

**TRUST BOARD**  
**29<sup>th</sup> April 2010**

<b>TITLE</b>	<b>Board Assurance Framework</b>
<b>EXECUTIVE SUMMARY</b>	<p>The Board Assurance Framework (BAF) is an assurance tool that ensures the Board has been properly informed about the totality of risks to achieving all of the Trust's strategic objectives. The BAF is currently aligned to the 4 strategic objectives as detailed in the Integrated Business Plan.</p> <p>The BAF is presented regularly to the Board, detailing all the changes made as a result of reviews undertaken by the individual Executive Leads.</p> <p>The Board has agreed an updated Corporate Business Plan for 2010-2011 and the BAF is being reviewed in the light of this and the Board seminar on risk.</p>
<b>BOARD ASSURANCE (Risk) / IMPLICATIONS</b>	The Board assurance process ensures that risks to achieving the Trust's strategic objectives are actively identified and managed.
<b>STAKEHOLDER / PATIENT IMPACT AND VIEWS</b>	Not assessed and views not taken
<b>EQUALITY AND DIVERSITY ISSUES</b>	None
<b>LEGAL ISSUES</b>	The Board Assurance process supports the Chief Executive in signing the Statement on Internal Control which forms part of the Trust's statutory accounts.
<b>Trust board is asked to:</b>	Note that the BAF is under active review and will be presented to the May Board for agreement.
<b>Submitted by:</b>	Jane Gear , Head of Corporate Affairs For Andrew Liles, Chief Executive
<b>Date:</b>	13 <sup>th</sup> April 2010
<b>Decision:</b>	For                      Noting

**Trust Board**  
**29<sup>th</sup> April 2010**

**Board Assurance Framework**  
**2009/10 – 2014/15**

## **1. Introduction**

The Board Assurance Framework (BAF) is a crucial element of the Trust's governance arrangements, and is fundamental to assuring the Board that key strategic risks are being effectively managed. The BAF also plays an important part in supporting the Statement on Internal and the Head of Internal Audit's opinion. The BAF, therefore, is an assurance tool to ensure that the Board has been properly informed about the totality of risks to achieving all of the strategic objectives. The risks on the BAF are mapped to the risks on the Corporate Risk Register.

The BAF is aligned to the 4 strategic objectives as detailed in the Integrated Business Plan. This ensures that it is an intelligent and live document that provides the Board with the required assurance that the Trust will achieve its strategic objectives.

## **2. Current Position**

An Executive Director is allocated responsibility for each principal risk and progress against any related action plan is monitored and reported upon at the bi monthly Integrated Governance Assurance Committee (IGAC) meetings, when the full BAF is reviewed.

The BAF is not presented to the April 2010 Board as it is currently being reviewed and realigned with the recently agreed Corporate Business Plan 2010-2011.

## **3. Developing the BAF**

Considerable work took place in 2009 realigning the BAF to the Trust's strategic objectives. It has already been agreed that further review would be needed in 2010-11.

### **3.1 Content**

There are four main foci which it is suggested should assist in refining the BAF:

1. The Trust Board held a seminar in February 2010, supported by an external risk management consultant, and considered the implications which the Audit Commission's publication – *Taking it on Trust*, could have on the BAF.
2. The Board has recently agreed a Corporate Business plan for 2010/2011 which is set in the context of the 5 year IBP but identifies specific priorities and actions to be achieved in 2010/2011. A review of the Priorities has been undertaken to identify the potential major risks which should then be identified within the BAF.
3. Guidance has been issued on the content of the Statement on Internal Control (SIC). As this is the annual statement whereby the Chief Executive as Accounting Officer confirms the adequacy of the organisation's risk management processes it is important that this is supported through the BAF. The SIC now includes formal statements on Climate Change Adaptation and Diversity and Human Rights legislation, so these, together with existing SIC obligations, have been identified in the proposals for the BAF.
4. The BAF is about strategic risk, and the 'bigger picture' issues which might seriously worry the Board. It is suggested that these could include issues which have challenged the NHS,

particularly recently, where other organisations have been identified as having pockets of very sub standard care. Another major issue for Trust which recurs not infrequently across the NHS is that the drive for achieving targets could result in staff manipulating data.

These are only two suggestions which may or may not be appropriate, and there may be other bigger picture issues.

Having identified these suggested points for the next BAF, a revised set of strategic risks are to be discussed with IGAC at the next meeting. From this point significant controls and assurances will be developed and the BAF will be in its final draft for discussion by the Board.

### **3.3 Timing of Board presentation**

The current Board approved Integrated Risk Management Strategy requires the BAF to be presented no less than quarterly to the Trust Board. Over the last year, in part due to the move to monthly Board meetings, this has increased so the Board has been receiving the BAF monthly. It is suggest that it would be more useful if the BAF went to IGAC for scrutiny and challenge prior to presentation to the Board, and this implies a quarterly presentation to the Board. This would mean greater attention could be paid to ensuring gaps in controls and assurances were addressed rather than it becoming a more superficial process.

### **3.4 Next steps**

Following discussion at IGAC the intention is to present a fully rounded BAF to the May Board for formal agreement.

This would also be cross checked with both the corporate risk register and also the Integrated Business plan to ensure consistency.

## **4. Conclusion**

The BAF is a key document describing how the Board can be assured that risks to its Strategic Objectives are being managed effectively. This needs to be seen as a live process and it is therefore not unexpected that the BAF needs to be refreshed periodically. The production of the Corporate Business Plan, which forms one year of the IBP is an essential trigger, and this is therefore a very appropriate point to refresh the BAF. Indeed many of the risks from the current BAF have transferred to the draft updated version.

## **5. Recommendation**

- The Board notes and comments on the framework within which the BAF is being revised and updated (para 3.1 above)
- Discuss the frequency of presentation during 2010-2011

**Submitted by:** Jane Gear Head of Corporate Affairs  
For Andrew Liles, Chief Executive

**Date:** 14<sup>th</sup> April 2010