

## Board of Directors

<b>Date of Meeting:</b> 11 January 2024	
<b>Title of Document:</b> Board Assurance Framework	
<b>To be presented by:</b>  George Chalkias, Director of Governance, with additional input from relevant Executive risk owners.	<b>Author:</b>  Anthony May, Associate Director of Risk, Governance and Compliance.
<b>1. Status:</b> For <u>Approval/Discussion/Noting/Information</u>	
<b>2. Purpose:</b> To provide the Board with the latest version of the Board Assurance Framework (BAF), detailing the most significant risks to the organisation. The BAF describes the controls in place to mitigate each risk, together with sources of assurance around their effectiveness. The BAF also details gaps in control or assurance and the actions being taken to address these.	
Relates to:	
Strategic Objective	All
Operational performance	Effective risk management processes support the operational and strategic performance of the Trust by identifying risks and mitigating them as effectively as possible prior to the issue occurring.
Quality	Effective risk management processes help to identify where a risk in the organisation will have significant impact on the quality of care provided.
Legal/Regulatory/Audit	If ESNEFT does not have an effective risk management process in place for the identification, assessment and control of risk then we will be unable to provide a positive statement within the Annual Governance Statement to that effect, with the potential for impact to our NHS provider license.
Finance	If ESNEFT does not have an effective risk management process in place for the identification, assessment and control of risk then we may not make best use of our resources; be exposed to potential litigation costs and regulatory sanctions.
Governance	The BAF is a key governance tool used to report assurance to the Board regarding mitigation of strategic risks.
NHS policy/public consultation	ESNEFT risk management processes are in line with the Government's Orange book for risk management.
Accreditation/inspection	ESNEFT's risk management processes are subject to internal audit annually.
Anchor institutions	n/a
ICS/ICB/Alliance	n/a
Board Assurance Framework (BAF) Risk	Full BAF provided within appendix two of this report.
Other	n/a

### 3. Summary:

The Board Assurance Framework (BAF) is designed to provide the Board with a simple but comprehensive method for effective and focused review of strategic risk. Within the Trust, strategic risks are aligned to Board committees, as determined by the committee's terms of reference. The BAF therefore enables the Board to receive assurance from its committees that strategic risks are being appropriately managed.

The following appendices are provided:

- **Appendix one** provides, for information, a summary of risk ownership – detailing both the lead executive and lead assurance committee.
- **Appendix two** provides the current BAF for review and approval.

#### Developments

##### Standardised risk deep dive process introduced:

During November 2023 the Audit and Risk Committee approved a deep dive template and associated guidance. The template standardises the risk deep dive process to ensure consistency of approach, in conducting the deep dive, and consistency of presentation to the relevant committee. The template enables the systematic review and expansion of information provided on the BAF.

The template was used to conduct a deep dive into risk BAF7, regarding Estates Development and Capital Equipment. This resulted in a proposal to amend the risk description, controls, rating, assurance and actions – all of which were discussed in detail at the Performance and Finance Committee during November and agreed. These changes are reflected within the appendices to this report. A deep dive schedule will now be agreed by each Board committee.

##### Board risk workshop delivered:

During December 2023 a risk workshop was delivered to Board members. This covered the following topics:

- Redesign of the BAF – review of progress
- Introduction of committee risk deep dive process
- Overview of risk escalation process
- Refresh of risk appetite and risk tolerance terminology
- Application of risk appetite to escalation process
- Monitoring of tolerated risks

Following the workshop it was agreed that the Audit and Risk Committee would consider a proposal regarding the appetite\* for different categories of risk when it meets in January. Subject to agreement this will then be used to determine the level of risk that is reported to each Board committee.

*\*the Trust describes risk appetite as the desired level of risk for a given category, recognising that it is often not possible or desirable to mitigate risk entirely.*

### 4. Recommendations / Actions

The Board is invited to:

1. Note the Executive Lead and Assurance Committee responsible for each risk (appendix one)
2. Note the introduction of a standardised deep dive process and delivery of a risk workshop to Board members.
3. Approve the current version of the Board Assurance Framework (appendix 2)
4. Consider whether, during the course of the meeting, any additional significant strategic risks which may impact on the delivery of the Trust's strategic objectives have been identified.