Board of Directors Meeting in Public

Subject:	Board Assurance Framework (BAF) Report	Date: 20th July 2017
Prepared By:	Paul White, Risk Manager	
Approved By:	Paul Moore, Director of Governance & Quality Improvement	
Presented By:	Paul Moore, Director of Governance & Quality Improvement	

Purpose			
To enable the Board of Directors to review the content of the Board Assurance Framework (BAF).		Decision	
		Approval	
		Assurance	✓

Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
✓	✓	✓	✓	✓

Overall Level of Assurance				
	Significant	Sufficient	Limited	None
	✓			

Risks/Issues	
Financial	Principal Risk AF4 concerns the Trust's financial sustainability.
Patient Impact	Principal Risk AF1 concerns the delivery of safe and effective patient care.
Staff Impact	Principal Risk AF6 concerns staff engagement.
Services	Principal Risk AF2 concerns the management of emergency demand; AF3 concerns elective demand; AF7 concerns staffing levels.
Reputational	An effective Board Assurance Framework can enhance the Trust's reputation for good governance.

Committees/groups where this item has been presented before
Board Risk Committee for monthly review of risk management effectiveness. Audit & Assurance Committee for bi-annual review of internal controls. Lead Committees for bi-monthly review of individual Principal Risks (Quality Committee; Finance Committee; Organisational Development & Workforce Committee; Executive Team).

Executive Summary
The Board of Directors has identified the following Principal Risks for inclusion in the Trust's Board Assurance Framework (BAF)*:

AF1 – Safe and effective patient care
AF2 – Managing emergency demand
AF3 – Managing elective demand
AF4 – Financial sustainability
AF6 – Staff engagement and morale
AF7 – Staffing levels

Each Principal Risk on the BAF is assigned to a Lead Director, who regularly reviews the risk and ensures that an appropriate mitigation plan is in place; and a Lead Committee, which reviews assurances as to the effectiveness of those plans in managing the risk. Assurances against each risk are updated each month from information provided to the lead committees.

In addition, the Board Risk Committee reviews the full BAF every month to provide assurance that Principal Risks are being managed effectively; and the Audit and Assurance Committee ensures that the BAF remains an effective component within the Trust's internal control framework.

Following review of the BAF at the meeting of the Board Risk Committee on 18th July 2017 it was noted that the Quality Committee had decided to amend the Target Risk Rating for AF1 – Safe & effective patient care – from 4 (Low risk) to 8 (Medium risk). The current (residual) rating remains at 12 (High risk). This revised Target is considered to be more realistic given the nature of the risk.

The Quality Committee has also agreed an action to strengthen its oversight of the other two Principal Risks for which it is the lead committee: AF2 Managing emergency demand and AF3 Managing elective demand.

A request has been submitted to the Organisational Development & Workforce Committee to review AF6 – Staff engagement & morale – and to consider specifically whether this risk is now under sufficient control for it to be removed from the BAF and delegated to the HR directorate. The OD&WC had yet to meet in order to consider this request at the time this report was prepared.

The issue by the CCG of notice on services supported by block funded income has been added to AF4 – Financial sustainability – as a gap in control or assurance and is included as a separate corporate risk within the Finance department risk register. The overall rating for AF4 remains at 15 (Significant risk).

No additional strategic risks are recommended for inclusion within the BAF at this time, however the Committee is giving due consideration as to whether cyber security and the resilience of the IT infrastructure should be escalated and will be seeking further information to inform this decision.

Action required by the Board

The Board are invited to review the content of the BAF and advise as to any further action required in relation to Principal Risks.

A copy of the full BAF is included with this report as Appendix I.

* Please note that the Board made the decision to remove Principal Risk AF5 (Organisational sustainability) from the BAF in December 2016 and AF8 (Senior leadership stability) in April 2017; these risks have been delegated the relevant lead directorate.