1. Purpose of this Report:

To present the Board Assurance Framework (BAF) at Quarter 4 (covering the period January to March 2017).

Related risks:

The BAF is the primary source of assurance that helps the Board consider the risks to the delivery of the Trust’s strategic aims.

Financial implications:

There are no direct financial implications arising from the content of this paper.

Recommendations:

That the Board:

- considers the current content of the BAF at year end for 2016/17; and
- identifies any gaps in controls that require further action.

This paper provides assurance in relation to the following CQC Themes:

<table>
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<th>Well led</th>
<th>The leadership, management and governance of the organisation make sure it’s providing high-quality care that is based around individual needs, encourages learning and innovation, and promotes an open and fair culture.</th>
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Publication Under Freedom of Information

This paper has been made available under the Freedom of Information Act.

Previous meetings/Committees:

Highlight whether the paper has been discussed at any of the following meetings:

- Audit Committee (in part)
- Quality & Safety Committee
- Remuneration Committee
- Finance, Business & Investment Committee
- Executive Management team
- Directors’ Meeting
- Charitable Funds Committee
- MH Legislation Committee
Board Assurance Framework 2016/17

Summary

The formal end of year ‘closedown’ of the BAF is present at Appendix 1. Lead Directors have contributed to this final report of the BAF, which will inform the 2016/17 Annual Governance Statement.

Background

The BAF was refreshed in May 2016, risks articulated in an ‘if…then…’ format and allocated to lead Directors. The BAF has been presented to Trust Board in July and October 2016 and January 2017 (with the final quarterly report in April 2017). It has also been presented to the Audit Committee in November 2016 and February and April 2017.

Report detail

The key potential risks to the Trust’s strategic aims identified in the BAF have remained relatively static during the financial year. No items have been removed and no new items have been added to the BAF during 2016/17. Two changes in scoring were agreed by the Board in October:

- Risk 1.6, relating to the uncertainty around local authority funding was increased from 12 to 20 to reflect the current contractual position and remains at that level; and
- Risk 2.3, relating to the scale and pace of delivery across the West Yorkshire Vanguard was reduced from 20 to 16 to reflect the progress made by the Trust and other partners.

The Board and Audit Committee has considered the other risks on the BAF. Changes to risks 3.1-3.3 were discussed at the January Board meeting but concluded these risk scores should be maintained. At the Audit Committee in November, Dr Butler raised the issue that the BAF narrative appeared to be overly mental health focused. At the Audit Committee in February 2017, Mrs Romaniak highlighted that Risk 1.4 remained high (at a score of 20) and that on Risk 2.1, system leaders (through the ICB) had yet to agree a detailed approach to the financial challenges facing the local health economy.

The Board will also be considering a paper at its private meeting about the ongoing development of both the BAF and the Corporate Risk Register (CRR). It is proposed that both will be reviewed to take account of the 2-year Annual Plan. Existing reporting is expected to be carried forward into 2017/18.

Internal Audit review

The Trust’s internal auditors, Audit Yorkshire, have reviewed the 2016/17 BAF and provided significant assurance (and full assurance in certain parts of its report), concluding there are around systems of control in place. This report
will be considered at the next meeting of the Audit Committee but has been signed off by the lead Director. No significant issues were identified as a result of the review. Three minor issues included in the report recommend the Trust should:

- introduce further cross referencing between the CRR and the BAF to ensure that the coverage of specific CRR risks in the BAF is clear;
- specify the source, responsible reviewer (Board Committee if applicable) and timing (received and planned) against each positive assurance listed on the BAF; and
- consider the format of the Board BAF report and consider whether the Board version should be revised to include common BAF elements not in the current format or provided with the Audit Committee format report to supplement the Board report.

These issues will be considered as part of the review of the BAF/CRR.

**Monitoring and review**

The BAF will continue be presented at each meeting of the Audit Committee (with the exception of the May meeting, which deals with the Annual Report and Accounts). The Board continues to receive the BAF quarterly and, following the Task and Finish Group discussions, will undertake more detailed discussions at private Board meetings in October and April each year.

**Recommendations**

That the Board:

- considers the current content of the BAF at year end for 2016/17; and
- identifies any gaps in controls that require further action.