

Board of Directors (in Public)

Item 6.1

Subject: Board Assurance Framework
Date of Meeting: 25th April 2017
Prepared by: Lucy Lavan, Director of Corporate Affairs
Presented by: Lucy Lavan, Director of Corporate Affairs

BAF Ref	Impact on BAF
All	None

1. Executive Summary

The purpose of this paper is to ask the Board to undertake its Quarter 4 review of the Board Assurance Framework (BAF), approve the closure of the 2016/17 BAF and adopt the proposed 2017/18 BAF.

2. Background

The current BAF structure and processes have been in place since the BAF Policy was re-launched in 2014/15 (last reviewed July 2016) to compliment the new governance structure and a Trust's Strategic Plan. The Trust's vision statement and strategic objectives were refreshed as part of the 2017/18 annual planning cycle and key milestones for 2017/18 identified and set out in the operational plan.

The BAF is used throughout the financial year as a working tool to drive the Board's agenda and ensure effective management of principal risks to the delivery of the Trust's Strategic Plan and regulatory compliance. A formal review is undertaken by the Board on a quarterly basis, but the BAF is updated as required following every Board meeting, after consideration of new assurances and any new emerging or escalating risks, informed by the consideration of BAF key issues reports from each assurance committee; and in consideration of the impact on BAF for each written report received by the Board whereby assurances or new emerging risks are highlighted.

The operation of the BAF is supported by the BAF Policy which sets out roles and responsibilities of the Board, Committees and individuals and provides templates for Board reporting to enable assurances provided and new risks to be linked directly to the BAF to aid the Board in keeping the BAF relevant and up to date.

MIAA has recently completed its annual review of the BAF process and has issued the following opinion for 2016/17:

"The organisation's Assurance Framework is structured to meet NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board"

The Trust achieved a 'green' rating for each of the review criteria and no developmental recommendations or actions were identified.

3. 2016/17 BAF

The 2016/17 BAF has been reviewed at the end of Quarter 4 and each Executive lead has confirmed satisfaction that all residual risks have either been closed down or carried forward to the 2017/18 BAF. The Board is asked to review the closing 2016/17 BAF (Attachment 1) and confirm that there are no outstanding risks that have not been appropriately reflected in the 2017/18 BAF.

4. 2017/18 BAF

The 2017/18 BAF (Attachment 2) has been compiled by the executive team and reflects:

- i) The 2017/18 milestones for each of the 5 strategic objectives (as refined as part of the 2017/18 operational planning cycle).
- ii) The principal risks associated with delivering these milestones; and with maintaining compliance with the provider licence and other regulatory / statutory requirements – each principal risk is assigned to a responsible Executive Team member.
- iii) The key controls, internal and external assurances.
- iv) Gaps in controls and assurances with actions, timescales and assigned responsibility for closing these gaps.
- v) Assignment of risk scores based on the 5x5 risk scoring matrix as set out in the Risk Management Policy. The risk scoring has been determined through a comprehensive risk profiling exercise undertaken by the executive team.
- vi) Alignment with the corporate risk register.

The Board's annual business cycle will be updated to ensure the timely scheduling of assurance reports to address the gaps identified and mitigate risks.

The BAF will continue to be reviewed by the Board on a quarterly basis, with the Board action log used and maintained to identify any additional assurances requested by the Board.

Assurance reports brought to the Board by the Executive Team will continue to directly reference the BAF, highlighting any new or emerging risks to regulatory compliance or to the delivery of the strategic objectives.

5. Recommendations

The Board of Directors is asked to:

- i) Review the closing BAF for 2016/17 (Attachment 1) and confirm its satisfaction that all risks have been appropriately managed / reflected in 2017/18 BAF;
- ii) Review the 2017/18 BAF (Attachment 2) for completeness and confirm the RAG ratings (5x5) assigned to each principal risk (Board evaluation).
- iii) Confirm and support the actions and timescales set out to close the identified gaps in controls and assurances – the Board's annual business cycle will be updated to reflect the assurances referenced in the BAF.
- iv) Approve the 2017/18 BAF.
- v) Support the on-going process of formal quarterly Board review of the BAF.