

Board of Directors (Public)

Item 6.1

Subject: Review of Board Assurance Framework – Quarter 3
Date of Meeting: 31st January 2017
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Presented by: Lucy Lavan, Associate Director of Corporate Affairs

BAF Ref	Impact on BAF
All	Board to Review

1. Executive Summary

The purpose of the paper is to ask the Board to undertake its formal quarterly review of the Board Assurance Framework, to confirm its completeness in relation to principal risks to delivery of the Trust's strategic and operational plans, and regulatory compliance; and to review and update the controls and assurances, identifying and gaps and reviewing risk ratings as necessary.

In the period since the last review, new controls and assurances include:

- Implementation of a comprehensive audit system to check the effectiveness and reliability of secure messaging - Risk 1.1
- Genomics Strategy in place – Risk 2.1
- The agreement of service contracts for 2017/18 (excluding Wales) – Risk 3.2;
- Receipt of the HEE's report on its review of post-graduate medical education at LHCH – this confirms that following the 2017 GMC National Training Survey, HEE will recommend that enhanced monitoring is lifted, should the GMC survey results for cardiothoracic surgery training improve over the 2016 results, and if there is evidence that the Trust is continuing to monitor and control the quality of medical education - Risks 4.1 and 4.3;
- Review of an internal assurance report by the Audit Committee, relating to the threat of cyber attack - Risk 2.1;
- MIAA Review of Data Quality Strategy – significant assurance (January 2017) – Risk 3.2;
- Notification from NHS Improvement that at Q2 that the Trust continues to be categorised in Segment 1 - Risk 3.2;
- Freedom to Speak Up Guardian and network of champions – this has been evolving over the last 12 months and arrangements now embedded- Risk 4.1;
- New structure for HR / Workforce and education and training plan in place - Risk 4.3;
- Recognition of quarterly friends and family survey results as a control and external assurance for 'temperature testing' - Risk 4.4;
- Recognition of WRES data monitoring and reporting to support the Equality and Inclusion agenda - Risk 4.5.

New risks and gaps in controls and assurances highlighted this period include:

- i) The identification of gaps in assurance relating to patient administration systems and processes which are fragmented with areas of duplication that have resulted in examples of suboptimal administration and communication with patients;
- ii) Identification by the Audit Committee of gaps in the timely follow up of internal audit recommendations – an escalation process has been put in place involving review by the executive team and Operational Board of outstanding actions and associated risks.
- iii) The succession plan for governors, in view of the fact that a number of governors will reach the end of their maximum tenure in 2017 – an election campaign has been planned to mitigate this risk;
- iv) A Board Development plan for 2017/18 will need to be developed and reflect recommendations from the Well Led review and the requirements of the changing external environment including wider responsibilities associated with system leadership;
- v) Further work needed to articulate new vision statement and produce an internal annual plan that reflects the Trust's strategic objectives and underpinning clinical strategies.
- vi) In relation to Risk 3.2, discussions are ongoing with NHS Improvement around the Control Totals set for 2017/18 and 2018/19.

2. Proposed Updates to 2016/17 BAF

The 2016/17 Board Assurance Framework was last reviewed formally by the Board in December 2016 (for Q2). All proposed changes noted above are highlighted as tracked changes on the Board Assurance Framework for ease of reference. (Appendix 1).

There are three proposed changes to the risk scores assigned to principal risks. These are reflected at Appendix 1 and summarised as follows:

- i) Risk 2.1 – reduce likelihood score to 2 , resulting in a risk score of 6 and RAG rating Green (unlikely) – this reflects the extensive work ongoing around stakeholder engagement and recognition that 2017/18 are agreed with commissioning partners;
- ii) Risk 4.4 – reduce likelihood score to 2 resulting in a risk score of 6 and RAG rating Green (unlikely) – this reflects significant work around delivering the staff health and wellbeing strategy and staff recognition scheme
- iii) Risk 5.1– reduce likelihood score to 2 resulting in a risk score of 6 and RAG rating Green (unlikely) – this reflects the Trust's leadership work on CVD pathway and engagement in systems- wide work on 5YFV.

3. BAF Review

The Board is asked to conduct its formal quarterly review and update as necessary in respect of :

- i) The completeness of principal risks in relation to delivering strategic objectives
- ii) The systems of controls, assurances and gaps in controls / assurances, including actions to address these
- iii) The risk rating applied to each principal risk
- iv) Progress of actions to address identified gaps in controls and assurances

In order to inform this review, each Executive Lead will update the Board on any exceptions and / or changes to the BAF in respect of their areas of accountability.

4. Recommendation

The Board of Directors is asked to approve the changes made to the BAF and update to reflect any further changes to risks, controls and assurances that are identified as a result of its Quarter 3 review.