

The Board of Directors – Public

11 November 2021

Paper title:	Board Assurance Framework & Supporting Organisational Risk Register	Agenda item 10.0
Presented by:	Phillipa Hubbard, Director of Nursing, Professions and Care Standards	
Prepared by:	Rachel Howitt, Head of Patient Safety, Compliance and Risk	

Purpose of the report		
In May 2021 a new version of the BAF was shared with the Board of Directors and the first update was provided to the June Board meeting (in Private). The purpose of this report is to provide the BAF status as at the end of October 2021 and present any significant updates. The BAF summary is provided along with the Organisational High Risk Register.	For approval	X
	For discussion	
	For information	X

Executive summary		
<p>The new process for updating the BAF is now embedding and will continue to be informed by progress in month, data, and consideration of the wider organisational risks. Work has been undertaken to align the Risk Impact Categories to the Strategic risk areas, and a Standard Operating Procedure was developed and approved at the previous Board.</p> <p>There have been some positive change in the scores of the risks relating to the Strategic Objectives contained within the BAF since it was last updated in October 2021.</p>		
Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	<p>State below 'Yes' or 'No'</p> <p>No</p>	If yes please set out what action has been taken to address this in your paper

Recommendation
<p>The Board of Directors is asked to:</p> <ul style="list-style-type: none"> • Note the progress made in implementing the new BAF • Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF • Note the reduction in risk for Strategic Objective 03 and 05

Strategic vision
Please mark those that apply with an X

Providing excellent quality services and seamless access	Creating the best place to work	Supporting people to live to their fullest potential	Financial sustainability growth and innovation	Governance and well-led
				X

Care Quality Commission domains				
Please mark those that apply with an X				
Safe	Effective	Responsive	Caring	Well Led
				X

Relationship to the Board Assurance Framework (BAF)	The work contained with this report links to the following strategic risk(s) as identified in the BAF: <ul style="list-style-type: none"> • All
Links to the Corporate Risk Register (CRR)	The work contained with this report links to the following corporate risk(s) as identified in the CRR: <ul style="list-style-type: none"> • All
Compliance and regulatory implications	The following compliance and regulatory implications have been identified as a result of the work outlined in this report:

The Board of Directors - Public **11 November 2021**

Board Assurance Framework - update

1 Purpose

The purpose of this report is to provide an update on the progress of implementing the revised BAF process and update the Board on any changes to the level of risk associated with delivery of the strategic objectives described within the BAF.

2 Background

In May 2021 the Board received the draft version of the BAF in its new format. This was acknowledged to be in draft form and requiring more work to develop the content of the detailed report into the mitigation and management of the risks aligned to each strategic objective.

The process to support the completion of the BAF to enable effective scrutiny and challenge by Committees and, ultimately, the Board of Directors is now in place.

Appendix 1 contains the BAF as it stands at the end of October 2021.

Appendix 2 contains the associated Organisation High Risk report for October 2021.

3 Update of progress in implementing the revised BAF process

The process of updating the BAF and how this is then used in Board and Committees is described below. A recent recommendation from the Internal Audit of the Board assurance is that the Trust has a formal Standard Operating Procedure relating to the BAF. This has been developed and was approved at the July Board.

Process

Each lead Executive Director has in place monthly meetings (at the end of the month) with the Head of Patient Safety, Compliance and Risk. The purpose of these meetings is to review the Strategic Objectives contained within the BAF and update any progress in mitigating the associated risks. This is on the basis of work / progress in month, what the data is telling us and also after due consideration of the wider organisational risks supported by the work of the Compliance and Risk Group.

Once the BAF is updated at the start of the month, this is then received by any Committees within that month who will provide oversight of the management of the risks associated with the Strategic Objectives they have allocated to them. Whilst objectives are likely to be impacted by the work of multiple Committees, it was agreed that allocating a lead Committee with primary oversight ensured that duplication was kept to a minimum.

However, some of the monthly update meetings have been merged where a Strategic Objective crosses portfolios, to allow collaborative input with other Directors in order to strengthen the update process.

All Committees will receive the BAF summary each month, however those Committees who are lead Committees for specific Strategic Objectives will also receive the detailed BAF report for those objectives.

It is the responsibility of the Lead Executive Director for each Strategic Objective to ensure that, should it be appropriate and necessary, the detail of the mitigation of associated BAF risks are shared at Committees other than the lead Committee.

The Board will receive the full BAF, plus the Organisation High Risk Report at each Public Board meeting to allow it to receive assurance as to the delivery of the Trust's Strategic Objectives.

In order to strengthen the link between the BAF and the operational risk register, work has been undertaken by the risk team to align the five Strategic Risk Areas (Quality, Reputation, Regulatory, Financial, People) agreed by the Board to determine Risk Appetite, with the eight Risk Impact Categories, which are used to guide risk owners in determining the scoring of individual risks on the basis of the impact they would have.

As would be expected, the impact of individual risks can be manifold, spanning a number of Strategic Risk Areas. As there are individual Risk Impact Categories dealing with reputation, regulatory and financial impacts, it has been agreed that those impacts which cover multiple areas should be aligned to the Quality Strategic Risk Area.

4 Update on the content of the BAF

The content of the BAF was reviewed and updated by the Executive Leads at the end of September 2021. The following Committees then received an update on the Strategic Objectives they are the lead Committee for:

- Quality and Safety Committee 21 October 2021
- Audit Committee 26 October 2021

Escalations of matters of concern will be raised through the AAA reports from each Committee and submitted to Board for discussion.

The content of the BAF was subsequently reviewed and updated by the Executive Leads at the end of October 2021, taking into account any feedback from the Committees where it had previously been scrutinised, and also discussions held in the Compliance and Risk Group during October.

The October review identified a reduction in current risk score for Strategic Objective 03 and Strategic Objective 05.

The reduction in scoring is relative to the progress made with addressing the gaps in control. As these are progressed they move from the 'gaps' area to being a 'control' in place to manage the risk. For SO3 and SO5 this progress means that the likelihood has reduced, and although the consequence of the risk remains stable at present, the overall score has reduced.

This final version is presented to Board as Appendix 1 to this report.

The Organisational Risk report has undergone further development work and the following improvements are included this month:

- **Next review date** in order to easily highlight any overdue reviews
- **Strategic (risk appetite) area** for each risk to assist in reflecting which category risk guardians use to assess the risk impact
- **Risk title** for clarity
- **Status** including 'Not yet changed' which indicates a new version (update) has not been created within month. If this is because the risk itself is new, this is highlighted in colour under 'input date'

This report is scrutinised and monitored through the Compliance and Risk Group.

5 Recommendations

The Board of Directors is asked to:

- Note the progress made in implementing the new BAF
- Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF
- Note the reduction in risk for Strategic Objective 03 and 05

Rachel Howitt, Head of Patient Safety, Compliance and Risk
2 November 2021