

**ITEM: 10/015**  
**Doc: 11**

**Meeting:** Trust Board  
**Date:** 20<sup>th</sup> January 2010

**Title:** **Board Assurance Framework (BAF) update**

**Executive Summary:** The BAF was last reviewed by the Trust Board at its seminar on 21<sup>st</sup> October 2009.

It was noted that progress had been made in cross-referencing between the BAF, the risk register, the corporate objectives, directors' individual objectives and the trust's annual plan. An attempt had also been made to draw relevant operational risks identified in the risk register into the BAF as possible evidence of gaps in control. As a result it had become a very busy document which was difficult to digest. The board requested that it should be simplified and a summary produced.

It was, however, acknowledged that the BAF format was prescribed and therefore needed to contain the detail expected by the auditors. It was therefore agreed that:

- the full version of the BAF submitted to the board should aim for better clarity in language and format;
- it should draw on the risk register to identify where operational risks affected the assessment of the likelihood of the materialisation of strategic risks, but not include the operational risks on the face of the BAF;
- there should be a summary highlighting the red-rated risks
- the cover paper should indicate key areas of change from the last version

The updated BAF was discussed by the Audit Committee at its meeting on 7<sup>th</sup> January 2010. It was suggested that the coherence and relevance of the BAF could be enhanced by reviewing and streamlining the corporate objectives to make them more measurable and time specific. It was proposed that this should be discussed at a forthcoming Executive Committee away day.

The attached BAF update attempts to take on board these principles.

Key significant changes in the last six months are:

- increased risk of poor clinical outcomes from green to amber because of red-rated operational risks identified on the risk register (1.1)
- Deletion of risk of failing to ensure that the trust meets the standards for safeguarding children
- deletion of risk relating to patient complaints
- deletion of risk relating to 18 week referral to treatment target
- new risk relating to replacement of medical equipment (1.6)

- increased risk of failure to meet core targets e.g. 62 day cancer target in some specialties (2.1)
- deletion of risk of failing to respond to changes in the structure of the local population
- extension of period of uncertainty about the NCL reconfiguration of services inhibiting planning for site development
- deletion of risk of failing to utilise capacity of the DTC
- deletion of risk of failing to achieve Foundation Trust status (deadline now changed from 2010 to 2014)
- increase in risk of failing to agree a sustainable solution for the provider landscape - amber to red (8.1)
- recommendation for deletion of risks relating to healthcare acquired infection

### **Red-rated risks**

The following five risks have impact x probability scores of 15 and above

- Failure to meet healthcare core standards and other performance and SLA targets with the possibility of financial penalties (2.1)
- Insufficient investment in the physical environment resulting in failure to redevelop the hospital site to accommodate future business requirements (4.1)
- Adverse changes in strategic decisions of commissioners of services (5.1)
- Economic recession resulting in lower growth in allocations (7.8)
- Failure to agree a sustainable solution for the provider landscape - breakdown in collaboration across organisation boundaries (8.1)

**Action:** The Board is asked to note the changes to the BAF, review the controls and assurances in place, and the appropriateness of action plans.

**Report From:** Susan Sorensen  
Trust Corporate Secretary

**Sponsored By:** Fiona Elliott  
Director of Planning and Performance

**Compliance with statute, directions, policy, guidance**  
Lead: Director of Planning and Performance  
Director of Finance

**Reference:**  
DH guidance on Board self-certification  
ALE standards on internal control