

Board of Directors Meeting in Public

Subject:	Board Assurance Framework	Date: 31 st January 2019
Prepared By:	Neil Wilkinson, Risk and Assurance Manager	
Approved By:	Shirley Higginbotham, Director of Corporate Affairs	
Presented By:	Richard Mitchell, Chief Executive Officer	
Purpose		
To enable the Board to review the effectiveness of risk management within the Board Assurance Framework (BAF) and gain assurances.		Approval
		Assurance
		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 4 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. Principal Risk 6 concerns the effectiveness of strategic partnerships. Principal Risk 7 concerns the management of major disruptive incidents.	
Reputational	Principal Risk 5 concerns 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). Risk Committee reviews the entire BAF quarterly. The BAF was also presented to the Audit and Assurance Committee on 17 th January 2019.		
Executive Summary		
<p>Each principal risk in the BAF is assigned to a Lead Director as well as to a Lead Committee, to enable the Board to maintain effective oversight of strategic risks through a regular process of formal review. The 7 Principal Risks are:</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 BAF includes key risk indicators (which are mostly drawn from the Single Oversight Framework Integrated Performance Report) for each principal risk and executive leads are identified for each strategic threat/opportunity.</p> <p>Lead Committees have been identified for specified principal 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>		

The Risk Committee further supports the lead committees in their role by maintaining oversight of the organisation's divisional and corporate risk registers and escalating risks that may be pertinent to the lead committee's consideration of the BAF.

Schedule of BAF review

- The Finance Committee last received PR 4 and 6 on 18th December and is scheduled for 29th January.
- The Quality Committee last received PR 1, 2, 3 and 5 on 16th January.
- The Risk Committee reviewed the BAF at its meeting on 11th December and performed the role of lead Committee for PR7 – Major disruptive incident.
- Audit and Assurance Committee received the full BAF on 17th January.
- The Board last received the BAF on 25th October 2018.

Outcomes of lead committee reviews and further updates

Finance Committee (18th December meeting)

PR4 – the overall rating to remain unchanged due to the reliance on completion of FRP actions throughout December 2018 to provide assurance that the FRP will deliver.

PR6 - the overall rating to remain unchanged.

Quality Committee

PR1 - the overall risk rating and assurance ratings for all threats to remain unchanged.

PR2 - the overall risk rating and assurance ratings for all threats to remain unchanged. The threats of 'Failure of general practice' and 'Failure of neighbouring providers' to be clearly separated in future BAFs as 'internal threats' and 'external threats'.

PR3 - the overall risk rating and assurance ratings for all threats to remain unchanged.

PR5 - the overall risk rating and assurance ratings for all threats to remain unchanged.

Risk Committee

PR7 - the overall risk rating and assurance ratings for all threats to remain unchanged.

Details of changes to the BAF since the last review by the Board

Updates/additions are highlighted within the BAF and also detailed below:

PR2 - Demand that overwhelms capacity

Primary risk controls

- Inter-professional standards across the Trust to ensure turnaround times such as diagnostics are completed within 1 day
- Visibility on the CCG risk register/BAF entry relating to operational failure of General Practice

Gaps in control

- No systematic approach to demand and capacity modelling across the Trust for elective care and diagnostics
- Variability by specialty and day – range of variability is too wide at times

Plans to improve control

- Better understand with CCG colleagues with regard to primary care risks, risk managements and gaps, particularly where there may be a relationship with gaps and increasing demand

Source of assurance – Management

- Cancer 62 day improvement plan to Board
- Planning documents for 19/20 to identify clear demand and capacity gaps/bridges

Gap in Assurance/ Action to address gap

- Quality Committee to receive a regular report regarding system controls to provide assurance
- Routine mechanism for sharing of CCG and SFH risk registers – particularly with regard to risks for primary care staffing and demand

PR3 - Critical shortage of workforce capacity & capability

Primary risk controls

- Influenza vaccination programme
- Staff wellbeing drop-in sessions
- Staff counselling / Occ Health support

PR4 - Failure to maintain financial sustainability

Gaps in control

- Financial Strategy in development
- System approach to QIPP

Plans to improve control

- Financial Strategy to be developed in consultation with NHSI, and approved
- System Financial Plan, shared governance on delivery and aligned incentive contracts being developed for 2019/20

Source of assurance – Risk & Compliance

- Planning reports to Finance Committee and Board of Directors

PR5 - Fundamental loss of stakeholder confidence

Source of assurance – Management

- AQP Programme report to QC (R) Monthly – this assurance was already stated but the inclusion of an action plan and sign-off process has been added to the assurance

PR6 - Breakdown of strategic partnerships

Strategic threat

- QIPP/FIP non-alignment added to the statement “Conflicting priorities, financial pressures and/or ineffective governance resulting in a breakdown of relationships amongst ICS partners”

Plans to improve control

- Added to the existing plan of “Development of a co-produced clinical services strategy for the ICS footprint” are Medical Director / Director of SP&CD identified as leads and timescale for completion of December 2019

Source of assurance – Independent assurance

- 360 Assurance review of SFH readiness to play a full part in the ICS (in progress)

PR7 - Major disruptive incident

Gaps in control

- Unpatched devices accessing the network

Plans to improve control

- Network accounts will be checked after 60 days of inactivity – disabled after 90 days if not used

Source of assurance – Management

- IG Toolkit Baseline submission to NGS Digital Oct '18
- Condition of retained estate (CCU Water System) update to Risk Committee Jan '19
- EU Exit Operational Readiness Guidance review

Gap in Assurance/ Action to address gap

- 90 day duration creates a risk – review to reduce to 60 days
- Water safety issues – managed by the Water Safety Group
- On-going review of potential impact of no-deal Brexit on services and supplies