

The Board of Directors – Public

12 May 2022

Paper title:	Board Assurance Framework and Supporting Organisational Risk Register	Agenda item 09
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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 of April 2022 and present any significant updates. The BAF summary is provided along with the Organisational High Risk Report.	For approval	X
	For discussion	
	For information	X

Executive summary		
<p>The process for updating the BAF is now embedded 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>The Strategic Objectives are in the process of being reviewed and developed for 2022/23 and a Board workshop was held on 14 April 2022 to commence this work.</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 BAF process Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF Support the work to develop the Strategic Objectives for progressing in 2022/23

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:

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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 in April 2022.

Appendix 2 contains the associated Organisation High Risk report for April 2022.

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 recommendation from the Internal Audit of the Board assurance to have a formal Standard Operating Procedure relating to the BAF was implemented in July 2021.

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.

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, and Committees with an assigned lead for a 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 full Organisation High Risk Report (OHRR) 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, 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.

From February 2022, in agreement with all Committee Chairs and lead Executives, the OHRR will be separated out, so committees receive just the high risks directly related to the individual committee's work. This means the following will be received:

Meeting	BAF	Strategic Objectives	Organisational High Risk Report (Strategic Area)
Public Board	Full	All	Full
Audit Committee	Summary	-	-
Mental Health Legislation Committee	Summary	-	-
Finance, Business and Investment Committee	Summary	SO6	Financial
Workforce and Equality Committee	Summary	SO2, SO4	People
Quality and Safety Committee	Summary	SO1, SO3, SO5	Quality, Regulatory, Reputation, People

The Compliance and Risk Group continues to scrutinise the whole of the organisational high risk register every other month.

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 April 2022. Since the last Board paper, the following Committees have received an update on the Strategic Objectives they are the lead Committee for:

- Quality and Safety Committee 17 March 2022
- Finance, Business and Investment Committee 24 March 2022
- Mental Health Legislation Committee 24 March 2022
- Audit Committee 7 April 2022
- Quality and Safety Committee 21 April 2022
- Workforce and Equality Committee 28 April 2022

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

The content of the BAF requires revision before the next update, due at the end of May 2022, following the Board development session to review the Strategic Objectives for 2022/23. The BAF content will reflect feedback from the Committees where it has previously been scrutinised, and also discussions held in the Compliance and Risk Group during April.

Since the last Board, all Strategic Objective risk scores have remained static with SO3 sustaining its target level. The scoring is relative to the progress made with addressing the gaps in control contained within each risk area. As these are progressed, they move from the 'gaps' area to being a 'control' in place to manage the risk.

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

The Organisational Risk report was scrutinised at the Compliance and Risk group in April 2022 and a number of actions were identified to improve the level of confidence in the report:

- **Clarity of wording:** a number of risks were identified as lacking clarity and actions were set to review and update how risks are articulated to ensure clearer understanding of the specific risk
- **Quality of risk:** an action was identified for the Chief Operating Officer, General Managers and Risk Management team to work on identifying training and development needs in relation to the identification and articulation of risk

Progress will be monitored through the Compliance and Risk Group and any required amendments to the Organisational Risk report will be reflected in future report.

5 Recommendations

The Board of Directors is asked to:

- Note the progress made in implementing the BAF process
- Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF
- Support the work to develop the Strategic Objectives for progressing in 2022/23

Rachel Howitt, Head of Patient Safety, Compliance and Risk
28 April 2022