

The Board of Directors – Public

14 July 2022

Paper title:	Board Assurance Framework and Supporting Organisational Risk Register	Agenda item 10.0
Presented by:	Phillipa Hubbard, Director of Nursing, Professions and Care Standards, DIPC, Deputy CE	
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Purpose of the report		
The purpose of this cover paper is to provide an overview of changes and updates to the new 2022/23 strategic objectives (SO) and associated risks currently held on the Board Assurance Framework (BAF). The full BAF is also provided along with the Organisational High Risk Report.	For approval	X
	For discussion	
	For information	X

Executive summary
<p>In April 2022 the Board undertook a development session to review the in-year strategic objectives aligned to better lives, together. The existing 6 objectives were scrutinised and an assessment made as to whether they had been achieved, needed to be carried over or needed updating to reflect the changes in the strategic environment of the Trust. As the same time the structure and sensitivity of the Board Assurance Framework (BAF) document was assessed and it was agreed that, in order to increase the sensitivity in terms of monitoring risks, where relevant and necessary the objective would be sub-divided into in year ambitions to enable specific risks against these elements to be monitored independently.</p> <p>The main structure of the BAF aligned to each risk has not changed substantially, although the presentation has been updated to reflect the new sub-division of the strategic objectives.</p> <p>The Lead Executive for each strategic objective and any additional in-year ambitions reviews their specific objective(s), ambition(s) and the associated risk(s) and updates the controls and assurances associated with those risks on a monthly basis. Any organisational high risks linked to the BAF strategic objectives are also identified in the BAF summary with relevant narrative where a risk has changed or been archived for the relevant committee to view.</p> <p>There is one Strategic Objectives aligned to the Trust Board for oversight which is SO4: “Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions”.</p> <p>It is the responsibility of the Lead Executive for each Committee to present the progress towards achievement of each strategic objective to the relevant Committee, and therefore SO4 will be presented in the Private Board meeting by the Director of Integration and Transformation.</p>

Main points to note:

- This month's review focused on:
 - ~ population of the new objectives and ambitions
 - ~ Establishing new risk scores and targets for in-year progress
- Due to capacity and timing of paper submissions, a minority of ambitions are still to be fully developed. This will be completed in the first half of July.
- There have been no new high risks added to the Organisational High Risk Report (OHRR) within month.

The OHRR is received by each committee based on the high risks directly related to the individual committee's work.

The full OHRR is scrutinised at the Compliance and Risk Group bi-monthly.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

Recommendation

The Board of Directors is asked to:

- Note the progress made in populating the new Strategic Objectives
- Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF
- Support the work to further develop the Strategic Objectives during 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
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<p>Links to the Key Organisational Risk Register (KORR)</p>	<p>The work contained with this report links to the following corporate risk(s) as identified in the KORR:</p> <ul style="list-style-type: none"> • All
<p>Compliance and regulatory implications</p>	<p>The following compliance and regulatory implications have been identified as a result of the work outlined in this report:</p>

The Board of Directors - Public **14 July 2022**

Board Assurance Framework - update

1 Purpose

The purpose of this report is to provide an update on the progress of implementing the 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 April 2022 the Board undertook a development session to review the in year strategic objectives aligned to better lives, together. The existing 6 objectives were scrutinised and an assessment made as to whether they had been achieved, needed to be carried over or needed updating to reflect the changes in the strategic environment of the Trust. As the same time the structure and sensitivity of the Board Assurance Framework (BAF) document was assessed and it was agreed that, in order to increase the sensitivity in terms of monitoring risks, where relevant and necessary the objective would be sub-divided into in year ambitions to enable specific risks against these elements to be monitored independently.

The main structure of the BAF aligned to each risk has not changed substantially, although the presentation has been updated to reflect the new sub-division of the strategic objectives.

The process to support the completion of the BAF to enable effective scrutiny and challenge by Committees and, ultimately, the Board of Directors remains unchanged.

Appendix 1 contains the BAF as it stands in July 2022.

Appendix 2 contains the associated Organisation High Risk report for July 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 has been in place since 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, and/or where they have responsibility for additional in year ambitions related to strategic objectives led by other Directors, 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.

The Strategic Objective 04, related to ‘Collaborating to drive innovation and transformation, enabling us to deliver against local and national ambitions’ does not sit within a subcommittee and will be presented to and discussed at the private Board meeting by the Director of Integration and Transformation.

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 continue to 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

Private Board	Full	All – Lead for SO4	Full
Audit Committee	Summary	-	-
Mental Health Legislation Committee	Summary	-	-
Finance, Business and Investment Committee	Summary	SO5, SO6	Financial
Workforce and Equality Committee	Summary	SO2	People
Quality and Safety Committee	Summary	SO1, SO3	Quality, Regulatory, Reputation, People

Reflecting on the changes to the Executive and Non-Executive leadership team, it has been agreed to delay reviewing the Board's risk appetite and its approach to risk tolerance until September when recruitment processes have been completed. In the meantime, the current risk appetites for relevant areas will be used.

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 new Strategic Objectives were reviewed and updated by the Executive Leads at the end of June 2022. Since the development of the new 2022/23 BAF, the following Committees have received an update on the Strategic Objectives they are the lead Committee for:

- Audit Committee 7 July 2022
- Quality and Safety Committee (due 21 July 2022)

The risk scoring has also been reviewed against all new in year ambitions and 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.

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

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

The Organisational Risk report is scrutinised at the Compliance and Risk group and progress on risk updates will be monitored, with any required amendments to the Organisational Risk report reflected in future reports.

5 Recommendations

The Board of Directors is asked to:

- Note the progress made in populating the new Strategic Objectives
- Note the mitigations and controls in place to manage the risks associated with the Strategic Objectives described within the BAF
- Support the work to further develop the Strategic Objectives during in 2022/23

Rachel Howitt, Head of Patient Safety, Compliance and Risk
5 July 2022