GOVERNANCE STATEMENT 2011/2012

1. Scope of Responsibility

The Trust Board is accountable for internal control. As Accountable Officer of the Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation’s policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation’s assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

As Accountable Officer I lead the PCT’s Risk Management processes. A number of individuals have lead responsibilities for supporting me in this role as detailed in section 2 below.

2. The governance framework of the organisation

2.1 Overview

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 ongoing process designed to:

- Identify and prioritise the risks to the achievement of the organisation’s policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

2011/12 has been a year of transition towards the new NHS architecture as set out in the government’s vision. This Annual Governance Statement therefore reflects the changing assurance processes during the year.

NHS Barnsley (legally known as Barnsley Primary Care Trust) has remained as the statutory body throughout the period and will remain so until its planned dissolution from 1st April 2013.

From 1st April 2011, Primary Care Trusts (PCT’s) “clustered” in line with government guidance. NHS South Yorkshire & Bassetlaw was formed as a Cluster of 5 constituent PCT’s:

- NHS Barnsley
- NHS Bassetlaw
- NHS Doncaster
From 1st April 2011 to 30th September 2011 all five PCT’s shared an Accountable Officer (Chief Executive), Director of Finance and team of Executive Directors. There were five separate Boards for the constituent PCT’s with Executive and Non Executive Directors, and each Board was underpinned by five separate management, governance and Committee structures. In Barnsley, this was delivered through NHS Barnsley (legally known as Barnsley Primary Care Trust).

From 1st October 2011 there was one NHS South Yorkshire & Bassetlaw Trust Board with one set of non-executive directors and one set of executive directors. The Directors of Public Health for each PCT also remained individual members of the Trust Board.

From 1st October 2011 emerging Clinical Commissioning Groups were established as Sub Committees of the Trust Board under a scheme of delegation and managerial letter of delegation to Chief Operating Officers. In Barnsley this role was fulfilled by Barnsley Interim Commissioning Advisory Committee. This committee is authorised to take oversight of the commissioning of health services for the NHS Barnsley population, until a viable Clinical Commissioning group is established for Barnsley.

The system of internal control has been in place through the above mechanisms in Barnsley for the year ended 31st March 2012. The remainder of this document will reflect the internal systems of control within the three areas detailed below:

- NHS Barnsley (Barnsley PCT) April 2011 – September 2011
- NHS South Yorkshire & Bassetlaw April 2011 – March 2012
- Barnsley Interim Commissioning Advisory Committee September 2011 – March 2012

2.2 Structure, performance and highlights of corporate governance

The Boards of NHS Barnsley and NHS South Yorkshire & Bassetlaw have complied at all times with the UK Corporate Governance Code in respect of:

**Leadership**

Headed by an effective board comprised of Executive and Non Executive Directors with a clear division of responsibilities, a clear process for decision-making and a Chair responsible for leadership of the Board. In addition the Board ensured that there are proper processes in place to meet the organisation’s objectives and secure delivery of outcomes. The Board 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.
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. 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.

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 corporate through regular reporting. Interaction with Internal and External Audit. The Board 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.

Remuneration
Set by the Remuneration and Terms of Service Committee.

Relations with Shareholders
The Board identifies the needs of its stakeholders on an ongoing basis and determines a set of key objectives and outcomes for meeting these needs, including how it meets its duty of quality. Effective partnership arrangements are in place and sharing of information via an Annual Report and Annual General Meeting.

2.2.1 NHS Barnsley
NHS Barnsley had a quorate Board in place which continued to meet during the period April to September 2011. The Board and its associated governance and risk management formal sub committee and groups have been well attended by members throughout 2011/12. For April 2011 – September 2011 it should be noted that NHS Barnsley hosted Specialised Commissioning Group who adhered to the systems and governance processes within NHS Barnsley. From 1 October 2011 to 31 March 2012 the accountability for the SCG moved to the South Yorkshire and Bassetlaw Cluster.

The Board considered a range of strategies, policies and quality/financial/performance assurance reports and the annual risk/governance report. In addition between April 2011 and September 2011, NHS Barnsley Board monitored performance on a monthly basis against the key performance indicators, which included the headline and support measures identified in the Operating Framework, as part of the Integrated Performance report. 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.
NHS Barnsley had in place systems and processes to assure the Board that risk is being managed locally and there are reporting structures in place to do this. To support the Board there were governance arrangements and associated committee structures in place for the PCT throughout 2011/12.

Governance Arrangements April – September 2011

Following the completion of the Transforming Community Services process (May 2011), organisational change and establishment of the NHS South Yorkshire and Bassetlaw Board, the structures for governance and risk management were revised twice. The accountability arrangements and structures for governance and risk management are documented within NHS Barnsley’s Risk Management Strategy. The most recent Risk Management Strategy was revised and approved by the Governance, Risk and Audit Group in January 2012.

The Board ensured that the organisation consistently follows 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 Board assessed strategic and corporate risks against the Trust’s objectives via the Assurance Framework. The PCT Board and all its formal sub-committees have actively participated and been involved in the generation of principal risks to the organisation and Assurance Framework process.

The organisation has a number of Directors, Officers and competent advisors with lead responsibilities for Governance and Risk Management.
• The Chief Executive had overall responsibility for establishing and maintaining an effective risk management system within NHS Barnsley, for meeting all statutory requirements and for adhering to guidance issued by the Department of Health in respect of Governance. The Chief Executive was responsible for ensuring that a sound system of internal control was maintained that supported the achievement of NHS Barnsley’s aims and objectives.

• The Chief Operating Officer is responsible for Commissioning Healthcare services and ensuring that Risk Management processes exist within all commissioning arrangements.

• The Deputy Chief Operating Officer, Quality and Clinical Standards (DNS) has been the responsible director for risk management. This Director coordinates the NHS Barnsley approach to Governance, Risk Management and measures/monitors overall Governance and Risk Management performance within the organisation. The Director is also responsible for the management of serious incidents, complaints, claims and research governance. The Deputy Chief Operating Officer, Quality and Clinical Standards (DNS) is also the Clinical Governance Lead and has responsibility for strategic development and operational implementation of Patient Safety, Clinical Risk Management and infection prevention and control.

• The Chief Finance Officer has responsibility for the implementation of Financial Risk Management.

• NHS Barnsley has in place a number of Service Level Agreements (SLAs) for the provision of Information Technology, Estates and Human Resources. These SLAs include provision and responsibilities for the management of risk and governance including information governance, estates and equipment risks, health safety, fire safety and security management.

• NHS Barnsley has competent advisors for all aspects of Risk Management.

• Non Executives in conjunction with the Executive Team have responsibility for reviewing risk management strategies, processes and risk related issues via reports to the Governance 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 attend core mandatory fire training.

• A mandatory training needs analysis is in place which clearly identifies the mandatory training requirements for all staff. The analysis includes annual
and corporate governance training for senior managers and information governance training requirements. Attendance rates for all areas of mandatory training are also monitored and reported to senior managers each month to enable local action to be taken as appropriate.

The Governance Committee received reports from within its governance structure which included Information Governance Committee and District Infection Control Committees as well as a report assurance cycle including for example safeguarding and quality. In addition NHS Barnsley as a Commissioner was involved in the process for NHS Trusts developing their Quality Accounts to ensure they are accurate. The Audit Committee also reviewed the work of the Governance Committee to assure the board that the system of internal control was in place and effective. The Audit Committee Report to the NHS Barnsley Board highlighted particular governance and risk issues and linked these areas to risks on the Assurance Framework. The Assurance Framework was reviewed by the Governance Committee, Audit Committee and the Board.

2.2.2 NHS South Yorkshire & Bassetlaw

NHS South Yorkshire & Bassetlaw had a Trust Board in place throughout the period 1st October 2011 to 31st March 2012 which was quorate at each meeting. The Board considered a range of governance documents, strategies and quality / financial / performance assurance reports. The Board also received both the public and private minutes of the Barnsley Interim Commissioning Advisory Committee to which responsibility for commissioning the majority of local healthcare was delegated (whilst accountability was retained by the Board). The Board was supported in its assurance responsibilities by a formal sub-structure of meetings including an Audit Committee, Quality and Patient Safety Committee and Reference Committee.

A Governance paper received and approved by the first Board meeting in October 2011 in which:

- The Board was advised on the governance structure to support the Single Trust Board of NHS Barnsley, NHS Bassetlaw, NHS Doncaster, NHS Rotherham and NHS Sheffield.
- Approval was given for the terms of reference for the committees of the Trust Board which covered Audit, Quality and Patient Safety, Remuneration, Maintaining High Professional Standards, Pharmacy applications and Clinical Commissioning Groups. These reflected the movement to a single Trust Board.
- Revised Standing Orders / Standing Financial Instructions and Scheme of Delegation were agreed.
- It was identified where the Chief Executive and Director of Finance sought to delegate further functions to the Chief Operating Officer and Chief Finance Officer. These were then covered in Letters of Delegation to each CCG.
- The Board membership (including Directors) and the accountability arrangements at Board level were noted.

After the establishment of the single Board, a Cluster Assurance Framework and Cluster Risk Register were put into place coordinated by the Governance Leads of
the constituent PCT’s. The Assurance Framework was received and approved by the Board in November 2011 and an update received in January 2012. The Risk Register was received and approved in January 2012. A Cluster Information Governance Strategy was received in February 2012. Monthly reports were received on Finance, Quality and Performance.

The high-level governance structure is shown below

**Barnsley Interim Commissioning Advisory Committee**

The NHS South Yorkshire & Bassetlaw Board oversees the work of the Interim Commissioning Advisory Committee. The Governance Risk and Audit Group oversees the integrated governance agenda for the PCT, ensures that systems of internal control exist and are functioning effectively and provides the Chief Executive and the single Board with the assurance regarding the Governance Statement. The Governance, Risk and Audit Group is supported in its scope of work by the Quality and Patient Safety Group. As part of the system for ensuring the risks to the organisation are managed, the Governance Risk and Audit Group has a key role in reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation’s activities to support the achievement of the its objectives.
The Governance, Risk and Audit Group reports to the NHS South Yorkshire & Bassetlaw Audit Committee. The Audit Committee has a particular role in evaluating governance in the organisation.

**Governance Arrangements October 2011 – March 2012.**

The Barnsley Interim Commissioning Advisory Committee is authorised to take oversight of the commissioning of health services for the NHS Barnsley population. The Committee does not have responsibility for the development of Clinical Commissioning group arrangements; this is managed through the Cluster Executive team. The Committee does not have responsibility for Primary Care Contracting and Public Health. The Committee has a Chief Operating Officer, a Chief Finance Officer, a Medical Director, a Quality/Patient Safety lead and four lay members. It is supported in the discharge of its functions by an underpinning management, governance and Committee structure as demonstrated above. Formal delegation of responsibilities to the Barnsley Interim Commissioning Advisory Committee was given by the Cluster Board from October 2011. The delegation of budgetary management and decision making is to the Chief Operating Officer and Chief Finance Officer who report to the Interim Barnsley Commissioning Advisory Committee. The Committee also have the responsibility for Acute, Mental Health and Community healthcare commissioning and overseeing the joint commissioning arrangements with Barnsley Metropolitan Borough Council (BMBC) (whilst accountability was retained by the Cluster Board). NHS Barnsley continued to have delegated responsibility for the governance of non-CCG responsibilities such as primary care (whilst again accountability was retained by the Cluster Board).

Since October 2011, the Barnsley Interim Commissioning Advisory Committee has approved the revised governance arrangements particularly the creation of the...
Patient Safety and Quality group and the Audit Governance & Risk Group received the Single Integrated Plan for 2012/13 and continues to receive the Integrated Performance report to review progress against key performance indicators including finance, patient safety and quality.

In addition, from October 2011, progress against a number of the key Operating Framework headline measures has also been reported to the NHS South Yorkshire and Bassetlaw Board on a monthly basis.

The Committee has also approved the Assurance Framework which documents the principal risks to the achievement of the PCT’s objectives. Principal risks to the achievement of the PCT’s objectives continue to be indentified and added to the Assurance Framework from key governance committees. In addition to this the business planning process is coordinated to the Assurance Framework. The Committee and NHS Barnsley Board, before it, use the Assurance Framework as a tool to ensure that risks to the organisation’s objectives are effectively managed. The Assurance Framework has been reviewed throughout 2011/12 and received by Governance Committees and Groups. The Audit Governance & Risk Group also report to the Barnsley Interim Commissioning Advisory Committee. This report provides the Committee with detailed assurance from the Governance Risk and Audit Group that a number of components identified within the system of internal control are in place, effective and working.

In addition the Audit Governance & Risk Group minutes are submitted to the Audit Committee. The Audit Committee minutes are submitted to the NHS South Yorkshire and Bassetlaw Board.

3. Risk assessment

3.1 NHS Barnsley & Interim Barnsley Commissioning Advisory Committee

NHS Barnsley’s Risk Management Strategy describes how risk is assessed and managed. Each risk is assessed using a standardised risk assessment tool which is described in the Risk Management Strategy. As part of this assessment key risk treatment and control mechanisms are identified. Any gaps in these are also identified and action plans put in place. The risks identified are placed on the Assurance Framework and Risk Register as appropriate. Significant work has been undertaken in reviewing the Assurance Framework throughout the year. The following specific actions have been undertaken:

The Assurance Framework has been reviewed in terms of its format to reflect the template developed across SY&B by the governance leads. The same format is now in use across the cluster. In terms of changes from the previous format there is only the change of terminology to ensure clarity as to whether the risk will be tolerated or treated.

All of the NHS Barnsley objectives have been mapped to the objectives agreed by SY&B.

The risk matrix has been reviewed and minor changes made to ensure consistency across South Yorkshire & Bassetlaw. This differs very slightly to NHS Barnsley’s
previous matrix so this revised matrix is now included within the Risk Management Strategy. The assurance framework and risk register have been updated to reflect this change. The risk tolerance (appetite under which risks can be tolerated) is a risk score of 11 or below. Risks with a score of 12 and above will be ‘treated’. This is usually for risks where there are insufficient controls and/or assurances in place. These risks are included on an action plan accompanying the Assurance Framework. Risks are 'tolerated' where the risk rating score is 11 or below and is deemed adequately controlled with sufficient assurance in place. Any risks scored in excess of 16 must be escalated to SY&B Assurance Framework.

Summary reports were provided by the former Governance Committee to the NHS Barnsley Audit Committee providing clarity as to the key control(s) and assurances within the Assurance Framework that had been reviewed by the Committee. A similar summary report from the Governance, Risk & Audit Group and Patient Safety & Quality Group is submitted to the Interim Barnsley Commissioning Advisory Committee.

The key controls, as detailed in the report, have been added, removed or re-worded to adequately identify the control process that they represent. A number of key controls and sources of assurance identified in the internal review were reviewed on behalf of the Board by the Audit Committee for appropriateness.

Key controls - The Audit Committee agreed that Committees, job posts and teams of staff were appropriate key controls. Some key controls were found to be imprecise and subsequently reworded.

In addition to the above and in consideration of the emerging organisational changes within the NHS and NHS Barnsley each risk has been aligned to where the risk would potentially ‘sit’ within the new NHS structure. This will be a Clinical Commissioning Group (or equivalent), SY&B Commissioning Support Service or the NHS Commissioning Board. Where a risk has been aligned to SY&B then the risk has been cross matched to the risk reference number on the SY&B Assurance framework. It is recognised that this will be a transitional arrangement.

The risk tolerance, appetite under which risks can be tolerated is a score of 11 or below, where the assessment has been undertaken following the implementation of controls and assurances. All new risks scoring 16-20 will be notified to the Board as part of the integrated performance report. Risks identified as extreme (score of 25) will be notified to the Board separately.

The organisational risk profile and appetite for risk is the totality of risk held on the Assurance Framework and Risk Register. The Assurance Framework is a ‘live’ document and subject to both a mid-year and annual review by the Governance, Risk and Audit Group and Interim Barnsley Commissioning Advisory Committee. The totality of the risks on the Risk Register is reviewed on a rolling programme based on risk rating by the Governance, Risk and Audit Group. Clinical risks from the Risk Register are reviewed at each meeting of the Quality and Patient Safety Group.

At the close of the year as of 31st March 2012 there were 18 risks on the NHS Barnsley Assurance Framework. 7 of these risks were currently scored in excess of
11 and were being treated. During the period, gaps in control and assurance were identified, action plans put into place and monitored.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Principal Risk</th>
<th>Current Risk</th>
<th>Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.10</td>
<td>Non achievement of C-difficile Trajectories.</td>
<td>5</td>
<td>Multiple Action Plans in place. A whole systems approach is being applied</td>
</tr>
<tr>
<td>2.2</td>
<td>Lack of an emerging CCG in Barnsley</td>
<td>4</td>
<td>Multiple Action Plans in place</td>
</tr>
<tr>
<td>3.7</td>
<td>There is a potential risk that local management arrangements may become unclear whilst accountability transferred to another level of management</td>
<td>4</td>
<td>Local commissioning and governance arrangements, supported by Single Board</td>
</tr>
<tr>
<td>3.8</td>
<td>Staff may not have the capacity to undertake the work required during the transition arrangements</td>
<td>4</td>
<td>To be managed through Corporate Risk Register, risks 18, 33 and 45</td>
</tr>
<tr>
<td>1.1</td>
<td>Health inequalities gap in Barnsley continues to widen due to:</td>
<td>3</td>
<td>Public Health business plan for 12/13 to be produced with this risk in mind so that resources are assigned appropriately</td>
</tr>
<tr>
<td></td>
<td>o National and local economic climate</td>
<td></td>
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<td></td>
<td>o Osterity programme</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>o Workforce capacity (linked to transition)</td>
<td></td>
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</tr>
<tr>
<td>2.1</td>
<td>The PCT may lose financial and quality control of the services GP provides through transition</td>
<td>4</td>
<td>To be managed through Corporate Risk Register, risks 6, 32, 33 and 40.</td>
</tr>
<tr>
<td>6.4</td>
<td>Motivation of PCT staff will decrease over the coming years, due to uncertainty. This may cause the risk of staff seeking employment elsewhere and so the PCT loosing expertise or staff not undertaking their jobs appropriately. Development of Consortium Skills</td>
<td>4</td>
<td>HR policies being reviewed at cluster level around management of change. Regular communication with staff.</td>
</tr>
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</table>

The newly identified risks in 2011/12 related mainly to the effects of organisational change and one specifically in relation to the lack of an emerging CCG. There have been no lapses of data security and no Information Governance incidents reported to the Information Commissioner for NHS Barnsley this year.

3.2 NHS South Yorkshire & Bassetlaw

To support the work of the Board and its Committees and to provide assurance that the risks across the Cluster were known and understood, a single Assurance Framework covering all constituent PCT areas was developed. The Assurance Framework takes into account the accountabilities and responsibilities referenced in the following:

- Objectives from the Cluster Implementation Guidance (January 2011) and the
Shared Operating Model for PCT Clusters (July 2011);

- NHS Commissioning Board duties (e.g. offender healthcare military healthcare, primary care contracting, emergency planning);

In developing the NHS South Yorkshire & Bassetlaw Assurance Framework all existing PCT Assurance Framework risks and any new/emerging risks in light of the changing NHS architecture were captured. The Assurance Framework was developed in accordance with guidelines provided by the Department of Health, Internal Audit and the Strategic Health Authority and comprises risks which affect the achievement of Cluster objectives.

A standard 5x5 risk matrix was agreed to assess risk which incorporates both consequence and likelihood. The Cluster risk tolerance (appetite under which risks can be tolerated) is a score of 11 or below where the assessment has been undertaken following the implementation of controls and assurances. This is the same for both the Cluster Assurance Framework and the Clinical Commissioning Groups Assurance Frameworks. Local Clinical Commissioning Group Assurance Framework risks which are scored at or in excess of a score of 16 will be escalated to the Cluster Assurance Framework. All new risks scoring 16-20 are notified to the Board as part of the integrated performance report.

The objectives for PCT Clusters as detailed in the Department of Health Shared Operating Model for PCT Clusters (July 2011) were taken as those against which the Cluster Assurance Framework risks were mapped:

- Integrated Finance, Operations and Delivery
- Commissioning Development
- Ensuring Quality (Effectiveness, Experience & Safety)
- Emergency Planning & Resilience
- Commissioning Elements of Provider Development
- Communication and Engagement

All existing risks from the 5 PCT Assurance Frameworks were mapped to the principal risks of the Cluster. There was full alignment of the 5 PCT’s principal risks with the Cluster principal risks. All PCT Assurance Framework risks which were not expected to carry forward to the Clinical Commissioning Group Assurance Frameworks were captured on the Cluster Assurance Framework. The ownership of the risks was linked to the Scheme of Delegation with Director / Chief Executive accountability identified.

The format of the Assurance Framework was designed and populated based on the existing Assurance Frameworks in existence across the Cluster and in consideration of Internal Audit feedback on best practice.

The Cluster Assurance Framework was presented to the Cluster Audit Committee and the Cluster Board in November 2011. An update was provided in January 2012.

Until such a time as the NHS Commissioning Board takes over responsibility for the commissioning of FHS/Primary Care, Offender Healthcare, Military Healthcare and
Specialised Commissioning, a Risk Register co-produced by the Executive Team and Governance/Commissioning Leads has been developed which capture risks associated with these directly commissioned services. The Cluster Risk Register was presented to the January 2012 Single Board alongside the Cluster Assurance Framework Action Plan. Specialised Commissioning Groups hold their own Assurance Frameworks which will continue during transition.

All the risks on the Assurance Framework were newly added from October 2011 as this was the first Assurance Framework of the NHS South Yorkshire & Bassetlaw Cluster. At the close of the year as of 31st March 2012 there were 20 risks on the Cluster Assurance Framework. 7 of these risks were scored in excess of 11 and all 7 were being treated, with 1 risk scored below 11 also being treated. During the period, gaps in control and assurance were identified, action plans put into place and monitored. There were no lapses of data security reported to the Information Commissioner. The 8 risks being treated comprised:

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<th>Ref</th>
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<th>Current Risk</th>
<th>Action Plan</th>
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<tbody>
<tr>
<td>1.1</td>
<td>Failure to deliver Financial Strategy and financial targets resulting in failure to meet control totals and statutory financial duties.</td>
<td>5 2 10</td>
<td>Continue to regularly monitor financial outcomes across the localities.</td>
</tr>
<tr>
<td>1.2</td>
<td>Failure to deliver the financial aspects of the QIPP agenda.</td>
<td>5 4 20</td>
<td>Continue to monitor QIPP delivery across the localities</td>
</tr>
<tr>
<td>2.1</td>
<td>Failure to ensure effective arrangements to move to the new NHS architecture by April 2013.</td>
<td>5 4 20</td>
<td>Maintain Transition Plan including NHS Commissioning Board, Public Health and CCG Authorisation</td>
</tr>
<tr>
<td>2.3</td>
<td>Failure to ensure Clinical Commissioning Group capability and capacity, including wider clinical engagement leading to non-authorisation of Clinical Commissioning Groups.</td>
<td>5 4 20</td>
<td>Coordinate plans across the localities to ensure authorisation of CCGs in line with national timescales.</td>
</tr>
<tr>
<td>2.4</td>
<td>Recent national publication of a call for retrospective Continuing Healthcare claims is expected to lead to a significant increase in claims – impacting on both staffing capacity to review the claims and on finance. The time limits for the process are very short – September 2012.</td>
<td>4 3 12</td>
<td>Develop a coordinated approach to Continuing Care retrospective claims reviews</td>
</tr>
<tr>
<td>3.3</td>
<td>Failure to ensure robust systems of Risk Management &amp; Governance are in place, not fulfilling statutory responsibilities.</td>
<td>5 3 15</td>
<td>Work to align governance arrangements across localities wherever practicable</td>
</tr>
<tr>
<td>3.5</td>
<td>Failure to effectively safeguard children and vulnerable people in line with statutory requirements leading to potential harm.</td>
<td>5 3 15</td>
<td>Monitor through Cluster Risk Register and local arrangements</td>
</tr>
</tbody>
</table>
6.1 Failure to effectively engage staff systematically during transition, resulting in potential de-motivation, lack of productivity and poor staff experience and including potential industrial action

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<tr>
<td><strong>6.1</strong></td>
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<td>4</td>
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**4. The risk and control framework**

The Risk Management Strategy provides an overarching framework aimed at ensuring NHS Barnsley develops and implements risk management practices effectively in all its functions. The Risk Management Strategy sets out NHS Barnsley’s commitment to the management of all risk using an integrated approach covering clinical, non-clinical, and financial risk. Accountability arrangements for risk management are clearly set out within the strategies and roles and responsibilities in terms of key bodies/committees and individuals are identified.

The Risk Management Strategy requires that risks be systematically identified and recorded on a continuous basis. Principal risks are identified on both a proactive and reactive basis. The strategy stipulates that the development and implementation of risk management in the organisation will be subject to regular internal review and monitoring to assess progress in implementation. Risk Management is embedded throughout the organisation through its governance systems and processes.

NHS Barnsley has in place a range of policies and procedures for the management of risk, which are posted on the organisations intranet. The PCT also has in place an active system of incident reporting. The system is central to the process of ensuring that incidents are managed appropriately and that learning from incidents takes place and is shared across the PCT and wider health community. In addition Equality Impact Assessments form part of the PCT policies and procedures development and change management process.

Information about reported incidents is captured on the PCT’s risk management information system. Reports are extracted from the system to identify issues and trends and reports are fed back to the Quality and Patient Safety Group and the Governance, Risk and Audit Group. Serious Incidents are reported externally to the Strategic Health Authority via the Strategic Executive Information System (STEIS) and the PCT’s management of these incidents is monitored. Investigations are carried out into all Serious Incidents and action plans devised to address the issues identified. Learning events are routinely held in service areas where a Serious Incident has occurred. NHS Barnsley’s Complaints, Serious Incidents and Claims Sub Group(s), play an active role in assuring that all Serious Incidents are subject to investigation.

The PCT manages and controls its risks relating to information and data security. The South Yorkshire and Bassetlaw Director of HR & Governance has been appointed Senior Information Risk Owner. All Information and data security incidents are considered by the Information Governance team. The principal risks to information are included on the Risk Register. An assessment against the Information Governance Toolkit has been undertaken and was submitted (before the
31st March 2012 deadline). Internal Audit has undertaken a review of the organisation’s self assessment against the three requirements of the Information Governance Toolkit v.9 (as identified by the SHA). The PCT has completed the assurances within the Information Governance Assurance Programme (IGAP).

The PCT has an established Assurance Framework and Risk Register as mechanisms for providing reasonable assurance that the PCT has in place an effective system of internal control to manage the principal risks faced by the organisation. An Assurance Framework and Risk Register has been in place for a number of years, reviews of the Assurance Frameworks and Risk Registers have continued throughout 2011/12.

Principal risks to the achievement of the PCT’s objectives continue to be identified and added to the Assurance Framework and Risk Register from key committees including the Interim Barnsley Commissioning Advisory Committee, Governance, Risk and Audit Group, Quality and Patient Safety Group and Complaints/Serious Incidents and Claims Group. In addition to this the PCT’s business planning process is aligned to the Assurance Framework. This will effect the identification, management and monitoring of the principal risks to the organisation’s strategic goals & strategic objectives. The Assurance Framework identifies the controls in place to manage each risk and the sources of assurance, which demonstrate their effectiveness.

The Counter Fraud Team and Local Counter Fraud Specialist for the PCT promote fraud awareness via newsletters and Fraud Alerts to staff. Staff are encouraged to report suspected fraud to the national NHS Fraud and Corruption Reporting line. A local Counter Fraud Specialist Annual Report is produced and submitted to the Governance, Risk and Audit Group.

5. Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit has determined that “Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation’s objectives and that controls are generally being applied consistently”.

Directors and Managers within the organisation who have responsibility for the development and maintenance of the system of risk management and internal control provide me with assurance. The Assurance Framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:
• Head of Internal Audit opinion statement
• Internal and External Audit Reports
• Clinical Audits
• Local Authority Scrutiny process
• NHS Staff Survey
• The Audit Commission providing progress reports to the Audit Committee, the Annual Management Letter and overview of cost effectiveness within NHS Barnsley.
• Performance Management systems
• Internal Committee structure with delegated responsibility for risk identification, evaluation, control, review and assurance
• Review of the Assurance Framework
• Risk Registers
• Self-assessment undertaken by the Audit Committee to ensure adherence to the principles contained within the NHS Audit Committee Handbook.
• Single Integrated Plan.

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

South Yorkshire & Bassetlaw Board
Interim Barnsley Commissioning Advisory Committee
Governance, Risk and Audit Group
Quality and Patient Safety Group

The Assurance Framework is used as the plan to address weakness and ensure continuous improvement of the system. The Board and Interim Barnsley Commissioning Advisory Committee have been involved with the development of the Assurance Framework. The Board and Interim Barnsley Commissioning Advisory Committee have maintained an overview of the Assurance Framework, commenting as appropriate and endorsing actions. The Assurance Framework has been approved by the Governance Risk and Audit Group and Interim Barnsley Commissioning Advisory Committee.

The Board has overseen the work of the Interim Barnsley Commissioning Advisory Committee, Governance Risk and Audit Group and Quality and Patient Safety Group. The Board determines the Trust's approach to risk management and ensures that systems of internal control exist and are functioning properly. The Governance Committees oversee all issues of risk management within the PCT, ensuring that all significant risk management concerns are considered and communicated appropriately to the Board. The Governance Committees and Board agreed a process to ensure that the Assurance Framework is monitored and updated as a live document.

The Governance Risk and Audit Group review the establishment and maintenance of an effective system of internal control and risk management. As part of this role the Governance Risk and Audit Group 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 2011/12 and have managed risks assigned to them.

**Trust Board:** Responsible for providing clear commitment and direction for Risk Management within the Cluster. The Trust Board delegates responsibility for non-clinical risk management to the Audit Committee and clinical risk management to the Quality & Patient Safety Committee.

**Audit Committee:** Responsible for providing an independent overview of the arrangements for risk management within the Cluster, with specific responsibilities for financial risk management. It undertakes its own annual self-assessment of its effectiveness and reviews all Internal and External Audits. The Cluster Audit Committee is mirrored in the NHS Barnsley structure by an Audit & Risk Group. Local assurance flows up from the Audit & Risk Group to the Cluster Audit Committee.

**Quality & Patient Safety Committee:** The Committee with overarching responsibility for clinical risk management. It provides assurance to the Cluster Board that appropriate Clinical Governance and clinical risk management arrangements are in place across the organisations. The Quality & Patient Safety Committee is underpinned by various Sub Groups. The Cluster Quality & Patient Safety Committee is mirrored in the NHS Barnsley’s structure by a Quality & Safety Group. Local assurance flows up from the Quality & Safety Group to the Cluster Quality & Patient Safety Committee.

**Chief Operating Officer:** As Senior Responsible Officer for the whole of NHS Barnsley and the Interim Barnsley Commissioning Advisory Committee, the Chief Operating Officer is responsible for achieving the objectives in the context of sound and appropriate business processes and reporting risks to the Cluster Chief Executive as Accountable Officer.

**Chief Finance Officer:** As Senior Responsible Officer for NHS finances across NHS Barnsley and the Interim Barnsley Commissioning Advisory Committee, the Chief Finance Officer is responsible for ensuring that the organisation complies with the Standing Financial Instructions to achieve financial balance and reports financial risks to the Cluster Director of Finance.

**Executive Directors:** Each Director 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 Director-level for their attention as appropriate.

**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 NHS Barnsley’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 Barnsley, and advise on where improvements are necessary and desirable for the good governance of the organisation.

**Significant Issues**

No significant internal control weaknesses have been identified during the year. NHS Barnsley has received positive feedback from Internal Audit on the Assurance Framework and this, in conjunction with other sources of assurance, leads the PCT to conclude that it has a robust system of control. To be finalised once final Internal Audit Feedback is received.

**Significant issues to report:**

Significant Issues facing NHS Barnsley in 2011/12

- Transition to the new NHS architecture
- Lack of an emerging CCG in Barnsley

Action plans have been put in place, where the risk is known. All risks are monitored and reported via the Assurance Framework

**6.0 Conclusion**

My review confirms that NHS Barnsley has a generally sound system of risk management and internal control that supports the achievement of its policies, aims and objectives.

Accountable Officer:

Andy Buck

Organisation:

Chief Executive, South Yorkshire and Bassetlaw as Accountable Officer

Signature:

Date: