

Board of Directors Meeting in Public

Subject:	Board Assurance Framework	Date: 25 th October 2018								
Prepared By:	Jackie Robinson, Risk and Assurance Manager									
Approved By:	Shirley A Higginbotham, Head of Corporate Affairs and Co Sec									
Presented By:	Richard Mitchell, CEO									
Purpose										
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>Approval</td> <td></td> </tr> <tr> <td>Assurance</td> <td>X</td> </tr> <tr> <td>Update</td> <td></td> </tr> <tr> <td>Consider</td> <td></td> </tr> </table>	Approval		Assurance	X	Update		Consider	
Approval										
Assurance	X									
Update										
Consider										
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 5 concerns the Trust's financial sustainability.									
Patient Impact	Principal Risk 1 concerns the delivery of safe and effective patient care.									
Staff Impact	Principal Risk 3 concerns staff capability and capacity.									
Services	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									
Reputational	Principal Risk 4 Fundamental loss of stakeholder confidence									
Committees/groups where this item has been presented before										
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 th July 2018.										
Executive Summary										
<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 7 principle risks were identified:-</p> <ul style="list-style-type: none"> PR1 Catastrophic failure in standards of safety & care PR2 Demand that overwhelms capacity PR3 Critical shortage of workforce capacity & capability PR4 Failure to maintain financial sustainability PR5 Fundamental loss of stakeholder confidence PR6 Breakdown of strategic partnerships PR7 Major disruptive incident <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.</p>										

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.

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.

The enhanced BAF was approved at April's Public Board meeting, with acknowledgement that it 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 where assurances were received has been recorded on the BAF.

Schedule of BAF review

- The Finance committee last received PR 4 and 6 in July and will next receive them in October.
- The Quality committee last received PR 1,2,3 and 5 on the 19th September.
- The Board last received the BAF in July.
- The Risk Committee reviewed the BAF at its meeting on the 5th October 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 and further updates (updates are marked in red for ease of reference)

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 at its July meeting.

PR4 – has been updated to reflect the threat of a deteriorating CCG financial position and work being undertaken with Ernst and Young.

Quality Committee

The Quality Committee acknowledged the progress made with the BAF and confirmed positive assurance across all threats and opportunities within PR 3 and PR6. However, they still did not feel that they had received sufficient evidence to provide positive assurance for:-

- **PR1 – Opportunity:** Availability and implementation of new technologies as a clinical or diagnostic aid
- **PR2 : demand that overwhelms capacity**

Since the Quality Committee met additional assurances such as 'Elective Care Expectations – Response to Ian Dalton (NHSI) Letter; Better Together Transformation Programme Update' were received at Board. In addition representatives from each Executive lead responsible for these areas of risk will attend the next Quality Committee to discuss available assurances and determine if any further assurances are required.

Risk Committee

The risk committee reviewed the BAF and provided positive assurance for the risk treatment strategies for PR7; receiving a paper and presentation on the threat 'A critical supply chain failure' which turned a previously inconclusive assurance rating to a positive one. The risk committee also requested that 'A critical infrastructure' threat be extended to include the risks presented by the built environment.