

Board of Directors Meeting

Report

Subject: Board Assurance Framework

Date: 30th April 2015

Author: Shirley A Clarke, Deputy Director Corporate Services

Lead Director: Kerry Rogers, Director Corporate Services/Company Secretary

Executive Summary

Foundation Trusts are required, as part of the Annual Report and Accounts, to prepare an Annual Governance Statement,

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 and, most importantly, support the annual Board declaration concerning the systematic review / testing of key controls in the form of the Annual Governance Statement.

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 supports the Board in making a declaration of the effectiveness of the Trust's system of internal control in the Annual Governance Statement.

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

During the year the Trust Management Board have recommended five additions to the BAF document. No risks have been removed during the year.

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	To develop extended clinical networks
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patient experience safely and effectively	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
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

Foundation Trusts are required, as part of the Annual Report and Accounts, to prepare an Annual Governance Statement, for which a model form is provided. The Trust is required to adapt the model and expand upon it, to reflect its own particular circumstances. 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 and, most importantly, support the annual Board declaration concerning the systematic review / testing of key controls in the form of the Annual Governance Statement.

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 supports the Board in making a declaration of the effectiveness of the Trust's system of internal control in the Annual Governance Statement.

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	Director of Operations
PR5	Inability to sustain and engaged and effective	Executive Director of HR

	workforce	
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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"> • Are we prepared to tolerate/accept this level of risk, the gaps in control and assurance? 	•
<ul style="list-style-type: none"> • Is the level of action (existing or planned management action / controls) proportionate to the risk/control/assurance? 	•
<ul style="list-style-type: none"> • What information (consider internal and external sources) do we have to judge that the controls in place are effective? 	•
<ul style="list-style-type: none"> • Can we rely on this source of information or does it have limitations (e.g. frequency, scope, reviewer)? Is it: <ul style="list-style-type: none"> a. Full? b. Limited? c. Weak? 	•
<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"> • What further actions / controls are needed to manage this risk? 	•
<ul style="list-style-type: none"> • What further assurance do we need re this risk? 	•

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 Committee and Board of Directors twice yearly.

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

During the year the Trust Management Board have recommended additions to the BAF document:

Principal Risk 1

- Implementation of Medway PAS impacting on Quality of Care and Patient Experience

Principal Risk 4

- Missing Outcomes for outpatient Attendances
- Failure to Assess Review Lists
- Failure to Achieve JAG Accreditation

Principal Risk 5

- Failure to ensure high quality of safe training and education provision

No risks have been removed from the BAF document during the year.

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.