

## Board of Directors Meeting in Public

<b>Subject:</b>	Board Assurance Framework	<b>Date:</b> 26 <sup>th</sup> July 2018								
<b>Prepared By:</b>	Jackie Robinson, Risk and Assurance Manager									
<b>Approved By:</b>	Shirley A Higginbotham, Head of Corporate Affairs and Co Sec									
<b>Presented By:</b>	Richard Mitchell, CEO									
<b>Purpose</b>										
To enable the Board to review the effectiveness of risk management within the Board Assurance Framework (BAF) and gain assurances.		<table border="1"> <tr> <td><b>Approval</b></td> <td></td> </tr> <tr> <td><b>Assurance</b></td> <td>X</td> </tr> <tr> <td><b>Update</b></td> <td></td> </tr> <tr> <td><b>Consider</b></td> <td></td> </tr> </table>	<b>Approval</b>		<b>Assurance</b>	X	<b>Update</b>		<b>Consider</b>	
<b>Approval</b>										
<b>Assurance</b>	X									
<b>Update</b>										
<b>Consider</b>										
<b>Strategic Objectives</b>										
<b>To provide outstanding care to our patients</b>	<b>To support each other to do a great job</b>	<b>To inspire excellence</b>								
<b>To get the most from our resources</b>	<b>To play a leading role in transforming health and care services</b>									
✓	✓	✓								
✓	✓									
<b>Overall Level of Assurance</b>										
	<b>Significant</b>	<b>Sufficient</b>								
		✓								
		<b>Limited</b>								
		<b>None</b>								
<b>Risks/Issues</b>										
<b>Financial</b>	Principal Risk 5 concerns the Trust's financial sustainability.									
<b>Patient Impact</b>	Principal Risk 1 concerns the delivery of safe and effective patient care.									
<b>Staff Impact</b>	Principal Risk 3 concerns staff capability and capacity.									
<b>Services</b>	Principal Risk 2 concerns the management of capacity and demand. Principle Risk 6 concerns the effectiveness of strategic partnerships Principle Risk 7 concerns the management of major disruptive incidents									
<b>Reputational</b>	Principal Risk 4 Fundamental loss of stakeholder confidence									
<b>Committees/groups where this item has been presented before</b>										
Lead Committees review individual Principal risks at each formal meeting (Quality Committee; Finance Committee). Risk Committee reviews the entire BAF quarterly. The BAF was also presented to the Audit and Assurance Committee on the 19 <sup>th</sup> July 2018.										
<b>Executive Summary</b>										
<p>The Board Assurance Framework (BAF) was reviewed and further developed, following a horizon scanning exercise, in accordance with best practice following discussion at the Board away day in November 2017 and a subsequent Board workshop in March 2018. From these discussions and identified 3 new principle risks.</p> <p>PR5 Fundamental loss of stakeholder confidence PR6 Breakdown of Strategic partnerships PR7 Major disruptive incidents</p> <p>The revised BAF includes Key risk indicators (which are mostly drawn from the Single Oversight Framework Integrated Performance Report) for each principle risk and executive leads are identified for each strategic threat/ opportunity. Lead Committees have been identified for specified principle risks and consider these at each meeting, providing a rating as to the level of assurance they can take that the risk treatment strategy will be effective in mitigating the risk.</p> <p>The Risk Committee further supports the lead committee's in their role by maintaining oversight of the organisations Divisional and Corporate risk registers and escalating risks that may be pertinent to the lead committee's consideration of the BAF.</p> <p>The enhanced BAF was approved at April's Public Board meeting, with acknowledgement that it</p>										

would develop over the coming months. As part of this development the actual or expected received by dates for all sources of assurance and the Committee it was received at has been recorded on the BAF.

### **Schedule of BAF review**

- The Finance committee last received PR 4 and 6 in April (there was no meeting in June) and is scheduled to receive these risks again 24 July.
- The Quality committee received PR 1,2,3 and 5 on the 18<sup>th</sup> July.
- The Board last received the BAF in April
- The Risk Committee reviewed the BAF at its meeting on the 10<sup>th</sup> July and performed the role of lead Committee for PR7 – Major disruptive incident.
- Audit and Assurance Committee received the BAF 19 July 2018.

### **Outcomes of lead committee reviews**

#### Finance Committee

The Finance Committee requested that the current risk exposure for PR6 be reduced to Low and provided a positive assurance rating for both PR6 and PR4.

#### Quality Committee

To support the Quality Committee in their role of Lead Committee and aid it in identifying sources of assurance for Principle Risks 1,2,3 and 5 the agenda was aligned to the Strategic Priorities and Principal Risks. The Committee felt assured that that there was significant progress being made in managing the threats and opportunities identified in each of the principle risks but felt there were some areas where greater clarity and/ or visibility were required.

Therefore they recorded an assurance rating of inconclusive in the following areas:-

- PR1 – **Opportunity**: Availability and implementation of new technologies as a clinical or diagnostic aid
- PR2 - Threat & Opportunity: Operational failure of General Practice
- PR2 - Threat & Opportunity: Operational failure of neighbouring providers

The Committee also noted that whilst they received assurances against the risk treatment strategies to manage the threat of exponential growth in demand for care caused by an ageing population, identified within PR2, there was further work that needed to be undertaken to analyse the levels of bed occupancy and patient acuity experienced within the Trust. Each Executive lead has been requested to consider how these areas may be strengthened.

#### Risk Committee

The risk committee reviewed the BAF and provided positive assurance for the majority of the risk treatment strategies for PR7. They identified that currently assurances with regard to the risk treatment strategy for the threat of a critical supply chain failure were not currently within the risk committees work programme and therefore requested an assurance rating of inconclusive. The Head of procurement has been invited to August's meeting to provide a paper detailing the risk, risk treatment strategy in place and available assurances.

#### Audit and Assurance Committee

The Audit and Assurance Committee acknowledged and were supportive of the progress made.