

NHS Shropshire Clinical Commissioning Group

Internal Audit Report 2016/17

Future Fit Programme : Governance Healthcheck
FINAL

October 2016



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1. What we found in summary

Although there has been a clear governance structure in place in support of the Future Fit Programme [FFP] there are some operational improvements required.

The FFP governance arrangements are at a transitional stage, as they are being brought under the governance arrangements for Sustainability and Transformation Planning [STP]. Whilst planned governance arrangements appear to be reasonable, with appropriate executive representation, the CCG will need to monitor closely how these arrangements are implemented and work in practice going forward.

The purpose of FFP is clearly documented, as are actions required to assist delivery. Whilst there is evidence of the shared vision for FFP being actively shared and promoted, the role of the CCG in the FFP governance arrangements could be strengthened, particularly in terms of ensuring capacity and engagement to engage fully as part of the move towards STP governance arrangements.

Risks associated with the FFP are monitored, however there is a significant volume of risks and in order to provide focus it would be sensible to prioritise and merge similar risks. Furthermore, further clarification is needed within the risk register in terms of timeframes in support of the agreed actions.

To enhance the effectiveness of governance arrangements, in-depth trends and analysis reporting of FFP performance and progress against the project plan should be included at FFP Board meetings, in support of the summary narrative information that is already reported. Moving forward into STP governance arrangements it needs to be ensured that FFP is sufficiently covered at meetings of the STP Operational Group.

It is acknowledged that 'end to end' pathways are in development for six long-term conditions, which are each supported by Clinical Pathway Task and Finish CSU to determine a consistent approach to activity modelling in support of the pathways and the developing Neighbourhood models of care delivery.

Taking FFP forward it is essential that shared system ownership is actively practiced with shared action planning, engagement and reporting. The CCG will need to actively monitor this alongside addressing its own recovery plan.

Assurance level

Moderate assurance

The key issues that management must address

- Implement planned STP governance arrangements to ensure that the momentum of existing FFP developments is maintained;
- Ensure that the STP Operational Group appropriately embeds the FFP, in order to ensure continued focus and assist with driving forward the FFP workstreams and initiatives;
- Ensure that appropriate executive level engagement and involvement in STP and FFP governance arrangements continues.
- Update the FFP risk register to reflect STP considerations and review how effectively risks are reported on and timescales are progressed.

Individual control objective

Key control objectives	Level of assurance				
	Full	Significant	Moderate	Limited	No
There are appropriate governance arrangements in place in support of the Future Fit Programme [FFP] and the programme is delivering in line with agreed milestones.			✓		

This opinion does not incorporate any judgement or assessment on the Outline Business Case or any options being considered in relation to the model of care.

Future Fit Programme : Governance Healthcheck

Healthcheck:- Areas to feed into control assessment	Commentary	Assessment	Overall
Governance Arrangements			
CCG board members and executives promote the shared vision for the FFP and are actively involved and have influence over partnership strategies.	Through review of the FFP Board minutes it is clear that there is evidence of promotion of a shared vision. There is a requirement for executive level engagement in FFP to continue as part of the move towards STP governance arrangements. It is acknowledged that there may be other pressures on executive capacity and this will have to be managed effectively by the CCG.	A/G	A/G
The purpose of the FFP is clear and communicated with actions documented to help deliver intended outcomes.	Through review of the relevant documentation it is apparent that the purpose of the FFP is clearly documented. The Programme Execution Plan sets out the remit of each FFP workstream, and where action is being taken this is reported to the FFP Board. There is a need to update the Programme Execution Plan to reflect STP governance arrangements.	A/G	
Clear governance arrangements are in place in support of the FFP and the CCG's involvement.	Existing FFP governance arrangements are clear, however going forward the FFP will sit within the governance arrangements in support of the STP. Therefore FFP governance arrangements are transitional – structures are planned but are in the process of being implemented, with some Terms of Reference in draft and effectiveness of the structures yet to be proved.	A/G	
FFP risks are captured in a robust manner and there is evidence that they are managed effectively by the Programme Board and linked into CCG risks as appropriate.	Whilst processes are in place to actively capture risks, reporting of action planning for key risks needs to be improved, with timeframes for action to be made clearer. There is a significant volume of risks captured, and it would be sensible to prioritise and merge these risks where it is appropriate to do so.	A/G	
Mechanisms are in place at the CCG for its performance in relation to the FFP to be reported and reviewed.	A self-assessment, of the CCG's involvement/performance in relation to FFP, may assist in identifying any gaps in governance arrangements. Enhancements to this would include regular internal CCG reporting against the detailed FFP timeline, with slippage shown clearly and the action being taken to address it.	A/G	
There is clear narrative on current progress of the FFP and delivery against milestones.	In depth trends and analysis reporting of FFP performance and progress against the project plan should be included at FFP Board meetings, in support of the summary narrative information that is already reported. Moving forward into STP governance arrangements it needs to be ensured that FFP is sufficiently covered at meetings of the STP Operational Group.	A/G	

Definition	Assessment
Meets or exceeds expectations.	GREEN [G]
Partially meets expectations, but confident in management capacity to deliver green performance in a reasonable timeframe.	AMBER/GREEN [A/G]
Partially meets expectations, but with some concerns on capacity to deliver within a reasonable timeframe.	AMBER/RED [A/R]
Does not meet expectations.	RED [R]

2. The context for our review

General background

An internal audit review of the governance arrangements in support of the Future Fit Programme [FFP] has recently been completed. This review was carried out as part of the 2016/17 internal audit plan agreed by the Audit Committee. This was the first review undertaken in this area.

The CCG is part of the NHS FFP, which was initiated in 2013 following the 'Call to Action' survey and the results of a series of related clinical and patient engagement meetings. The 'Call to Action' identified a number of key local health issues and challenges. As a result a Clinical Design Workstream was established in November 2013, which sought to establish an approach to ensure that the future of hospital and community services was considered within the context of a whole system plan.

Following work undertaken by the Clinical Design Workstream, the 'Models of Care' report was published in May 2014. We have been advised by the Programme Director – Future Fit that this model described a single, fully equipped and staffed Emergency Centre, as part of a high acuity unit, with consolidated technical and professional resource to deliver high quality emergency medical care 24 hours 7 days a week. We understand that the report also described the Emergency Department serving as a trauma unit with a co-located critical care unit.

The aim of the FFP is to develop an agreed model of care for excellent and sustainable acute hospitals that meet the needs of the urban and rural communities in Shropshire, Telford and Wrekin and Mid Wales. It has four objectives as follows:

1. Organising care to maintain high standards for growing number of patients.
2. Attract the best doctors and nurses to the area.
3. Joined up local services, providing a better experience for patients.
4. People to be treated more locally, ideally as close to their home as possible.

There are four principles in support of achieving these objectives:

1. Home is normal.
2. Empowerment for patients and clinicians.
3. Sustainability.
4. New ways of working.

There are three key areas being covered as part of the FFP:

1. Long-term Conditions and Frailty.
2. Diagnostic and Treatment Centre / Local Planned Care Services.
3. Urgent and Emergency Care.

The system

The Shropshire health and social care community faces significant challenges; pertinently the need to develop new clinical models coupled with a recurrent financial deficit.

There are multiple care providers operating in the area, with the key focus of the Future Fit Programme [FFP] being on Shrewsbury and Telford Hospital NHS Trust [SaTH] and Shropshire Community Health NHS Trust [ShropCom]. SaTH run two A&E departments, with gaps in Consultant led service. It is understood that the Trust continues to have medical workforce recruitment issues around A&E services, stroke, critical care and anaesthetic cover.

The FFP has been supported by a governance structure as follows:



*the FFP Operational Group was superseded by the STP Operational Group at the commencement of the 2016/17 financial year.

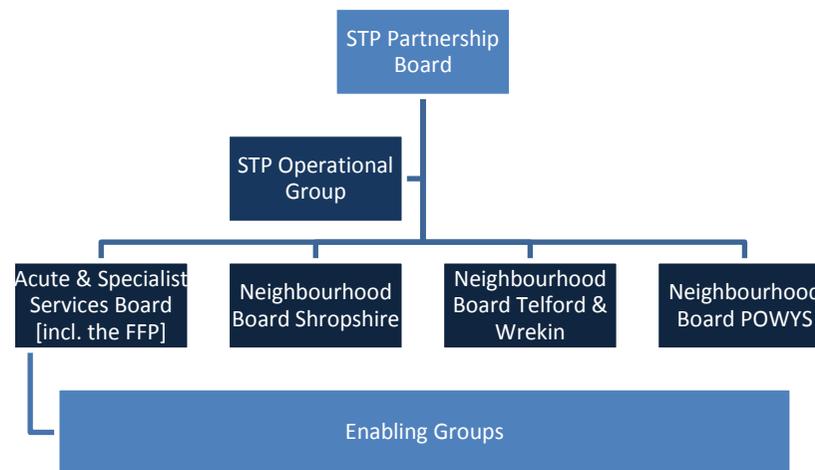
The FFP is currently being led by a Programme Board, overseeing plans and proposals for improving acute and community hospital services in Shropshire. There are a number of organisations represented on the Programme Board, all of which support the review of services to improve quality. The Programme Board has been supported by an Operational Group, overseeing the detail of the plans and proposals that are considered by the Programme Board.

Reporting into the Operational Group are Task & Finish Workstream Groups and Clinical Pathway Groups. These groups have been established for 6 long-term conditions to support the shift from acute to community care, with the aim of helping to inform the work of the neighbourhood teams. Pathway development has been through multi-stakeholder groups, including GPs, acute and community sectors, as well as public health and patient representatives.

As at October 2016, the FFP is progressing towards a final configuration of the acute hospital care model. The current work programme of the FFP is to continue, with the Sustainability and Transformation Plan [STP] providing a co-ordinated framework which articulates the overall vision for Health and Care across the system.

The STP is supported by its own governance arrangements which going forward the FFP will form part of. It is understood that there will be no change to the objectives, principles and areas being covered as part of the FFP, as part of the transition into STP governance arrangements. There is an STP Partnership Board supported by an STP Operational Group, which is supported by four value stream groups :- Acute & Specialist Services Board [ASSB]; Neighbourhoods Shropshire; Neighbourhoods Telford & Wrekin and Neighbourhoods Powys.

The ASSB incorporates three key workstreams one of which is the FFP. The ASSB is supported by a Terms of Reference and will be responsible for the development and delivery of the FFP moving forward. The STP governance structure is supported by six Enabling Groups, which will support the work of the four value stream groups within the STP governance structure. The proposed STP governance structure, which is to be included within the October 2016 STP submission documentation, is as follows:



As part of the STP submission and also specifically in relation to FFP, high level critical paths and detailed timelines have been revised. Following on from CCG approval of the Strategic Outline Case [SOC], public consultation on the SaTH Outline Business Case is due to commence mid-December 2016 with final decision making due in June 2017. There are a number of external factors which may impact on this delivery timescale.

What we agreed to do

The overall objective in undertaking this review was to ensure, through a process of systems evaluation and compliance testing, that there is an appropriate control framework in place to manage the following key risks and to deliver the key system control objective:

The key risks

- Benefits of FFP not maximised/realised;
- Risk monitoring framework not robust;
- GP's not fully engaged in the process;
- Impact on financial position at the CCG/within the local health economy;
- Impact on healthcare for future generations.

Key system control objective

- There are appropriate governance arrangements in place in support of the FFP and the programme is delivering in line with agreed milestones.

The results of this review have been discussed with the Programme Director – Future Fit and the Telford CCG Accountable Officer [Senior Responsible Officer for the FFP]. Action to resolve control weaknesses have been agreed where necessary.

We have delivered this review in accordance with the statements made in Appendix 2.

The assistance and co-operation of management during the course of this exercise is gratefully acknowledged.

3. Our findings and how management has responded

System Control Objective: There are appropriate governance arrangements in place in support of the FFP and the programme is delivering in line with agreed milestones.

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
1.1 Transitional Governance Arrangements	<p>There is evidence of the shared vision for Future Fit Programme [FFP] being actively shared and promoted. The role of the CCG in the FFP governance arrangements could be strengthened, particularly in terms of ensuring capacity to fully engage as part of the move towards Sustainability and Transformation Plan [STP] governance arrangements</p> <p>Existing FFP governance arrangements are in a transitional phase, forming part of revised STP governance arrangements. FFP workstreams are in the process of being incorporated into the STP 'value streams', which cover acute services reconfiguration and neighbourhoods. Terms of Reference have been drafted as per the STP submission and are due to be submitted to NHSE in late October 2016.</p> <p>Under the STP Partnership Board, the STP Operational Group includes executive leads and chief officer sponsors from the four 'value streams' [workstreams] which are the Acute & Specialist Services Board [formerly the FFP Board] and three Neighbourhood Boards.</p> <p>Underpinning the STP Operational Group are 'Enabling Groups' e.g. Communications & Engagement', with existing FFP task & finish groups being incorporated into the relevant STP Enabling Group under the new arrangements.</p>	<p>Benefits of FFP not maximised /realised.</p> <p>Impact on financial position at the CCG/within the local health economy.</p> <p>Impact on healthcare for future generations.</p>	2	<p>It should be ensured that executive level officers at the CCG have the necessary capacity to provide sufficient focus and engagement with FFP/STP governance arrangements.</p> <p>The CCG will need to monitor the effectiveness of the new FFP/STP governance arrangements. In particular, initiatives arising from existing FFP workstreams, considered as part of STP value streams, should be monitored to ensure that they are utilised effectively to deliver the agreed model of care.</p> <p>It should be ensured that FFP is appropriately embedded within the STP Operational Group to help drive FFP initiatives forward to implement the agreed care model. Sensitivity analysis around finances/workforce, in respect of the proposed OBC, needs to be reported to the FFP Operational Group or STP Operational Group.</p>	<p>The STP governance arrangements will be supported by clear Terms of Reference documentation to set out the expectations around attendance and involvement from CCGs representatives. Going forward, the FFP will be reported upon via the Acute & Specialist Services Board as part of the STP governance structure. It will be ensured that once the STP submission is complete, by the end of October 2016, the FFP will be subject to the appropriate level of coverage as part of the STP Operational Group agenda.</p>	<p>Debbie Vogler; Programme Director – Future Fit, Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]; and Andy Layzell; STP Programme Director</p> <p>31st December 2016</p>

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
	<p>By incorporating FFP workstreams into STP 'value streams' there is a clear intention to link acute and community [neighbourhood] provision going forward, in implementing the agreed model of care across Shropshire and Telford & Wrekin, which should help the alignment of FFP and STP operations and objectives. However there is risk associated with the transitional governance arrangements and this will need to be monitored by the CCG in order to ensure that there is an appropriate level of focus to continue with the momentum of the FFP.</p> <p>It is understood that the FFP Operational Group, in terms of the proposed Outline Business Case [OBC] is yet to receive any supporting sensitivity analysis in terms of finances/workforce, although we understand that this has been requested by the CCG.</p>					
<p>1.2 Acute & Specialist Services Board [ASSB] – Terms of Reference</p>	<p>Under revised STP governance arrangements, the ASSB will be the body responsible for overseeing the performance and delivery of the existing FFP.</p> <p>It will provide support in the development and delivery of the FFP and will ensure any risks or barriers that may impact on its delivery are identified and addressed to assure effective implementation.</p> <p>The ASSB has a draft Terms of Reference [ToR] which does not yet include all named programmed sponsors/partners, as nominations are awaited.</p>	<p>Benefits of FFP not maximised/realised.</p> <p>Impact on healthcare for future generations.</p>	2	<p>The draft ToR for the ASSB needs to be finalised and agreed with partners at the earliest opportunity.</p> <p>The CCG should ensure there is sufficient clinical and finance representation on the ASSB, and also that there is comfort with chairing arrangements for the STP Partnership Board.</p> <p>Under revised governance arrangements, progress reporting</p>	<p>Agreed. The ToR for the ASSB will be subject to approval via the STP Operational Group meeting, and the Future Fit Programme Board. The FFP Programme Execution Plan has been updated to reflect STP governance arrangements and will be presented to the</p>	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>31st December 2016</p>

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
	<p>The FFP Programme Execution Plan sets out the remit of each FFP workstream, and where action is being taken this is reported to the FFP Board. There is a need to update the Programme Execution Plan to reflect STP governance arrangements.</p> <p>Review has noted that the overarching STP Partnership Board is being chaired by the Chief Executive Officer of Shrewsbury & Telford Hospitals NHS Trust [SaTH].</p>			<p>to the ASSB will need to be enhanced to include progress on the Neighbourhood model of care, alongside FFP [acute services configuration] plan progress. Reports will need to be monitored to ensure they are effective for the ASSB purposes in assessing the links and impacts between both areas.</p> <p>The FFP Programme Execution Plan should be updated to reflect STP governance arrangements.</p>	<p>STP Operational Group and the ASSB for approval. Reports on the progress of the neighbourhood model will be reported to the ASSB and monitored to ensure they are effective for the ASSB purposes in assessing the links and impacts between both areas.</p>	
1.3 Reporting Progress	<p>FFP reports presented to the FFP Board include summary narrative information on performance / progress against the project plan. This could be enhanced by more detailed reporting, potentially in a RAG rating format, to add more context and clarity to the reported position.</p> <p>Now that FFP Board is planned to be replaced by the ASSB, there is an opportunity to update the reporting format to reflect revised governance arrangements. The Neighbourhoods model of care is an essential element and co-dependency of acute reconfiguration in enabling the shift from acute to community provision. As such, whilst not within the scope of the FFP, regular progress will need be reported to the ASSB.</p>	<p>Benefits of FFP not maximised /realised.</p> <p>Impact on healthcare for future generations.</p>	3	<p>Reporting on FFP performance / progress to FFP Board could be enhanced by more detailed reporting, potentially in a RAG rating format, to add more context and clarity to the reported narrative position.</p> <p>See also recommendation at Audit Finding 1.2.</p>	<p>Future reports on FFP performance / progress to the FFP Board and the ASSB Board thereafter will include a dashboard/RAG rating of key milestones in support of the summary narrative information that is already reported.</p>	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>31st December 2016</p>

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
1.4 Resourcing FFP	Whilst CCG clerical resources dedicated to FFP have been increased recently, it has been impacted on by the need to assist with the STP work. Therefore there is uncertainty as to future resourcing of FFP, particularly relating to dedicated administration support. Potential capacity issues for STP and FFP represents a risk to achievement of the wider programme.	Impact on financial position at the CCG/within the local health economy.	3	To provide clarity around available resources, consideration should be given to the level of resourcing required to drive forward the FFP.	Designated STP administrative resource has now been improved this will improve the administrative resource available in support of the FFP.	Debbie Vogler; Programme Director – Future Fit, Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]; and Andy Layzell; STP Programme Director 31 st December 2016
1.5 Enabling Groups - impact and value added to FFP	Under the STP governance structure, which incorporates existing FFP governance arrangements, it is not yet clear, how the newly proposed Enabling Groups are going to link with and support FFP initiatives. There may be significant opportunities for enabling groups to contribute to FFP developments. For example, the 'IM&T Data Sharing' enabling group may be able to offer support on how to utilise technology to improve health outcomes.	Benefits of FFP not maximised /realised.	3	Going forward, the CCG will need to establish how STP Enabling Groups are going to link with and support FFP initiatives. This will need to be clarified and once roles and responsibilities are agreed, put into practice in a timely manner in order to support FFP developments.	The linkage of STP Enabling Groups into the ASSB and the other value streams of STP will be included as an agenda item at the STP Operational Group in order for clarity to be sought.	Debbie Vogler; Programme Director – Future Fit, Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]; and Andy Layzell; STP Programme Director 31 st December 2016

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
1.6 Clinical Pathway Development	<p>The objectives, progress to date and key milestones for 'clinical pathway development', which is a key element of acute services reconfiguration, are clearly reported. This pathway is to show that the shift of activity from hospital to community can be delivered in clinically appropriate ways and with the right staff.</p> <p>It is acknowledged that 'end to end' pathways are in development for six long-term conditions, which are each supported by Clinical Pathway Task & Finish Groups. The Clinical Pathway Groups are working in conjunction with the CSU to determine a consistent approach to activity modeling in support of the pathways.</p>	<p>Benefits of FFP not maximised /realised.</p> <p>Impact on healthcare for future generations.</p>	3	To ensure full delivery in line with original objectives and in alignment with the FFP critical path milestones, the CCG should ensure that 'clinical pathway development' continues to be monitored closely and reported appropriately, as part of the move towards STP governance arrangements.	This will be incorporated into future FFP reporting as part of the STP governance arrangements.	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>31st December 2016</p>
1.7 Workstream Delivery Plans	Under the revised STP submission [October 2016], the FFP falls primarily under the 'Acute Reconfiguration' STP value stream. Existing individual FFP workstreams will also form part of enabling groups which underpin the value streams. Existing FFP workstream delivery plans will need to be refreshed to ensure they align with STP timelines.	Benefits of FFP not maximised/realised.	3	Once the STP is approved, existing FFP workstream delivery plans should be refreshed, to ensure they align with STP timelines.	This will be incorporated into future FFP reporting as part of the STP governance arrangements.	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>31st December 2016</p>

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
1.8 FFP Risk Register	<p>There are 46 risks included in the latest FFP risk register, all of which include a RAG rating [based on end of September 2016 version]; 9 red, 35 amber and 2 yellow on a RAG rating basis. This is a significant volume of risks and as such may not be manageable.</p> <p>Furthermore the risk register does not include detail of timeframes associated with actions proposed to mitigate identified risks, and there is also no clear section of the risk register to indicate any risks that have been closed down.</p> <p>It is noted that FFP board papers evidence a level of involvement of those involved in FFP e.g. Engagement & Communications workstream in updating the risk register on a regular basis.</p>	<p>Benefits of FFP not maximised/realised.</p> <p>Risk monitoring framework not robust.</p>	3	<p>Once the STP governance arrangements are operational, there will be opportunity to update the FFP risk register to incorporate updated community, STP and external risks where appropriate. The FFP risk register needs to include clear details of the timeframes within which actions documented against risks need to be implemented.</p> <p>Future reporting of risks to the [new] ASSB [replacing the FFP Board under STP governance arrangements], should occur as a matter of course. The FFP risk register would benefit from a narrative summary to highlight any key changes. This narrative could also include detail of any risks where there is a perception of future change from local intelligence.</p>	<p>The FFP risk register will be updated to include clear timelines for the implementation of agreed actions against risks. Thought will be given to how best to streamline the current risk base in order to add focus. Future iterations will be supported by a front sheet narrative to summarise and highlight any key changes from the previous version.</p>	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>31st December 2016</p>
1.9 GP Engagement	<p>GP engagement is a significant factor to the success of FFP/STP implementation. The CCG is seeking to actively engage GPs through for example Neighbourhood forums [e.g. community presentations].</p> <p>It is noted that the FFP team and Neighbourhood project team have been engaging continuously with the GP Locality Board meetings. Also, the Clinical Reference Group meets regularly and is attended well by GP's, which provides an opportunity for</p>	<p>Benefits of FFP not maximised/realised.</p> <p>Impact on healthcare for future generations.</p> <p>GPs may not fully engaged in the</p>	2	<p>Working closely with Healthwatch Shropshire and other relevant bodies such as G.P. Federation/Local Medical Committee the CCG should continue to encourage engagement of GPs with the proposed new model of care at every opportunity. Building on existing digital developments, the CCG should consider whether there are</p>	<p>Efforts to improve the engagement on the FFP with GP's will continue. It is acknowledged that this is critical in contributing towards the success of the FFP and STP.</p>	<p>Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP]</p> <p>Ongoing [progress to be</p>

Area	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who and When
	<p>wider engagement. Also, the Clinical Design Groups are co-chaired by CCG GP Board members.</p> <p>Whilst there continues to be discussions with GPs towards full engagement, further progress still needs to be made in order to ensure that the focus is as wide-spread and as comprehensive as possible.</p>	process.		alternative media approaches which may be effective communication channels for GP, particularly those in remote areas.		reviewed 1 st April 2017]
1.10 Funding Stream	It is understood, from discussion with the Programme Director – Future Fit that there is currently no agreed standalone FFP funding stream for the CCG to cover potential future cost implications such as the consultation process, gateway review and potential future legal costs. It is acknowledged that these areas may be wrapped up in STP funding arrangements, however clarification is required.	Impact on financial position at the CCG/within the local health economy.	3	Clarification around the financial arrangements and risks considered in support of the FFP should be sought and reported back to the FFP Board.	Clarification will be requested around the funding arrangements in support of the FFP.	Debbie Vogler; Programme Director – Future Fit and Dave Evans; Telford CCG Accountable Officer [Senior Responsible Officer for FFP] 31 st December 2016

Appendix 1: Definition of our assurance levels and our risk rankings

Opinion	Assessment rationale
No	The audit highlighted weaknesses in the design or operation of controls that have not only had a significant impact on the delivery of key system objectives, they have also impacted on the delivery of the organisation's strategic objectives. As a result, no assurance can be given on the operation of the system's internal controls to prevent risks from impacting on achievement of both system and strategic objectives.
Limited	The audit highlighted some weaknesses in the design or operation of control that have had a serious impact on the delivery of key system objectives, and could also impact on the delivery of some or all of the organisation's strategic objectives. As a result, only limited assurance can be given on the operation of the system's internal controls to prevent risks from impacting on achievement of the system's objectives.
Moderate	The audit did not highlight any weaknesses that would in overall terms impact on the achievement of the system's key objectives. However, the audit did identify some control weaknesses that have impacted on the delivery of certain system objectives. As a result, only moderate assurance can be given on the design and operation of the system's internal controls to prevent risks from impacting on achievement of the system's objectives.
Significant	The audit did not highlight any weaknesses that would materially impact on the achievement of the system's key objectives. The audit did find some low impact control weaknesses detailed in section four of this report which, if addressed, would improve the overall performance of the system. However these weaknesses do not affect key controls and are unlikely to impair the achievement of the system's objectives. As a result, significant assurance can be given on the design and operation of the system's internal controls to prevent risks from impacting on achievement of the system's objectives.
Full	The audit did not highlight any weaknesses that would impact on the achievement of the system's key objectives. It has therefore been concluded that key controls have been adequately designed and are operating effectively to deliver the key objectives of the system. As a result, full assurance can be given on the operation of the system's internal controls to prevent risks from impacting on achievement of the system's objectives.

Risk ranking	Assessment rationale
1	The system has been subject to high levels of risk that have, prevented the system from meeting its objectives and also impacted on the delivery of the organisation's strategic objectives.
2	The system has been subject to high levels of risk that has, or could, prevent the system from meeting its objectives, and which may also impact on the delivery of some or all of the organisation's strategic objectives.
3	The system has been subject to medium levels of risk that have, or could, impair the system from meeting its objectives.
4	The system has been subject to low levels of risk that has, or could, reduce its operational effectiveness.

Appendix 2: Responsibility statements

Disclosure statement

We have prepared this document solely for your use and, therefore, we believe that it would not be appropriate for it to be made available to third parties. If such a third party were to obtain a copy, without our prior written consent, we would not accept any responsibility for any reliance that they might place upon it. In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 you are required to disclose any information contained in this report, then you will notify CW Audit Services promptly and consult with us prior to disclosing such report. You agree to pay due regard to any representations which we may make in connection with such disclosure and apply any relevant exemptions which may exist under the Act. If, following consultation with us, you disclose this report or any part thereof, it shall ensure that any disclaimer which we have included, or may subsequently wish to include in the information, is reproduced in full in any copies disclosed.

Compliance with applicable standards

Our review of compliance against the applicable audit standards has confirmed that this engagement has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. In conducting this assignment we can confirm that there have been no impairments to our independence or objectivity, either as an organisation or as individual auditors involved in delivering this service.

General statement

This report highlights findings on an exception basis and does not therefore include detail of controls that the audit found to be operating satisfactorily. Our opinion provides an overall assessment regarding the level of assurance we can provide regarding the controls operating in the system. The review will feed into the Head of Internal Audit Opinion which in turn forms part of the assurance for the Annual Governance Statement. Implementation of recommendations will be monitored by the Audit Committee.