

Board of Directors Meeting

Report

Subject: Board Assurance Framework

Date: 24th September 2015

Author: Shirley A Clarke, Deputy Director Corporate Services

Lead Director: Shirley A Clarke, Deputy Director Corporate Services

Executive Summary

The Board Assurance Framework, approved by the Audit and Assurance Committee in May 2013, identifies the organisational systems and processes which are in place to support assurance with regard to achievement of the trusts strategic priorities.

The BAF document reflects the organisations risk profile. It contains the principal risks identified by the Trust, describes the controls in place, and gives the strength and quality of assurance available on how well the risks are being managed.

The BAF document is populated with a summary of the detail provided in the Board Assurance Reports (BARs). Each of the BAR's are owned by an executive lead and allocated to a lead committee who provide the scrutiny required to evidence assurance

Recommendation

The Board are invited to:

Consider the detailed content of BAF document and the BAR's in assuring the effectiveness of the Trust's management of strategic risk and the effective operation of controls in order to offer credibility and robustness to Board's self-assessments to the Regulators .

Board Committee chairmen should consider how the work of their Committees might better support assurance of the effectiveness of internal controls and ensure they drive the agendas accordingly

Relevant Strategic Priorities (please mark in bold)

To consistently deliver a high quality patient experience safely and effectively	To develop extended clinical networks that benefit the patients we serve
To eliminate the variability of access to and outcomes from our acute services	To provide efficient and cost-effective services and deliver better value healthcare
To reduce demand on hospital services and deliver care closer to home	

How has organisational learning been disseminated	Learning identified from scrutiny of the BAR's will be disseminated via the appropriate committee
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Links to the BAF and Corporate Risk Register	Board and its Committees are responsible for the systematic review of the trust's control environment
Details of additional risks associated with this paper <i>(may include CQC Essential Standards, NHSLA, NHS Constitution)</i>	N/A
Links to NHS Constitution	N/A
Financial Implications/Impact	N/A
Legal Implications/Impact	N/A
Partnership working & Public Engagement Implications/Impact	N/A
Committees/groups where this item has been presented before	N/A
Monitoring and Review	N/A
Is a QIA required/been completed? If yes provide brief details	N/A

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Introduction

The Board Assurance Framework, approved by the Audit and Assurance Committee in May 2013, identifies the organisational systems and processes which are in place to support assurance with regard to achievement of the trusts strategic priorities.

The Board Assurance Framework evidences the work of the Board in reviewing the effectiveness of internal controls, to gain assurance and to test governance processes that have been established in the organisation. The framework should support self-certifications to the regulators

Board Assurance Framework (BAF) Document

The BAF reflects the organisations risk profile. It contains the principal risks identified by the Trust, describes the controls in place, and gives the strength and quality of assurance available on how well the risks are being managed.

The BAF is populated with a summary of the detail provided in the Board Assurance Reports (BAR). The BAF does not seek to repeat everything contained within the BAR. The BARs should be seen as toolkits, used to identify and manage risks, whilst the BAF draws together the level of assurance that is available, summarising this as an assurance dashboard. The Board Assurance reports are each owned by the executive lead for the principal risk:

Principal Risk No	Principal Risk	Executive Lead
PR1	Inability to maintain the quality of patient services demanded	Executive Director of Nursing
PR2	Essential components of round the clock (24/7) urgent/emergency care not in place/not effective	Executive Medical Director
PR3	Unable to deliver and maintain financial sustainability	Chief Finance Officer
PR4	Unable to deliver and maintain clinical sustainability	Chief Operating Officer
PR5	Inability to sustain and engaged and effective workforce	Executive Director of HR

The BAR's have been allocated to a lead committee who are responsible for scrutinising the level of assurance provided in the report and identifying gaps in controls and/or assurance.

The committees are required to respond to the following questions in order to evidence assurance.

Question	Response
<ul style="list-style-type: none"> • Overall, are we confident in the system in place to manage the risk? YES – All controls in place and effective - regular monitoring in place to maintain confidence. Sources of internal/external assurance are documented in relation to the management of risk in core areas – these provide positive assurance re effectiveness of controls which are regularly reviewed – NO FURTHER ACTION required NO – New controls need to be introduced and monitored to ensure these are being appropriately managed and review periodically. There is a need to review the various sources of assurance in place and consider either further developing these or introducing new review systems 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • What further actions / controls are needed to manage this risk? 	<ul style="list-style-type: none"> •
<ul style="list-style-type: none"> • What further assurance do we need re this risk? 	<ul style="list-style-type: none"> •

All of the BAR's are scrutinised by the lead committee and this is indicated on the face of the BAR. The BAF document and supporting BARs are reported in their entirety to the Audit and Assurance Committee and Board of Directors twice yearly. The Audit and Assurance Committee received the BAF and supporting BAR's at its September meeting

The BAF document is attached and the BAR's are available for Board members.

Board members must be clear how the internal governance arrangements are supporting the achievement and delivery of strategic objectives. It is only once reliable information and assurance in relation to each governance component is available, in relation to a particular strategic objective that the board can begin to feel confident about the delivery of that objective.

It is essential that the board has:

- clarity about what the strategic objective is and what is being measured to demonstrate success;
- assurance that controls are in place to help the organisation achieve the objective;
- assurance that those controls will lead to the desired outcomes;
- assurance that the controls are implemented/adhered to;
- performance information about current achievement;
- assurance regarding the reliability of the performance information;
- assurance that risks are graded consistently in relation to each strategic objective;
- knowledge of the risk management decisions taken and why;
- assurance that the actions agreed are being implemented and will be monitored;
- assurance that the systems used to generate the above assurances are sound and robust;

The revised strategic narrative includes proposals for changes to the strategic priorities, and consequently once these are approved by the Board, the principal risks will need to be reviewed to ensure they reflect the risks to the achievement of the strategic objectives.

All the risks on the significant risk register (risks with a score of more than 15) have been mapped to the principal risks, which has highlighted gaps in risks on the significant risk register which are not on the BAR's, e.g. Infection Control, Estate issues these will be addressed through the review of principal risks in light of the revised strategic priorities.

Recommendations:

The Board are invited to:

- Consider the detailed content of BAF document and the BAR's in assuring the effectiveness of the Trust's management of strategic risk and the effective operation of controls in order to offer credibility and robustness to Board's self-assessments to the Regulators .
- Board Committee chairmen should consider how the work of their Committees might better support assurance of the effectiveness of internal controls and ensure they drive the agendas accordingly.