

Board of Directors (Public)

Item 27

Board Report

Subject: Quarterly Review of Board Assurance Framework
Date of Meeting: 27th January 2015
Prepared by: Lucy Lavan, Associate Director of Corporate Affairs
Presented by: Lucy Lavan, Associate Director of Corporate Affairs

Data Quality Rating	BAF Ref	Impact on BAF Risk Rating
Silver	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 strategic plan and to review and update the controls and assurances, identifying and gaps and reviewing risk ratings as necessary.

2. Overview of Updates made in October and November 2015

The Board Assurance Framework was last reviewed by the Board of Directors in October 2014, and the following updates were approved:

- Risk 2 – inclusion of potential infection risk relating to the Ebola virus – this risk has been considered within the Trust's plans for winter preparedness; also new control noted in relation to the introduction of daily safety huddles;
- Risk 3 – recognition of the managed breach of the 18 week RTT target in Quarter 2 in order to reduce backlogs of patients waiting – this breach had been agreed with Commissioners and Monitor had advised that regulatory action is unlikely. Risk rating amended from green to amber.
- Risk 3 – an external review of risk management arrangements had now been undertaken and an action plan would be developed following review of the recommendations by the executive team on 5th November 2014. Developmental work will include the strengthening of the link between the BAF and operational risk management.
- Risk 7 – gap in control mitigated by the introduction of PMO support commencing October 2014
- Risk 8 – recognition of risk of future business interruption arising from industrial action. A robust response plan was instigated in respect of the 4 hour strike held on 13.10.14.

- Risk 9 – recognition of reputational risk to the Trust associated with transfer of the Upper GI service to the Royal Liverpool site; and recognition of recruitment risk relating to system wide cardiology management.

The BAF was updated further following discussions at the November Board meeting to reflect new emerging risks including a shortfall in SHO medical staffing cover from February 2015 (Risk 8) – it was decided that this risk should remain rated amber in recognition of the mitigation plans being developed.

3. Proposed updates – January 2015

Further updates have been recommended by the Executive Team in respect of the following:

- Risk 3 – recognition of the managed breach of the 18 week RTT target extended to Quarter 3 in order to reduce backlogs of patients waiting – this breach has been agreed with Commissioners and Monitor has advised that regulatory action is unlikely. Risk rating amended from green to amber.
- Risk 3 – recognition of work in progress to address findings of risk management review (refer agenda item 17)
- Risk 3 – recognition of internal review of governance arrangements to test effectiveness of new committee structures and recommend refinements as necessary (February – March 2015)

The Board should note the continued risk of further industrial action as referenced in the CEO's Report (Item 12).

The updated BAF is attached (all proposed new amendments have been highlighted in yellow for ease of reference) and 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
- iii) The risk rating applied to each principal risk

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 January 2015 review.