

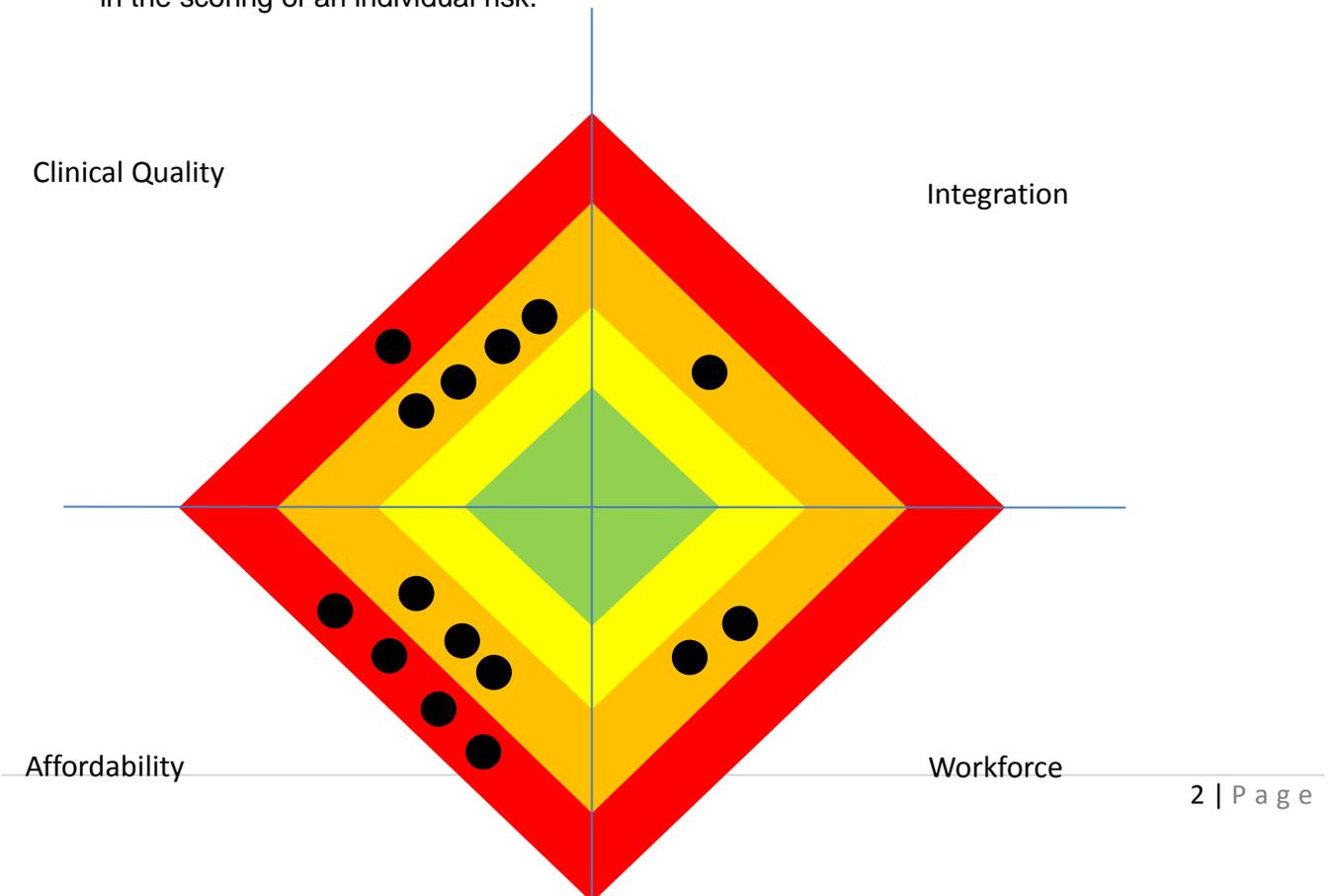
Title: BOARD ASSURANCE FRAMEWORK Q3			
From: David Burbridge		To: Board of Directors	
The report is being provided for:			
Decision: Y	Discussion: Y	Assurance: Y	
The Board is being asked to:			
Review the updated BAF and identify any gaps in controls and assurances or any further changes required to 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 2016/17 Assurance Framework is included at Appendix 1 • There are currently five red risks which are detailed in the body of the report • The proposed changes included in this report for Q3 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?			
Audit Committee			

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 2016/17 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. These risks identify the more detailed risks associated with the day to day delivery of Trust services
- 1.4. The updated Board Assurance Framework is attached in **Appendix 1**. It has been updated since Q2 following discussions with Executive Directors and the changes are highlighted in the body of this report.

2. Trust risk matrix

- 2.1. The risk matrix below identifies the profile of the Trust's risks for each of its key objectives. Each risk is indicated by a black dot. In future quarters this matrix will also reflect any changes in the scoring of an individual risk.



3. Changes since the last report

- 3.1. Following discussions with Executive Directors, changes to the existing risks on the BAF are included in **Appendix 1** and the following risk is recommended for closure:

Existing Risk	Proposal
Risk that the new operational leadership structure does not become fully embedded and the associated accountability and escalation structure is not fully understood or being implemented.	CLOSE - due to the fact that the new operational structure is in place and the review of allocation of directorates to divisions has been completed

4. New Risks

- 4.1. Three new risks are proposed for this quarter, as follows:
- 4.1.1. BREXIT – and the potential risks associated with staffing from the EU, research funding, finance generally during the time of economic uncertainty and issues affecting supply of equipment and consumables from suppliers based in the EU.
 - 4.1.2. Case for change – short term risk whilst the proposed transaction is considered by the regulators and both Trusts, in relation to staff uncertainty, turnover and engagement.
 - 4.1.3. Social Care – impact on changes to funding as announced in the Autumn statement.
- 4.2. Owners and controls for the above risks are being developed and, if approved by the Board, will be included on the BAF for the next quarter.

5. Recommendation

- 5.1. The Board of Directors is asked to discuss the risks identified in the Board Assurance Framework and:
- 5.1.1. Approve the removal of the risk identified in 3.1;
 - 5.1.2. Discuss / approve the additional proposed risks (section 4);
 - 5.1.3. Consider additional controls and assurances that may need to be implemented; and
 - 5.1.4. Consider whether the Audit Committee should be asked to seek additional assurance regarding any of the risks identified.

David Burbridge
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January 2017