

| | | | |
|--|---------------|-------------------------------|----------------|
| Title: BOARD ASSURANCE FRAMEWORK Q2 | | | |
| From: David Burbridge | | To: Board of Directors | |
| The report is being provided for: | | | |
| Decision: N | Discussion: Y | Assurance: Y | Endorsement: Y |
| The Board is being asked to: | | | |
| Review the updated BAF and identify any gaps in controls and assurances or any further changes required to update the BAF | | | |
| Key points / summary: | | | |
| <ul style="list-style-type: none"> • The Board Assurance Framework is an important document for providing assurance that the Board is aware of the risks to its key objectives and has a robust system of internal control • The 2017/18 Assurance Framework is included at Appendix 1 • There are currently 12 risks on the register of which 8 are scored as Red and 3 as Amber and 1 as Yellow • The proposed changes included in this report for Q2 are based on discussions with Executive Directors | | | |
| Recommendations: | | | |
| Review the revised BAF and identify any gaps in controls and assurance. | | | |
| Identify any Equality and diversity issues: | | | |
| None | | | |
| Outline how any equality and diversity risks are to be managed: | | | |
| Not applicable | | | |
| Which committees has this paper been to? | | | |
| None | | | |

1. Introduction

- 1.1. The purpose of the Board Assurance Framework is to:
 - 1.1.1. Identify the Trust's key strategic risks, linked to its key objectives:
 - 1.1.2. Identify the current level of risk
 - 1.1.3. Identify the mitigations to address the risk (controls and assurances)
 - 1.1.4. Identify any further action required to reduce the likelihood or the consequence of the risk occurring
- 1.2. The Trust has identified its key objectives for 2017/18 as:
 - 1.2.1. Clinical Quality
 - 1.2.2. Workforce
 - 1.2.3. Integration
 - 1.2.4. Affordability
- 1.3. The Board Assurance Framework is supported by the operational clinical risk registers which are managed and escalated from the clinical directorates and divisions as well as the Executive (corporate) risk registers (see structure chart at Fig 1 below). These risks identify the more detailed risks associated with the day to day delivery of Trust services.

Operational risk registers are reviewed at quarterly update meeting with the Director of Operations and, with effect from June 2017, are now discussed at the quarterly executive performance meetings.
- 1.4. The updated Board Assurance Framework is attached in **Appendix 1**. It has been updated since Q1 following discussions with Executive Directors and the changes are highlighted in the body of this report.

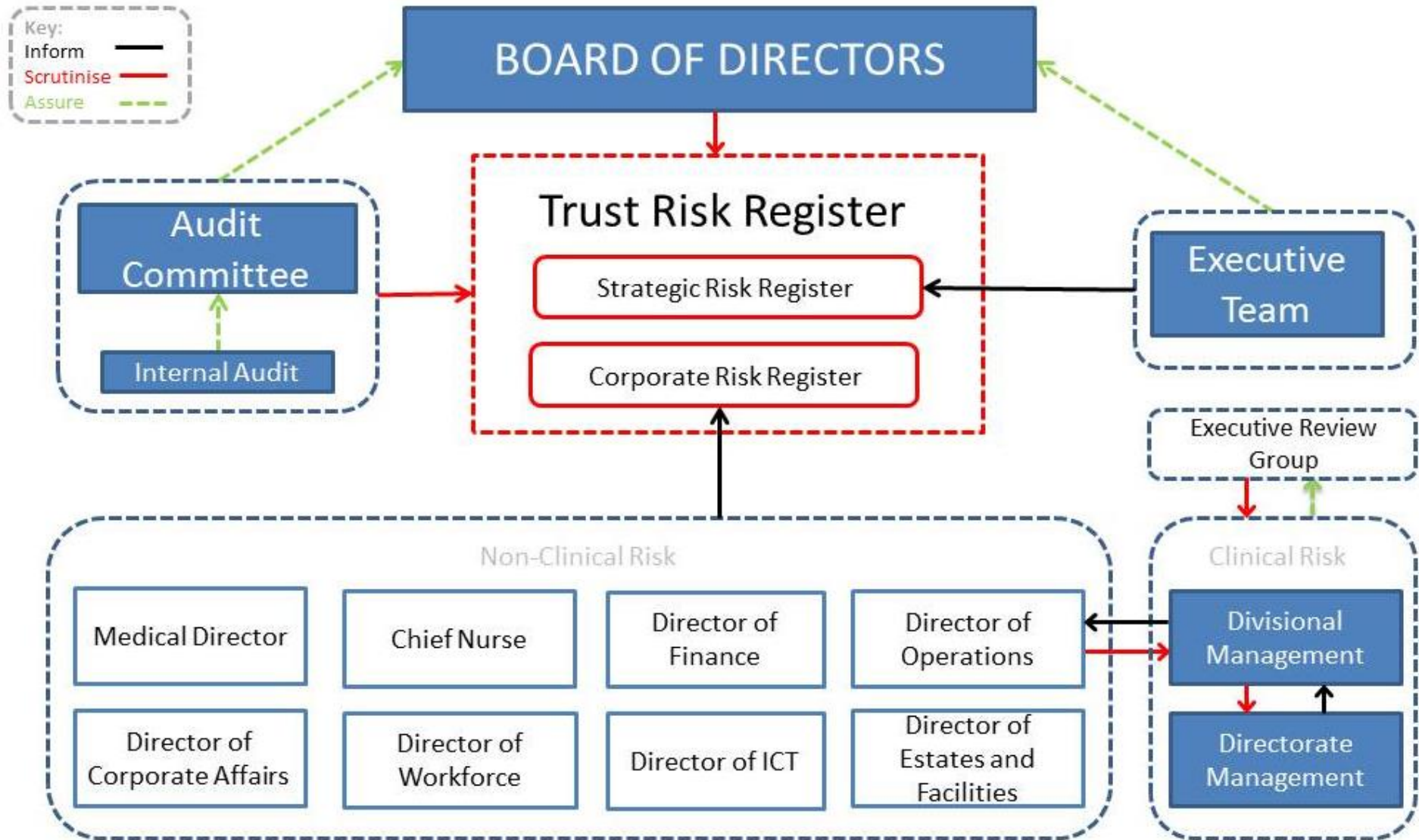
2. Trust risk matrix

- 2.1. The Table below identifies the profile of the Trust's risks for each of its key objectives.

Table 1. Key Risks and Objectives

| Ref | Risk title | Owner | Proposed | Initial Score (LxC) | Score Last Quarter | Current Score (LxC) | Target Score (LxC) | HEFT Objective | Single Oversight Framework |
|----------|--|-----------|----------|---------------------------------|--------------------|---------------------|--------------------|----------------|----------------------------|
| SRR 1/15 | Delivery of clinical operational standards | JB | Nov-15 | 16 (4x4) | 12 (3x4) | 16 (4x4) | 9 (3x3) | Quality | Operational Performance |
| SRR 2/15 | Leadership skills and capacity | CEO/Chair | Nov-15 | 12 (3x4) | 20 (5x4) | 20 (5x4) | 8 (2x4) | Workforce | Leadership / Improvement |
| SRR 3/15 | IT Infrastructure | SC | Mar-16 | 12 (3x4) | 16 (4x4) | 16 (4x4) | 6 (2x3) | Quality | Finance and Resource |
| SRR 1/16 | Sustainable medical workforce model | DR | Oct-16 | 12 (3x4) | 12 (3x4) | 12 (3x4) | 6 (2x3) | Workforce | Quality |
| SRR 2/16 | Sustainable nursing workforce model | SF | Oct-16 | 12 (3x4) | 12 (3x4) | 12 (3x4) | 6 (2x3) | Workforce | Quality |
| SRR 3/16 | Physical estate | KB | Oct-16 | 16 (4x4) | 16 (4x4) | 16 (4x4) | 8 (2x4) | Quality | Finance and Resource |
| SRR 5/16 | Sustainability and Transformation Plan | CEO | Oct-16 | CLOSED (proposed see section 3) | | | | Quality | Strategic Change |
| SRR 6/16 | BREXIT | CEO | Jan-17 | 20 (5x4) | 16 (4x4) | 16 (4x4) | 12 (3x4) | Workforce | Quality |
| SRR 7/16 | Case for change | DB | Jan-17 | 16 (4x4) | 12 (3x4) | 12 (3x4) | 8 (2x4) | Integration | Strategic Change |
| SRR 8/16 | Increasing delays in transfer of care (DTOC) | JB | Jan-17 | 16 (4x4) | 12 (4x3) | 15 (5x3) | 9 (3x3) | Integration | Quality |
| SRR 1/17 | Financial plan 2017/18 | JM | Apr-17 | 20 (5x4) | 20 (5x4) | 20 (5x4) | 8 (2x4) | Affordability | Finance and Resource |
| SRR 2/17 | Cash position | JM | Apr-17 | 20 (5x4) | 20 (5x4) | 20 (5x4) | 8 (2x4) | Affordability | Finance and Resource |
| SRR 3/17 | Regulatory action | DB | Apr-17 | 16 (4x4) | 12 (3x4) | 8 (2x4) | 4 (1x4) | Quality | Quality |
| SRR 4/17 | High profile cases | KB | Jul-17 | CLOSED (proposed see section 3) | | | | Quality | Quality |

Figure 1. Risk Management and Board Assurance



3. Proposed changes since the last report

Following discussions with Executive Directors, the proposed changes to the existing risks on the BAF are included in **Appendix 1** as follows:

- Risk SRR 1/15 – Delivery of clinical operational standards – score to increase from 12 (3x4) to 16 (4x4)
- Risk SRR 5/16 – Sustainability and Transformation Plan – risk to be closed
- Risk SRR 8/16 – DTOC – score to increase from 12 (4x3) to 15 (5x3)
- Risk SRR 3/17 – Regulatory action – score to decrease from 12 (3x4) to 8 (2x4)
- Risk SRR 4/17 – High profile cases – risk to be closed

4. New Risks

There are no new risks identified in Q2

5. Recommendation

5.1. The Board of Directors is asked to discuss the risks identified in the Board Assurance Framework and:

- 5.1.1. Discuss / approve the proposed changes (section 3) and identify additional existing controls and/or actions;
- 5.1.2. Consider additional controls and assurances that may need to be implemented; and
- 5.1.3. Consider whether the Audit Committee should be asked to seek additional assurance regarding any of the risks identified.

David Burbridge
Interim Director of Corporate Affairs
October 2017