Board of Directors Meeting

Report

Subject: **Board Assurance Framework**

Date: **29th October 2015**

Author: **Shirley A Clarke, Deputy Director Corporate Services**

Lead Director: Shirley A Clarke, Deputy Director Corporate Services

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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 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

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 QIP – Governance workstream will review and further develop the Board Assurance Framework in order to ensure the board are able to gain robust assurance with regard to the risk profile of the trust and to the achievement of its strategic objectives.

Recommendation

The Board are invited to:

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

Agree to the Confirm and Challenge Session scheduled for 16th December 2015 be used to review and update the principal risks for reporting to Board on 22nd December 2015 for approval as part of the QIP – Governance workstream

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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
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 *(may include CQC Essential Standards, NHSLA, NHS Constitution)*	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

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

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 BAF document and supporting BARs are reported in their entirety to the Audit and Assurance Committee and Board of Directors twice yearly. These were submitted in September 2015.

The Audit and Assurance committee continue to receive at each meeting the BAR's in support of the BAF document. The committee have particularly focussed on the BAR's for Principal Risks, 1, 2 and 4 as they are not fully assured the process for the review and scrutiny of these BAR's is as robust and therefore requires these BAR's to be presented at each meeting.
With regard to the BAR's for principal risk 3 and 5 these are reviewed and scrutinised by the allocated committee, the Audit and Assurance Committee therefore have more assurance regarding these BAR's and they are not presented at each meeting

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, together with any risks identified through the Quality Improvement Planning process, 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.

The QIP – Governance workstream will review and further develop the Board Assurance Framework in order to ensure the board are able to gain robust assurance with regard to the risk profile of the trust and to the achievement of its strategic objectives.

Recommendations:

The Board are invited to:

• 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.

- Agree to the Confirm and Challenge Session scheduled for 16th December 2015 be used to review and update the principal risks for reporting to Board on 22nd December 2015 for approval as part of the QIP – Governance Workstream