

Annual Governance Statement

Introduction and context

NHS Dorset CCG is a body corporate established by NHS England on 1 April 2013 under the National Health Service Act 2006 (as amended).

The Clinical Commissioning Group's statutory functions are set out under the National Health Service Act 2006 (as amended). The CCG's general function is arranging the provision of services for persons for the purposes of the health service in England. The CCG is, in particular, required to arrange for the provision of certain health services to such extent as it considers necessary to meet the reasonable requirements of its local population.

As at 1 April 2019, the Clinical Commissioning Group is not subject to any directions from NHS England issued under Section 14Z21 of the National Health Service Act 2006.

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the clinical commissioning group's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I also acknowledge my responsibilities as set out under the National Health Service Act 2006 (as amended) and in my Clinical Commissioning Group Accountable Officer Appointment Letter.

I am responsible for ensuring that the clinical commissioning group is administered prudently and economically and that resources are applied efficiently and effectively, safeguarding financial propriety and regularity. I also have responsibility for reviewing the effectiveness of the system of internal control within the clinical commissioning group as set out in this governance statement.

Governance arrangements and effectiveness

The main function of the governing body is to ensure that the group has made appropriate arrangements for ensuring that it exercises its functions effectively, efficiently and economically and complies with such generally accepted principles of good governance as are relevant to it.

The Membership has retained the power to make changes to its core constitution but has delegated the majority of the decision making functions to the CCG's Governing Body. The Governing Body has, in turn, delegated some decision making to the organisation's committees. Further information relating to the delegated responsibility to each of the committees is detailed in the Annual Report and Accounts 2019/20 and Terms of Reference (see pages 52 to 56).

48 UK Corporate Governance Code

49
50 NHS Bodies are not required to comply with the UK Code of Corporate Governance, however
51 we have reported on our corporate governance arrangements throughout our Annual Report
52 and Accounts.

53
54 From 1 April 2019 and up to the date of signing this statement, the CCG has complied with
55 the provisions set out in the NHS Clinical Commissioning Group's Code of Governance and
56 applied the principles of the Code.

57

58 Discharge of statutory function

59
60 I can confirm that the correct arrangements are in place for the discharge of statutory
61 functions.

62 During establishment, the arrangements put in place by the CCG and explained within the
63 UK Corporate Governance Code were developed with extensive expert external legal input
64 to ensure compliance with all the relevant legislation. The legal advice also informed the
65 matters reserved for Membership Body and Governing Body decision and the scheme of
66 delegation.

67 In light of recommendations of the 2013 Harris Review, the Clinical Commissioning Group
68 has reviewed all of the statutory duties and powers conferred on it by the National Health
69 Service Act 2006 (as amended) and other associated legislative and regulations. As a result,
70 I can confirm that the Clinical Commissioning Group is clear about the legislative
71 requirements associated with each of the statutory functions for which it is responsible,
72 including any restrictions on delegation of those functions.

73 Responsibility for each duty and power has been clearly allocated to a lead Director.
74 Directorates have confirmed that their structures provide the necessary capability and
75 capacity to undertake all of the Clinical Commissioning Group's statutory duties.

76 Risk management arrangements and effectiveness

77 In May 2018, Internal Audit (BDO LLP became the CCG's internal auditors in April 2018)
78 undertook a 'risk maturity assessment' of the CCG as an advisory piece of work. This
79 assessment aimed to help ensure that an effective risk management culture becomes
80 embedded across the CCG by highlighting areas where processes could be improved.

81 The audit identified many aspects of good practice within the organisation, whilst
82 recommending a number of opportunities for enhancement of the risk approach.

83 The overall maturity assessment was rated as follows (against the risk maturity assessment
84 matrix used within the audit):

85 TABLE 1: RISK MANAGEMENT EFFECTIVENESS

86

	Risk governance	Risk identification and assessment	Risk mitigation and treatment	Risk reporting and review	Continuous improvement
Current	Defined	Managed	Defined	Managed	Defined
Target	Managed	Enabled	Managed	Enabled	Managed

87 Subsequent to the risk maturity audit, the recommendations have now been implemented
88 and this action plan has been closed as 'completed'.

89 The CCG recognised that to lead the health system within an Integrated Care System (ICS),
90 the organisation needs to be bold and courageous, to ensure sustainability for the future.
91 Acknowledgement and acceptance of a higher level of risk is sometimes necessary to
92 facilitate innovation in the delivery of services. Therefore, following the formulation of
93 the CCG risk appetite statement, work to develop and implement an ICS risk framework,
94 ICS risk appetite and ICS risk register has been underway during 2019/20. Good progress
95 has been made in relation to this work, which has been reliant upon the final agreement
96 of the ICS governance structure. The governance structure has been finalised but further
97 progress has now been delayed following the outbreak of the COVID-19 pandemic; this
98 work remains a priority for the CCG once the organisation transitions through 'recovery' to
99 'business as usual'.

100 Every activity that the CCG undertakes or commissions others to undertake on its behalf,
101 brings with it an element of risk that has the potential to threaten or prevent the
102 organisation achieving its strategic objectives. Unmanaged risk can affect people, assets,
103 the organisation and reputation and ultimately be of detriment to the population the CCG
104 serves.

105 The CCGs Risk Management Framework, which is regularly updated as the approach to risk
106 within the organisation develops:

- 107 • standardises and clarifies the terminology of risk management;
- 108 • sets out the organisation's objective to identify, treat and mitigate risk;
- 109 • explains the roles and responsibilities within the CCG relating to risk;
- 110 • defines the role and objectives of the CCG's committees and groups;
- 111 • clearly explains the tools (Corporate Risk Register and Governing Body Assurance
112 Framework) used by the CCG to document and manage risks to the organisation,
113 detailing the clear, consistent and effective risk scoring systems used;
- 114 • details how the organisation has a clear view of the risks affecting each area of its
115 activity, how the risks are being managed and their potential impact on the
116 organisational objectives;
- 117 • assures the public, patients and their carers and representatives, staff and partner
118 organisations that the CCG is committed to managing risk appropriately.

119
120 This documented approach to managing identified risk helps the CCG achieve agreed
121 standards, reduce overall costs and maintain and enhance the standard of service
122 provided.

123 The CCG ensures that risk management is embedded in all aspects of the work of the
124 organisation. Examples include:

- 125 • **Equality Impact Assessments:** The CCG is committed to ensuring a reduction in health
126 inequalities and places the needs of Dorset communities at the heart of all
127 commissioning functions. 'Equality analysis' is undertaken when commissioning
128 services, making changes to services, using information within services and within the
129 policies that are used. Additionally, the CCG publishes an annual 'Equality, Diversity
130 and Inclusion report' which acknowledges the organisation's successes in relation to
131 equality and diversity, as well as making recommendations for improvement.
- 132 • **Incident Reporting:** Incident and serious incident reporting is openly encouraged from
133 all staff, GP practices and the provider organisations (both NHS and non-NHS) that are

134 commissioned by the CCG. This information is analysed and used to identify any risks
135 which may impact the business of the CCG.

- 136 • **Stakeholder engagement:** In line with our duty, the CCG actively involves local people
137 ('public stakeholders') in the planning and development of locally commissioned
138 services.
- 139 • **Counter fraud methodology:** The CCG also actively deters risks through the adoption of
140 robust counter-fraud methodology. All clinical and non-clinical staff receive training on
141 the identification of fraud within the CCG. The CCG has a contract with Tiaa to provide
142 counter fraud and security management services that have an annual work programme.
143

144 The CCG's Executive Lead for fraud and corruption is the Chief Finance Officer, who is
145 responsible for authorising investigations, including the arrest, interviewing and
146 prosecution of subjects and the recovery or write-off of any sums lost to fraud.
147

148 Capacity to handle risk

149
150 The CCG's Governing Body Assurance Framework provides assurance to the Governing Body
151 of the controls that are in place to mitigate the key risks that could impact on the CCG's
152 delivery of its programmes and priorities.

153 Key controls where assurance cannot be fully demonstrated are highlighted in blue on the
154 framework, with an explanation of the work in progress to achieve assurance. Quarterly
155 updates are provided to the Directors of the progress against achieving full assurance,
156 with formal reports submitted to every Governing Body and Audit Committee meeting.
157 This pro-active method of managing risk is a preventative approach to limit the risk
158 exposure to the organisation.

159 The Corporate Risk Register is a risk management tool which acts as a central repository
160 for all current risks identified by the organisation. All risks are recorded and managed via
161 the Ulysses software 'Safeguard Risk Management System' and are mapped (where
162 applicable) to the strategic objectives of the CCG.

163 In relation to risk management the Governing Body membership and executive team are
164 responsible for:

- 165 • articulating the organisation's strategic objectives;
- 166 • identifying risks to the achievement of its strategic objectives;
- 167 • protecting the reputation of the CCG; providing leadership, active involvement and
168 support for risk management;
- 169 • determining the risk appetite for the CCG;
- 170 • ensuring the approach to risk management is consistently applied;
- 171 • ensuring that there is a structure in place for the effective management of risk
172 throughout the CCG and that this structure is consistently applied;
- 173 • monitoring these processes on an on-going basis via the Governing Body Assurance
174 Framework and Corporate Risk Register;
- 175 • reviewing and approving the Risk Management Framework on an annual basis.
176

177 The CCG is able to assure itself of the validity of the Annual Governance Statement in a
178 number of ways. These are:

- 179 • adherence to the Risk Management Framework;
- 180 • adherence to the CCG committee structure, Committee Terms of Reference and
181 reporting framework;

- 182 • biannual confirmations from the Chairs of the key groups and committees that the
183 assurances for which their programmes have delegated responsibility have been
184 scrutinised and that there are no significant lapses in assurance or (in the case of
185 lapses/gaps in assurance) details of the work being taken, including action plans, to
186 resolve the lapses/gaps;
187 • scrutiny of the draft Annual Governance Statement (this document) by members of the
188 Audit Committee prior to submission and sign off at the special meeting for closure of
189 finances in June 2020.

190

191 Leadership for the risk management process within the CCG is provided via the Governing
192 Body, with responsibility delegated to the Audit Committee. The organisational structure
193 has been established in order to assist with this process and is described in the following
194 paragraphs.

195 All Directors are responsible for compliance with the Risk Management Framework to
196 ensure that remedial actions are identified and taken wherever key risks are identified
197 within their area of responsibility.

198 The Director of Quality and Nursing is the designated lead for risk and patient safety
199 within the CCG, and is responsible for ensuring that the Risk Management Framework is
200 implemented and evaluated effectively.

201 All Directors, Deputy Directors and Managers have delegated responsibility and authority
202 with regard to the management of risk within their specific areas of work, including
203 compliance with the Risk Management Framework and for ensuring that remedial action is
204 taken wherever key risks are identified within their area of responsibility, including:

- 205 • the reporting of adverse incidents, together with actions to prevent or minimise a
206 reoccurrence;
207 • identifying and adding risks to the Corporate Risk Register in a timely manner;
208 • coordinating the application of resources to minimise, manage and control the
209 likelihood and/or impact of the risk;
210 • undertaking risk assessments and actions implemented;
211 • ensuring staff undertake mandatory and statutory training.

212

213 The CCG has clear governance structures with delegation of responsibility clearly
214 articulated in the terms of reference for committees and groups (as described on pages 50
215 to 56). All committees review their effectiveness annually and there are clear lines of
216 reporting from all committees and groups to the Governing Body. The Governing Body
217 through reports and updates reviews the quality, performance and financial stewardship of
218 the organisation. Any risks identified relating to these areas have been recorded in the
219 Corporate Risk Register and/or the Governing Body Assurance Framework.

220 The CCG operates a 'Declaration of Interest' register and this is checked regularly;
221 potential conflicts of interest are taken into account in all aspects of the CCGs business.
222 Declarations of interest are recorded at every formal committee and group meeting.

223 The Head of Patient Safety and Risk, supported by the Patient Safety and Risk Manager has
224 delegated responsibility for:

- 225 • co-ordinating and managing activities relating to clinical, corporate and financial risks
226 for the CCG;
227 • monitoring risk management and patient safety within commissioned and corporate
228 services for the CCG;

- 229 • maintaining the Corporate Risk Register and Governing Body Assurance Framework
230 through engagement with the Directors and Directorate Risk Leads;
231 • the management of all Never Events, Serious Incidents Requiring Investigation and
232 Adverse Incidents.

233
234 The Patient Safety and Risk team within the CCG supports the consistent identification,
235 assessment and management of risk across the organisation and, as a team, are central to
236 the dissemination and application of best practice. Additionally, the team administers the
237 key administration and system processes and acts as a central resource and advisory
238 function in relation to risk and risk management.

239 Face-to-face training for existing CCG employees was undertaken during 2018/19 covering
240 the key components of risk management. New staff to the organisation now receive risk
241 training as part of their CCG induction and all Governing Body members receive annual risk
242 training.

243 The cumulative contribution of the above mechanisms assists in the assurance of
244 commissioning services that ensure patient safety is high profile.

245 The current information security landscape

246
247 The CCG has not been impacted by any successful cyber-attacks during 2019/20. Phishing
248 attacks remain the primary threat to CCG data and security. The CCG's Data Security
249 Advisory Team provides Data Protection and Cyber Security training to all staff and this
250 mandatory training has a high take up rate with 99% of CCG staff attending; the training
251 (which includes a written test) has helped to inform and educate the staff and reduce the
252 CCG's vulnerability to phishing attacks.

253 Phishing and spam is predominately targeted at Senior staff and Executives and it is
254 evident that a level of knowledge of CCG staff structures is being used to target these
255 exploits. Attackers are taking time to use publicly accessible sources to locate senior staff
256 and target them using social engineering techniques. The attacks are using carefully
257 written emails where traditional identifiers, such as poor written English or unusual
258 display names, are not as prevalent making them harder to spot.

259 The CCG has implemented its phishing reporting service which allows staff to forward
260 suspicious emails which the Information Security team can then assess and delete from all
261 CCG systems.

262 The CCG continues to see constant probes around the edge of its network and this is to be
263 expected; where possible access has been blocked from outside of the EEA.

264 During 2020/21, the CCG Information Security Team is expanding to provide more resource
265 and knowledge to help detect, analyse and remediate identified threats. This will also
266 allow the CCG to investigate and implement additional security technologies to further
267 protect its data from unauthorised access.

268 The CCG will also be working to achieve accreditation via the National Cyber Security
269 Centre's Cyber Essentials Plus accreditation scheme.

270 COVID-19 pandemic

271
272 On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a
273 pandemic. In the following days, social distancing measures were advised and schools

274 were closed; on 23 March 2020, the Prime Minister announced measures to mitigate the
275 virus were to be tightened further in order to protect the NHS, with wide-ranging
276 restrictions made on freedom of movement, enforceable in law, for a planned "lockdown"
277 period intended to last for at least three weeks.

278 The NHS will face substantial and unprecedented challenges during the pandemic and
279 Dorset CCG has a vital role in ensuring that good governance, risk management and
280 accountability remain throughout. The details of the CCG's strategic response to the
281 pandemic will be detailed in the Annual Governance Statement 2020/21 when the full
282 impact of the "lockdown" on the residents of Dorset will be more fully understood.

283 Risk assessment

284

285 The CCG continues to develop and embed its approaches to risk management both
286 internally in the organisation and as a partner within the developing ICS. The CCG views
287 integrated risk management as a key element in the successful delivery of both CCG and
288 ICS business and remains committed to ensuring staff are equipped to assess, manage,
289 escalate and report risks.

290 To deliver the CCGs vision to "provide services to meet the needs of local people and
291 deliver better outcomes", a number of programmes and priorities have been developed,
292 supported by two enabling programmes.

293 All assurance lines on the Assurance Framework are aligned to the current strategic risks
294 and priorities/programmes and all corporate risks are aligned to a priority or programme.

295 The Governing Body receives regular assurance on the management of internal risks and
296 assurance both directly via regular reports including the full Governing Body Assurance
297 Framework and Corporate Risk Register and via assurance from the Audit Committee.

298 During 2020/21 work is to be undertaken to more clearly articulate the CCG's strategic
299 priorities and the progress being made on delivery of these priorities. This will dovetail
300 with a planned refresh of the Assurance Framework, work on which has commenced via
301 the Audit Committee, to ensure the ongoing oversight of risk assessments and assurance
302 on strategic risk management and mitigation. The refresh of the CCG Assurance
303 Framework will ensure alignment with the developing ICS Oversight and Assurance
304 Framework.

305 Reports are also received on a monthly basis by Directors summarising the top risks to the
306 organisation (those scoring over 15), new risks, closed risks and any other key risk issues.
307 Directors also review the full Corporate Risk Register at every meeting.

308 All risks identified in the Corporate Risk Register require the formulation of an action
309 plan. A member of the Patient Safety and Risk team communicates with risk leads on a
310 monthly or quarterly basis (dependant on risk level) to record progress against action plans
311 and documents the effect these are having on the residual risk score. All action plans are
312 formally reported via the Corporate Risk Register. The document includes all risks that
313 may impact on the achievement of the CCG's objectives.

314 Risks are scored on a likelihood x consequence matrix to score the potential severity of a
315 risk being realised. Risks scored above 15 are categorised as 'high risk'.

316 During 2019/20 the existing process to record operational risks associated with the
317 development project continued, with a clear route to escalate any of the risks identified
318 to the Corporate Risk Register.

319 Between 1 April 2019 and 31 March 2020, 17 risks were added to the Corporate Risk Register.
320 Of these 17 risks, four have been closed within the year. 32 risks remain open.

321 Of the remaining 32 open risks, 16 are assessed as high risk. These risks relate to:

- 322 • the impact of COVID-19 on the ability of the CCG to perform its required functions;
- 323 • cost pressures of transitioning phlebotomy services out of acute Providers;
- 324 • workforce challenges across the Integrated Care Service;
- 325 • potential financial overspends within the GP prescribing budget and personal health
326 commissioning (two risks);
- 327 • demand and capacity challenges in elective care (including ophthalmology and
328 endoscopy) and potential 52 week breaches (four risks);
- 329 • delivering the required functionality of the Dorset Care Record;
- 330 • preventing deprivation of liberty without authorisation;
- 331 • the challenges in achieving ambulance response times and the impact of this (two
332 risks);
- 333 • timely and effective administration and support services to GP practices;
- 334 • Integrated Urgent Care service provision, including the impact of transitioning to a
335 new service provider (two risks).

336
337 The outstanding risks in place on 31 March 2020 are carried over into the new financial
338 year and will continue to be managed within the Risk Management Framework described
339 within this statement. The risk profile of the CCG is subject to on-going in-year revision.

340 As Accountable Officer I can confirm that there have been no significant lapses of
341 protective security.

342 Other sources of assurance

343

344 Internal control framework

345

346 A system of internal control is the set of processes and procedures in place in the clinical
347 commissioning group to ensure it delivers its policies, aims and objectives. It is designed
348 to identify and prioritise the risks, to evaluate the likelihood of those risks being realised
349 and the impact should they be realised, and to manage them efficiently, effectively and
350 economically.

351 The system of internal control allows risk to be managed to a reasonable level rather than
352 eliminating all risk; it can therefore only provide reasonable and not absolute assurance of
353 effectiveness.

354 The Corporate Risk Register has controls described for every risk entry. The controls are
355 reviewed on a monthly or quarterly basis (depending on their risk level) along with
356 progress for reducing the risk to ensure they are still effective.

357 The framework provides assurance to the Governing Body of the controls that are in place
358 to mitigate the key risks that could impact on the CCG's delivery of its strategic
359 objectives.

360 Annual audit of conflicts of interest management

361

362 The updated/revised statutory guidance on managing conflicts of interest for CCGs
363 (published June 2017) requires CCGs to undertake an annual internal audit of conflicts of

364 interest management. To support CCGs to undertake this task, NHS England has published a
365 template audit framework.

366 In October and November 2019, the annual internal audit of conflict of interest was
367 undertaken with the final report published in November 2019.

368 The scope of this audit covered the areas set out by NHS England in their published audit
369 template for this nationally mandated review. The audit provided assurance that there was
370 full compliance over the five key areas: governance arrangements; declarations of interests
371 and gifts and hospitality; registers of interests, gifts and hospitality and procurement
372 decisions and contracts; decision making processes and contract monitoring; reporting of
373 concerns and areas of non-compliance.

374 An overall assurance of 'substantial assurance' was achieved for both 'design' and
375 'operational effectiveness'.

376 The CCG was found to have robust controls in place to manage conflicts of interests through
377 the administration processes undertaken by the Executive Assistant, Committee meetings
378 discussion, decision making, contract procurement and commissioning process. Only one
379 'low level' finding was raised in relation to contract review process.

380 Data quality 2019/20

381

382 The data used by the Governing Body and delegated Committees/groups is obtained from
383 various sources the majority of which are national systems and official NHS data sets. The
384 Provider data is quality assured through contract and performance monitoring and against
385 the Secondary Uses Service (SUS).

386 The specific governance of data quality and consistency across the STP providers, via the
387 collaborative agreement, is owned by the Operational Finance Reference Group and
388 managed via the Performance Reference Group and Data Quality Working Group (DQWG)
389 which have relevant membership and representation from all partner organisations.

390 Information governance

391

392 The NHS Information Governance Framework sets the processes and procedures by which
393 the NHS handles information about patients and employees, in particular personal
394 identifiable information. The NHS Information Governance Framework is supported by a
395 Data Security and Protection toolkit and the annual submission process provides assurances
396 to the Clinical Commissioning Group, other organisations and to individuals that personal
397 information is dealt with legally, securely, efficiently and effectively.

398 The CCG places high importance on ensuring there are robust Information Governance (IG)
399 systems and processes in place to manage data security risks and the protection of patient
400 and corporate information.

401 Responsibility for IG rests with me, as Accountable Officer; I have delegated authority to
402 the Senior Information Risk Owner (SIRO), the Caldicott Guardian and the Information Asset
403 Owners Group (IAOG). A range of measures are used to manage and mitigate information
404 risks, including annual mandatory staff training, physical security, data encryption, access
405 controls and departmental spot checks.

406 The CCG's IG status is regularly reviewed by the IAOG which is a standing group that reports
407 to the Governing Body via the Audit Committee. Its purpose is to support and drive the

408 broader IG agenda and provide assurance to the Governing Body that effective IG best
409 practice mechanisms are in place. Risks to information, including data protection, data
410 security, confidentiality, integrity and availability, are managed and controlled via this
411 group which meets quarterly.

412 The SIRO has responsibility for leading and implementing the information asset risk
413 assessment and management processes within the CCG in addition to advising the Governing
414 Body on the effectiveness of information risk management throughout the CCG.

415 As part of the annual DSP Toolkit submission, a comprehensive assessment of information
416 security is undertaken. The effectiveness of this assessment is reported to, and monitored
417 by, the IAOG. This includes details of any personal data related serious incidents, the CCG's
418 annual DSP toolkit score and reports of other IG incidents and audit reviews. Regular reports
419 are received in relation to policies, the Caldicott risk register, information assets and
420 records management.

421 There is a staff handbook in place to ensure that staff are aware of their roles and
422 responsibilities under IG and the Data Protection Act 2018.

423 The CCG has not yet completed the DSP Toolkit as staff have been moved to support the
424 response to the COVID-19 pandemic. NHS Digital has extended the submission date to 30
425 September 2020.

426 There are processes in place for incident reporting and investigation of serious incidents.

427 Information risk assessment and management procedures have been established via the
428 IAOG, the SIRO and the Risk Management Team. Work continually takes place to ensure
429 that these are embedded throughout the organisation. All incidents which have a data
430 protection element are investigated with lessons learnt shared via the IAOG.

431 There have been no serious breaches of the Data Protection Act (Level 2 reportable) in
432 2019/20 which required reporting to the Information Commissioners Office.

433 For further information on responding to Freedom of Information requests please see page
434 45 of the Annual Report and Accounts.

435 Business critical models

436
437 As Accountable Officer I can confirm that there is an appropriate framework and
438 environment in place to provide quality assurance of business critical models, in line with
439 the recommendations in the Macpherson Report for government departments and their
440 arm's length bodies.

441 Having reviewed the guidance around business critical models and the detail held by HM
442 Treasury, although CCGs make use of the models we do not own them, and are unable to
443 change their content. For example, the models include the CCG allocations formula and the
444 modelling for the national tariff; we receive the outputs of these models but have no control
445 or input to their use.

446 Third party assurances

447
448 NHS Dorset CCG seeks third party assurances when a provider enters a sub-contracting
449 arrangement. The lead provider is then required to report on outcomes of the
450 commissioned service including all aspects of the sub-contracted element of the

451 service. The NHS Standard Contract, General Medical Services (GMS), Personal Medical
452 Services (PMS) and Alternative Provider Medical Services (APMS) Contracts affords the CCG
453 adequate levers and mechanisms to address any concerns that may arise from any third
454 party arrangements. For Personal Health Commissioning, when the NHS Standard Contract
455 is not used, joint contracts with Local Authority partners similarly offer the required level
456 of assurance for such third party arrangements.

457 Control issues

458
459 There were no significant control issues identified in 2019/20.
460

461 Review of economy, efficiency and effectiveness of the use of 462 resources

463
464 There are procurement processes to which the CCG adheres. There is a scheme of
465 delegation which ensures that financial controls are in place across the organisation.

466 The roles of the accountable and delegated committees and groups are clearly articulated
467 in pages 50 to 56 of the Annual Report and the scheme of delegation has been reviewed,
468 and approved, in year.

469 NHS Dorset CCG is operating as a first wave 'Integrated Care System' (ICS) and has in place
470 a system control total in partnership with the four Foundation Trusts within Dorset. Being
471 part of this arrangement enables the partners to work together to ensure maximum
472 resources are available and collective management of risk.

473 A range of arrangements have been put in place to operate as an ICS including monthly
474 monitoring of actions, performance and financial metrics through the Operations and
475 Finance Reference Group (OFRG) and the Senior Leadership Team (SLT). Furthermore,
476 Dorset also has in place a Finance Investment Group, with an independent Lay Chair to
477 ensure strong system wide governance is in place to manage investment funding for, and
478 on behalf of, the Dorset system.

479 In order to continue to deliver efficiency within the CCG, a sustainability taskforce is in
480 place led by the Chief Finance Officer to ensure that Quality, Innovation, Productivity and
481 Prevention (QIPP) continues to be a priority.

482 Monthly reporting is in place to Directors, with bi-monthly reporting to the Governing Body
483 on financial performance and delivery against the agreed plan; this will include the
484 actions for QIPP and proposed mitigations for any variance to plan that could lead to non-
485 delivery.

486 Delegation of functions

487
488 It is implicit through the work of the Governing Body and delegated Committees that
489 members have clear responsibility for ensuring appropriate use of resources. Where there
490 are concerns in relation to budgetary management, these are clearly documented in the
491 Corporate Risk Register including those key financial risks relating to the CCG's
492 commissioned Providers. During the course of 2019/20 there were four risks identified and
493 recorded on the Corporate Risk Register relating to aspects of financial risk.

494

495 Through the committee structure within NHS Dorset CCG, regular reports are received on
496 the performance of contracted Providers. Areas of under and over performance are
497 addressed through contract meetings and reported through performance and quality papers
498 to CCG groups and committees.

499 The Audit Committee, under the scheme of delegation, monitor the financial stewardship
500 of the organisation via detailed reporting to every meeting and is responsible for
501 scrutinising and signing off the end of year financial accounts. At year end the CCG
502 achieved the control total that had been agreed with NHS England.

503 The Governing Body, Audit Committee, Quality Surveillance Group and Directors
504 Performance meetings retain oversight of all risks including those deemed to be systematic
505 and are responsible for ensuring that relevant mitigating actions are undertaken. There have
506 been no significant internal control failures identified throughout the financial year
507 2019/20.

508 Internal Audit has found no significant lapses in key controls tested in any of the audits that
509 have been undertaken in this financial year.

510 With the exception of the South West 999 service and contract support for some out of area
511 contracts including London, Southampton, Bristol and Portsmouth, Dorset CCG has not
512 contracted any commissioning support services from an external Provider during 2019/20.

513 The CCG commissions support services from other NHS organisations under the NHS Contract
514 for Goods and Services for the provision of back office functions such as payroll,
515 occupational health and procurement. The contract form provides the framework under
516 which assurance on performance can be monitored and managed.

517 Freedom to speak up: raising concerns (whistleblowing) effectiveness

518 Freedom to Speak Up arrangements help to protect patients and improve the experience of
519 staff. It is important that as well as identifying where things are going wrong, potential
520 harm is prevented. Staff should feel able to report concerns, make suggestions and should
521 expect that their concerns and suggestions are listened to and used as an opportunity for
522 improvement.

523 Dorset CCG has established policies and processes to support staff in raising concerns which
524 meet contractual and professional requirements. These documented are based on the
525 national 'Freedom to Speak Up Policy' mandated by NHS England and are well promoted
526 throughout the CCG. In 2019/20 two cases were raised with the Freedom To Speak Up
527 Guardian at Dorset CCG: both cases were related to bullying and harassment, one of these
528 was raised anonymously in relation to a commissioned service.

529 The new CCG Freedom to Speak Up Guardian (Governing Body Nurse Member) came into
530 post in February 2020 and is working with the CCG Nursing and Quality team to further
531 develop the recording and reporting for the Freedom to Speak Up process. The CCG Guardian
532 is also working closely with the Primary Care team to launch a survey of Dorset practices
533 and Primary Care Networks to determine the extent of Freedom to Speak Up implementation
534 in this important area of health care.

535 In the Dorset CCG results of the 2019 NHS Staff Survey (2019) '*would feel confident that*
536 *organisation would address concerns about unsafe clinical practice*' remained consistent
537 with the result in 2018 and '*know how to report unsafe clinical practice*' was above 90%.

538

539 Dorset CCG is confident that there are appropriate processes in place around whistleblowing
540 and are building on these through the new Governing Body Nurse Member.

541 Counter fraud arrangements

542
543 The CCG's Accountable Officer for fraud, bribery and corruption is the Chief Finance
544 Officer, who is responsible for authorising investigations, including the arrest, interviewing
545 and prosecution of subjects and the recovery or write-off of any sums lost to fraud.

546 The CCG has a nominated Local Counter Fraud Specialist (LCFS) who is responsible for the
547 investigation of any allegations of fraud, bribery and corruption and for the delivery of a
548 programme of proactive counter fraud work, as detailed in the annual work-plan approved
549 by the Audit Committee. Where fraud is established or improvements to systems or
550 processes identified, the LCFS will recommend appropriate action to the CCG.

551 The LCFS works closely with the Workforce Department when investigating cases involving
552 members of staff and provides evidence to the CCG's investigating officer for disciplinary
553 matters.

554 Monitoring of the Group's counter fraud arrangements is undertaken by the Audit
555 Committee. The LCFS, who is responsible for the investigation of any allegations of fraud,
556 bribery and corruption and for the delivery of a programme of proactive counter fraud work,
557 attends each committee meeting to report progress against the agreed counter fraud work-
558 plan and advise the outcome of any completed investigations or proactive exercises.

559 The CCG is required to submit an annual 'Self-Review' against NHS Counter Fraud Authority's
560 'Standards for Commissioners' which provides assurance of compliance to those 'Standards'.

561 A Fraud Response Plan is in place which sets out these roles and responsibilities and the
562 steps to be taken by the CCG if fraud is suspected. All staff are required to report any
563 suspicions of fraud, bribery or corruption that they may have either to the LCFS, NHS
564 Counter Fraud Authority or the Chief Finance Officer.

565 As part of the Governance arrangements that are in place, external audit undertakes 'a
566 value for money' audit, which assesses the CCGs performance in respect of efficiency,
567 effectiveness and economy. This is undertaken on an annual basis to provide external
568 assurance. In addition, the CCG is required to report to NHS England how it is delivering in
569 respect of use of resources as part of a regular assurance process.

570 Head of Internal Audit Opinion

571
572 Following completion of the planned audit work for the financial year for the clinical
573 commissioning group, the Head of Internal Audit issued an independent and objective
574 opinion on the adequacy and effectiveness of the clinical commissioning group's system of
575 risk management, governance and internal control. The Head of Internal Audit concluded
576 that:

577 The role of the internal auditors of NHS Dorset CCG is to provide the Audit Committee, and
578 the Directors with an opinion on the adequacy and effectiveness of risk management,
579 governance and internal control processes, as well as arrangements to promote value for
580 money.

581

582 During the year, Internal Audit issued the following audit reports:

583 TABLE 2: INTERNAL AUDIT REPORTS

584

Area of audit	Level of assurance given	
	Design	Operational Effectiveness
Key financial systems	Substantial	Substantial
Conflicts of interest	Substantial	Substantial
Safeguarding children	Moderate	Moderate
Cyber security	Moderate	Moderate
Primary care commissioning	Substantial	Substantial
Adverse incidents	Moderate	Moderate
Corporate governance	n/a - advisory	n/a - advisory
Data security and protection toolkit	Substantial	n/a

585

586 The overall Head of Internal Audit opinion is set out as follows:

587

- 588 • overall opinion;
- 589 • basis for the opinion;
- 590 • commentary.

591

592 Overall opinion

593

594 Overall, we are able to provide moderate assurance that there is a sound system of internal
595 control designed to meet the CCG's objectives and that controls are being applied
596 consistently. However, some weakness in the design and/or inconsistent application of
597 controls, put the achievement of particular objectives at risk.

598

599 Basis of opinion

600

601 The basis for forming my opinion is as follows:

602

- 603 • an assessment of the design and operation of the underpinning Governing Body and
604 Assurance Framework and supporting processes;
- 605 • an assessment of the range of individual opinions arising from risk-based audit
606 assignments contained within internal audit risk-based plans that have been reported
607 throughout the year. This assessment has taken account of the relative materiality of
608 these areas and management's progress in respect of addressing control weaknesses;
- 609 • any reliance that is being placed upon third party assurances.

610

611 Commentary

612

613 In forming this view, the following was also taken into account:

614

- 615 • the CCG is forecast to deliver its planned in year surplus control total of £2m. As a
616 result, it's cumulative surplus will be a total of £35,819k;
- 617 • the CCG has displayed strong controls in relation to the key financial system, conflicts
618 of interest and primary care commissioning processes;

- 619 • the CCG is developing robust assurance mechanisms to ensure appropriate assurance
620 and oversight arrangements are in place to demonstrate the monitoring of its strategy
621 and documentation within the Governing Body Assurance Framework;
622 • good progress has been made during the year with the implementation of the actions
623 arising from the audit work.
624

625 Review of the effectiveness of governance, risk management and 626 internal control

627
628 My review of the effectiveness of the system of internal control is informed by the work of
629 the internal auditors, executive managers and clinical leads within the Clinical
630 Commissioning Group who have responsibility for the development and maintenance of the
631 internal control framework. I have drawn on performance information available to me. My
632 review is also informed by comments made by the external auditors in their annual audit
633 letter and other reports.
634

635 Our assurance framework provides me with evidence that the effectiveness of controls that
636 manage risks to the Clinical Commissioning Group achieving its principles objectives have
637 been reviewed. I have been advised on the implications of the result of this review by:

- 638
- 639 • the work of the internal auditors;
 - 640 • Executive Directors, Senior Managers and Clinical Leads within the CCG who have
641 responsibility for the development and maintenance of the internal control framework;
 - 642 • available performance information;
 - 643 • comments made by the external auditors in their annual audit letter and other reports.
- 644

645 The Governing Body Assurance Framework and Corporate Risk Register have been designed
646 to provide me, as Accountable Officer, with sources of assurance which are evidence that
647 the effectiveness of controls that manage risks to the CCG are achieving their principal
648 objectives and are reviewed on an on-going basis as described on pages 60 to 65.
649

650 The Executive Directors within the CCG who have responsibility for the development and
651 maintenance of the system of internal control provide me, as Accountable Officer, with
652 assurance.
653

654 As Accountable Officer, I have received assurance of the effectiveness of the CCG's internal
655 controls as discharged through the committees described in pages 52 to 56. Plans are in
656 place to address any areas of improvement identified; monitoring arrangements are in place
657 to address these.
658

659 Pages 52 to 56 describe the process that has been applied in maintaining and reviewing the
660 effectiveness of the system of internal control, including the role and outputs of the:

- 661
- 662 • Audit Committee;
 - 663 • Clinical Reference Group;
 - 664 • Governing Body;
 - 665 • Primary Care Commissioning Committee;
 - 666 • Quality Surveillance Group;
 - 667 • Remuneration Committee.
- 668

669 **Conclusion**

670

671 I can confirm that no significant internal control issues have been identified.

672

673

674 **Tim Goodson**

675 **Accountable Officer**

676 **17 June 2020**

677