 2014	New risk

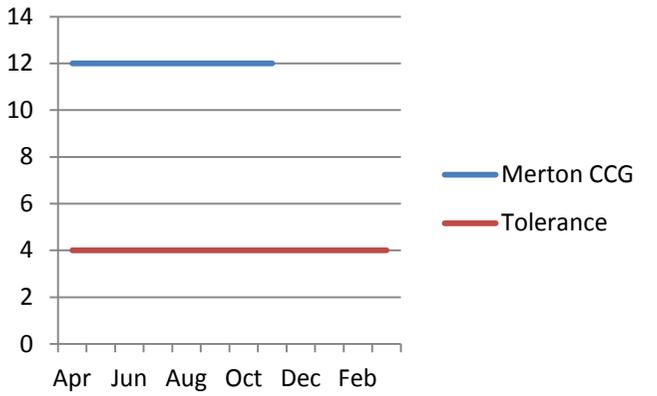
Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes

Risk 464 Quality measurements are not comprehensive and do not provide sufficient assurance of quality in provider services		Director Lead: Director of Quality Date last reviewed: November 2013																					
Risk Rating Initial: 4x3 = 12 Current: 3x3 = 9 Tolerance: 3x2 = 6	<table border="1" style="margin: 0 auto;"> <caption>Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>12</td> <td>6</td> </tr> <tr> <td>Jun</td> <td>9</td> <td>6</td> </tr> <tr> <td>Aug</td> <td>9</td> <td>6</td> </tr> <tr> <td>Oct</td> <td>9</td> <td>6</td> </tr> <tr> <td>Dec</td> <td>9</td> <td>6</td> </tr> <tr> <td>Feb</td> <td>9</td> <td>6</td> </tr> </tbody> </table>	Month	Merton CCG	Tolerance	Apr	12	6	Jun	9	6	Aug	9	6	Oct	9	6	Dec	9	6	Feb	9	6	Rationale for current scoring: <ul style="list-style-type: none"> Progress made with integrated quality and performance report, however still working with CSU to get quality information for all 'host and associate' contracts e.g. complaints/ Sis as currently not available in one report. Smaller contracts and speciality level data still not developed. Rationale for acceptable rating: <ul style="list-style-type: none"> Awaiting CSU response to quality workshop in terms of new proposals for consortium agreement
Month	Merton CCG	Tolerance																					
Apr	12	6																					
Jun	9	6																					
Aug	9	6																					
Oct	9	6																					
Dec	9	6																					
Feb	9	6																					
Controls (what are we doing currently about the risk): <ul style="list-style-type: none"> CSU quality service offer Governance structures includes Clinical Quality Committee Integrated Quality reporting Internal resource Quality strategy and work plan 2013/14 		Assurance/evidence (How do we know if things we are doing are having an impact?) <ul style="list-style-type: none"> Contracting information feeds into CCG quality and performance report Clinical Quality Committee (CQC) established and meeting regularly. ToR for CQC agreed CQRGs established for major contracts and attended by locality clinical leads Minutes of MCQC meetings Performance and quality reports to GB and CQC CQRC minutes Quality strategy and workplan final draft to Governing Body May 2013 																					
Gaps in controls (what additional assurances should we seek?) <ul style="list-style-type: none"> Breadth and depth of reporting e.g. at speciality level not yet available QA system for minor contracts to be mapped Establish quality metrics for smaller providers & specialties e.g. maternity 		Further actions required: <ul style="list-style-type: none"> Develop further metrics for Quality e.g. full quality report by March 2014 Meetings with CSU Workshop of CQRC leads across SW London. 																					

Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes

<p>Risk 465 Impact of service change creates rather than reduces demand which adversely affects management of activity, cost effectiveness and affordability.</p>		<p>Director Lead: Director of Commissioning and Planning</p> <p>Date last reviewed: November 2013</p>																					
<p>Risk Rating</p> <p>Initial: 4x3 = 12 Current: 3x2 = 6 Tolerance: 3x1 = 3</p>	<table border="1"> <caption>Merton CCG Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>12</td> <td>3</td> </tr> <tr> <td>Jun</td> <td>12</td> <td>3</td> </tr> <tr> <td>Aug</td> <td>6</td> <td>3</td> </tr> <tr> <td>Oct</td> <td>6</td> <td>3</td> </tr> <tr> <td>Dec</td> <td>6</td> <td>3</td> </tr> <tr> <td>Feb</td> <td>6</td> <td>3</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance	Apr	12	3	Jun	12	3	Aug	6	3	Oct	6	3	Dec	6	3	Feb	6	3	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> Full impact of service changes have not been realised and are unlikely to do so in the remaining 4 months of the year. <p>Rationale for acceptable rating:</p> <ul style="list-style-type: none"> Unknown winter pressures make monitoring demand for services a high priority for the CCG
Month	Merton CCG Rating	Tolerance																					
Apr	12	3																					
Jun	12	3																					
Aug	6	3																					
Oct	6	3																					
Dec	6	3																					
Feb	6	3																					
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> Clinical reference group – monthly monitoring Integrated strategy and operating planning with Governing Body Project planning and risk management process QIPP operational group – monthly monitoring 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> Improved monitoring of overall provider landscape e.g. development of specific performance reports for Merton Mitigating recovery plans are in place to ensure maximum delivery during remaining 4 months SLA review timetabled with CSU 																					
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> As part of the separation of Merton and Sutton PCT into two independent CCGs, a robust needs assessment is being undertaken with public health and the local authority to establish the baseline service provision needs for Merton patients going forward for 2014/15 and beyond. 		<p>Further actions required:</p> <ul style="list-style-type: none"> Development of 14/15 – 15/16 commissioning intentions around Merton CCG provider landscape 																					

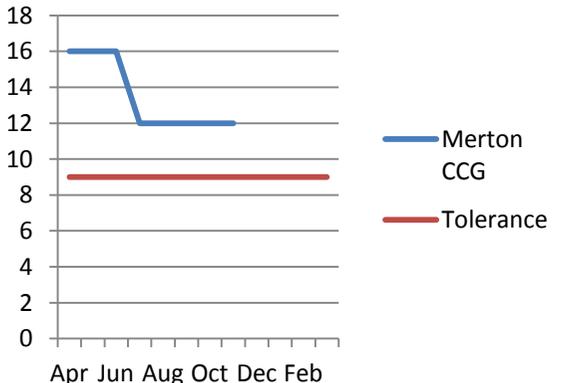
Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes

<p>Risk 469 SLCSU fails to perform adequate commissioning support as it continues to expand resulting in reduced ability to deliver commissioning intentions</p>		<p>Director Lead: Chief Finance Officer Date last reviewed: November 2013</p>	
<p>Risk Rating</p> <p>Initial: 4x3 = 12 Current: 4x3 = 12 Tolerance: 2x2 = 4</p>	 <p>The chart displays two horizontal lines representing risk ratings over time from April to February. The vertical axis ranges from 0 to 14 in increments of 2. A blue line, labeled 'Merton CCG', is positioned at the value 12. A red line, labeled 'Tolerance', is positioned at the value 4. Both lines are constant across all months shown.</p>		<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> • This is the first year working within the new commissioning landscape • At times the CCG is detrimentally affected by changes with the CSU • New relationships are in the process of being developed <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> • Through regular meetings and developing a shared approach we want to reduce the likelihood and impact
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> • Financial management, corporate support, equality and diversity, staff sit within the CCG • Issues log • Monthly meetings • Named account manager • Regular customer facing meetings • Signed KPIs • SLCSU/CCG facing leads working closely 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> • Evidence – issues log • Relationship management meetings • Meetings between all Directors and account manager • KPIs/Performance management SLAs in place • SLA review timetable with CSU 	
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> • CCG needs to be assured that the CSU is delivering added value 		<p>Further actions required:</p> <ul style="list-style-type: none"> • Review of service specifications 	

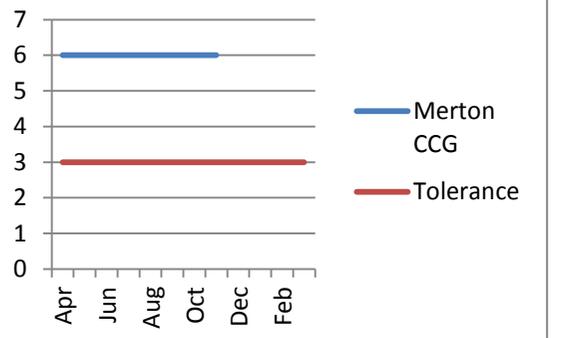
Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes

Risk 623 Risk that QIPP will under perform		Director Lead: Director of Commissioning and Planning																					
		Date last reviewed: November 2013																					
<p>Risk Rating</p> <p>Initial: 4x3 = 12 Current: 4x3 = 12 Tolerance: 3x3 = 9</p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Chart Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>12</td> <td>9</td> </tr> <tr> <td>Jun</td> <td>12</td> <td>9</td> </tr> <tr> <td>Aug</td> <td>12</td> <td>9</td> </tr> <tr> <td>Oct</td> <td>12</td> <td>9</td> </tr> <tr> <td>Dec</td> <td>12</td> <td>9</td> </tr> <tr> <td>Feb</td> <td>12</td> <td>9</td> </tr> </tbody> </table>	Month	Merton CCG	Tolerance	Apr	12	9	Jun	12	9	Aug	12	9	Oct	12	9	Dec	12	9	Feb	12	9	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> • The CCG is within its first year of operation • Plans were developed during a time of significant transition to new commissioning landscape • Significant change within specialist commissioning <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> • Currently under performing • Mitigating recovery plans are in place to ensure maximum delivery during remaining 4 months
Month	Merton CCG	Tolerance																					
Apr	12	9																					
Jun	12	9																					
Aug	12	9																					
Oct	12	9																					
Dec	12	9																					
Feb	12	9																					
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> • Clinical leadership and ownership of QIPP programme for 2013/14 • Commissioning strategic plan in place • QIPP schemes – key enabler • Risk share agreement 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?):</p> <ul style="list-style-type: none"> • Review by clinical leadership group of QIPP impact • Robust reports that triangulate activity with QIPP schemes 																					
<p>Gaps in controls (what additional assurances should we seek?):</p> <ul style="list-style-type: none"> • Predictability regarding activity profile for the remaining months of the year and reserve allocation 		<p>Further actions required:</p> <ul style="list-style-type: none"> • QIPP delivery group • Rigorous planning in place for 2014/15 																					

Objective 1 To commission high quality and cost effective health services ensuring positive patient outcomes

<p>Risk 798 External and internal pressures means that we are unable to deliver the planned budget for 2013-14 and we are unable to deliver a robust financial position in the medium term, which reduces our ability to deliver our Commissioning Intentions.</p>		<p>Director Lead: Chief Finance Officer Date last reviewed: New risk (consolidation of 686, 687, 689)</p>																					
<p>Risk Rating</p> <p>Initial: 4x4 = 16 Current: 4x3= 12 Tolerance: 3x3 = 9</p>	 <table border="1"> <caption>Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>16</td> <td>9</td> </tr> <tr> <td>Jun</td> <td>16</td> <td>9</td> </tr> <tr> <td>Aug</td> <td>12</td> <td>9</td> </tr> <tr> <td>Oct</td> <td>12</td> <td>9</td> </tr> <tr> <td>Dec</td> <td>12</td> <td>9</td> </tr> <tr> <td>Feb</td> <td>12</td> <td>9</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance	Apr	16	9	Jun	16	9	Aug	12	9	Oct	12	9	Dec	12	9	Feb	12	9	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> Final allocation for CCG is uncertain as awaiting Specialist Commissioning final adjustment. Current position assumes risk reserve from risk pool will be returned to CCG, however this has not been agreed. Winter performance this year is predicted to be severe compared to previous years. <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> By identifying and addressing financial risks we aim to reduce the risk to moderate likelihood.
Month	Merton CCG Rating	Tolerance																					
Apr	16	9																					
Jun	16	9																					
Aug	12	9																					
Oct	12	9																					
Dec	12	9																					
Feb	12	9																					
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> 2013-14 Operating Plans and detailed budget approved by CCG Financial policies approved by Audit & Governance Committee and Governing Body Finance Committee review and scrutinise finance report monthly QIPP plans in place and monitored by Executive Management Team and Finance Committee Risk pooling across SWL CCGs Application to risk pool Dec 2013 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> Governing Body receive Finance Report Monthly assurance meeting with NHSE Audit and Governance Committee receive Internal and External Audit reports relating to operation of systems and controls 																					
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> Working with CSU to ensure all contract performance by Providers is managed and reviewed for accuracy. Further granularity of finance systems required to manage budgets more effectively. 		<p>Further actions required:</p> <ul style="list-style-type: none"> Resolve specialist commissioning adjustment Training of staff on financial policies and managing budgets 																					

Objective 2 To prepare for CCG authorisation ensuring accreditation and compliance with CCG Assurance Framework during 2013/14

<p>Risk 460 Ineffective CCG member involvement leading to disengagement of membership and lack of movement</p>		<p>Director Lead: Chief Officer Date last reviewed: November 2013</p>																						
<p>Risk Rating</p> <p>Initial: 3x2 = 6 Current: 3x2 = 6 Tolerance: 3x1 = 3</p>	 <table border="1"> <caption>Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>6</td> <td>3</td> </tr> <tr> <td>Jun</td> <td>6</td> <td>3</td> </tr> <tr> <td>Aug</td> <td>6</td> <td>3</td> </tr> <tr> <td>Oct</td> <td>6</td> <td>3</td> </tr> <tr> <td>Dec</td> <td>6</td> <td>3</td> </tr> <tr> <td>Feb</td> <td>6</td> <td>3</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance	Apr	6	3	Jun	6	3	Aug	6	3	Oct	6	3	Dec	6	3	Feb	6	3	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> Merton GPs have historically been well engaged Membership event well received <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> Primary care teams as providers are integral to the development and delivery of 14/15 – 15/16 Commissioning Strategic Plan 	
Month	Merton CCG Rating	Tolerance																						
Apr	6	3																						
Jun	6	3																						
Aug	6	3																						
Oct	6	3																						
Dec	6	3																						
Feb	6	3																						
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> Improved communication with CCGs e.g. intranet, key actions Membership events Practice leads forum/ locality leads Engaged clinical reference group 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?):</p> <ul style="list-style-type: none"> Newsletters Monthly meeting notes Locality clinical leaders and membership have access to agenda setting Implement integration project via MDTs, Community Prevention Admission Team and MSK Service 																						
<p>Gaps in controls (what additional assurances should we seek?):</p> <ul style="list-style-type: none"> Whilst the clinical reference group is engaged, further work needs to be undertaken to ensure wider membership have clarity regarding clinical leadership and decision making. Mechanism for communicating urgent decision-making to wider membership 		<p>Further actions required:</p> <ul style="list-style-type: none"> Ensure regular feedback on CCG performance by membership 																						

Objective 4 To ensure staff make the transition to the new system effectively and ongoing development of the workforce

Risk 461 Risks associated with the creation of new organisation/organisational development		Director Lead: Chief Officer																					
		Date last reviewed: November 2013																					
<p>Risk Rating</p> <p>Initial: 4x2 = 8 Current: 4x2 = 8 Tolerance: 2x2 = 4</p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance Rating</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>8</td> <td>4</td> </tr> <tr> <td>Jun</td> <td>8</td> <td>4</td> </tr> <tr> <td>Aug</td> <td>8</td> <td>4</td> </tr> <tr> <td>Oct</td> <td>8</td> <td>4</td> </tr> <tr> <td>Dec</td> <td>8</td> <td>4</td> </tr> <tr> <td>Feb</td> <td>8</td> <td>4</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance Rating	Apr	8	4	Jun	8	4	Aug	8	4	Oct	8	4	Dec	8	4	Feb	8	4	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> • New organisation as of 1st April in first year of delivery <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> • Small number of people in the organisation • Important to maintain motivation, morale, innovation and job satisfaction.
Month	Merton CCG Rating	Tolerance Rating																					
Apr	8	4																					
Jun	8	4																					
Aug	8	4																					
Oct	8	4																					
Dec	8	4																					
Feb	8	4																					
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> • Individual and team appraisals • OD programme based on assessment • OD programme in place • Resource identified for 2013/14 development programme 	<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> • OD workshops at GB, EMT, clinician level • Internal OD programme, 1:1s, PDPs, objectives and appraisals 																						
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> • Staff surveys 	<p>Further actions required:</p> <ul style="list-style-type: none"> • Appraisals • Implement OD programme 																						

Objective 5 To ensure MCCG is compliant with statutory (and non-statutory) duties and obligations

Risk 457 Lack of patient and public trust to commission appropriate services for Merton population		Director Lead: Chief Officer Date last reviewed: November 2013																					
Risk Rating Initial: 4x3 = 12 Current: 3x3 = 9 Tolerance: 3x1 = 3	<table border="1"> <caption>Merton CCG Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>12</td> <td>3</td> </tr> <tr> <td>Jun</td> <td>12</td> <td>3</td> </tr> <tr> <td>Aug</td> <td>9</td> <td>3</td> </tr> <tr> <td>Oct</td> <td>9</td> <td>3</td> </tr> <tr> <td>Dec</td> <td>9</td> <td>3</td> </tr> <tr> <td>Feb</td> <td>9</td> <td>3</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance	Apr	12	3	Jun	12	3	Aug	9	3	Oct	9	3	Dec	9	3	Feb	9	3	Rationale for current scoring: <ul style="list-style-type: none"> • Little local media coverage but widespread national media interest in the NHS currently • Historical PCT deficit Rationale for acceptable rating and target date for achievement: <ul style="list-style-type: none"> • This is a key objective of the CCG to ensure that services commissioned meet the local health needs of the population
Month	Merton CCG Rating	Tolerance																					
Apr	12	3																					
Jun	12	3																					
Aug	9	3																					
Oct	9	3																					
Dec	9	3																					
Feb	9	3																					
Controls (what are we doing currently about the risk): <ul style="list-style-type: none"> • Communication and engagement strategy • Credible strategic planning via BSBV programme board/ Joint Commissioning Group • HWB and link with voluntary sector, Merton Healthwatch, Compact • KPIs • MP briefings • Engagement events, Merton Engage, Community Forums etc 		Assurance/evidence (How do we know if things we are doing are having an impact?): <ul style="list-style-type: none"> • Development of 5 year plan including stakeholder views from Call to Action events • CQRG monitoring • Complaints and PALS report • Healthwatch feedback • Monthly assurance returns to NHSE 																					
Gaps in controls (what additional assurances should we seek?)		Further actions required: <ul style="list-style-type: none"> • Clinical involvement leading to more innovative ways to achieve KPIs • Implementing communication and engagement strategy 																					

Objective 5 To ensure MCCG is compliant with statutory (and non-statutory) duties and obligations

Risk 477 Failure to establish an effective system of internal control leading to poor performance and probity		Director Lead: Chief Officer Date last reviewed: November 2013																					
Risk Rating Initial: 5x3 = 15 Current: 3x3 = 9 Tolerance: 3x2 = 6	<table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Merton CCG Risk Rating Data</caption> <thead> <tr> <th>Month</th> <th>Merton CCG Rating</th> <th>Tolerance</th> </tr> </thead> <tbody> <tr> <td>Apr</td> <td>15</td> <td>6</td> </tr> <tr> <td>Jun</td> <td>15</td> <td>6</td> </tr> <tr> <td>Aug</td> <td>9</td> <td>6</td> </tr> <tr> <td>Oct</td> <td>9</td> <td>6</td> </tr> <tr> <td>Dec</td> <td>9</td> <td>6</td> </tr> <tr> <td>Feb</td> <td>9</td> <td>6</td> </tr> </tbody> </table>	Month	Merton CCG Rating	Tolerance	Apr	15	6	Jun	15	6	Aug	9	6	Oct	9	6	Dec	9	6	Feb	9	6	Rationale for current scoring: <ul style="list-style-type: none"> Recruitment to majority key posts filled Rationale for acceptable rating and target date for achievement: <ul style="list-style-type: none"> Review of key systems and processes Established board reporting cycle Feedback from audits due by March 2014
Month	Merton CCG Rating	Tolerance																					
Apr	15	6																					
Jun	15	6																					
Aug	9	6																					
Oct	9	6																					
Dec	9	6																					
Feb	9	6																					
Controls (what are we doing currently about the risk): <ul style="list-style-type: none"> Contingency plans to offset impact of adverse events Experienced board members CSU and CCG staff aligned to responsibilities Establishment of quality strategy and implementation of CSU review Governance structures and framework established Working towards IG Toolkit Level 2 by March 2014 Finance policies approved by A&G committee Assurance meetings with NHSE to review performance Finance Committee Audit & Governance Committee Safeguarding arrangements 		Assurance/evidence (How do we know if things we are doing are having an impact?) <ul style="list-style-type: none"> Annual Governance Statement (due for submission March 2014) Minutes of Finance and Audit & Governance Committee presented to Governing Body. Internal audit reports 																					
Gaps in controls (what additional assurances should we seek?)		Further actions required: <ul style="list-style-type: none"> Ensure relevant policies and procedures are in place Review CSU/CCG alignment Disseminating finance policies to all staff/budget holders 																					

Objective 5 To ensure MCCG is compliant with statutory (and non-statutory) duties and obligations

791 Failure to establish appropriate systems and processes for safeguarding children and adults		Director Lead: Director of Quality
		Date last reviewed: New risk
<p>Risk Rating</p> <p>Initial: 3x2 = 6 Current: 3x2 = 6 Tolerance: 3x1 = 3</p>	<p>— Merton CCG — Tolerance</p>	<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> Some good systems in place, some gaps – not yet wholly assured <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> Cannot tolerate any known risk to vulnerable children and adults – therefore threshold must be low
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> Designated nurse and doctor in post Executive and Governing Body leads in post Local Children’s and Adults safeguarding Boards in place Reporting through clinical quality committee 	<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> Quarterly and annual safeguarding reports Child Death overview panel KPIS and assurance to relevant committees Serious Case Review report/action plan from Child A 	
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> No named GP at present Adult safeguarding vacant post – structure under review No formal governance regarding joint contracts with LB Merton (e.g. nursing homes) 	<p>Further actions required:</p> <ul style="list-style-type: none"> Identify named GP Finalise adult safeguarding structure review Discussion with LB Merton regarding proposed quality board in progress 	

Objective 5 To ensure MCGG is compliant with statutory (and non-statutory) duties and obligations

<p>792 Failure to establish business continuity/ emergency planning arrangements for a major incident or breakdown of a service within providers</p>		<p>Director Lead: Director of Quality</p>
		<p>Date last reviewed: New risk</p>
<p>Risk Rating</p> <p>Initial: 5x1 = 5 Current: 5x1 = 5 Tolerance: 5 x1 = 5</p>		<p>Rationale for current scoring:</p> <ul style="list-style-type: none"> • CCG has a tier 2 role in terms of major incidents, likelihood low, impact high. • NHSE and providers have a well developed and tested system • Internal plans and assurance systems need to be developed <p>Rationale for acceptable rating and target date for achievement:</p> <ul style="list-style-type: none"> • As above
<p>Controls (what are we doing currently about the risk):</p> <ul style="list-style-type: none"> • Business continuity plan • Tier 2 provider under Civil Contingencies Act • On call system for CCGs • Liaison with NHSE and attendance at emergency planning meetings • Exercise (e.g. Exercise Paladin attended by DoQ October 2013) 		<p>Assurance/evidence (How do we know if things we are doing are having an impact?)</p> <ul style="list-style-type: none"> • CCGs involved in NHSE assurance of providers
<p>Gaps in controls (what additional assurances should we seek?)</p> <ul style="list-style-type: none"> • Business continuity plan (currently with CO for review) • Provider assurance exercise in progress, not completed yet 		<p>Further actions required:</p> <ul style="list-style-type: none"> • Business continuity plan to be finalised • Training and exercises to be identified

Appendix: Model matrix

For the full *Risk matrix for risk managers*, go to www.npsa.nhs.uk

Table 1 Consequence scores

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards

Human resources/ organisational development/staffing/ competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation Reduced performance rating if unresolved	Single breach in statutory duty Challenging external recommendation s/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement notices Low performance rating Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Zero performance rating Severely critical report
Adverse publicity/ reputation	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP concerned (questions in the House) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract / payment by results Claim(s) >£1 million
Service/business interruption Environmental impact	Loss/interruption of >1 hour Minimal or no impact on the environment	Loss/interruption of >8 hours Minor impact on environment	Loss/interruption of >1 day Moderate impact on environment	Loss/interruption of >1 week Major impact on environment	Permanent loss of service or facility Catastrophic impact on environment

Table 2 Likelihood score (L)

Likelihood score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost certain
Frequency How often might it/does it happen	This will probably never happen/recur	Do not expect it to happen/recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently

Table 3 Risk scoring = consequence x likelihood (C x L)

	Likelihood				
Likelihood score	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

	1 - 3	Low risk
	4 - 9	Moderate risk
	10 – 19	High risk
	20 – 25	Extreme risk