

Board of Directors

Date of Meeting: 2 May 2024	
Title of Document: Board Assurance Framework	
To be presented by: George Chalkias, Director of Governance, with additional input from relevant Executive risk owners.	Author: Anthony May, Associate Director of Risk, Governance and Compliance.
1. Status: For <u>Approval/Discussion/Noting/Information</u>	
2. Purpose: 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.
Equality and diversity	This report has no equality or health inequalities related impacts or risks; it is a governance assurance report detailing risks to strategy, objectives and associated delivery plans which would have their own equality and diversity assessments.
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	The Trust BAF is shared with health and care system colleagues within SNEE ICS to support the development of a system risk management approach.

Board Assurance Framework (BAF) Risk	The full BAF is provided within appendix two of this report.
Other	n/a
<p>3. Summary:</p> <p>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.</p> <p>This report provides a summary of key changes made to the BAF since the January report to the Board, together with an update on internal audit findings and risk appetite implementation.</p> <p>The following appendices are provided:</p> <ul style="list-style-type: none"> • 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. 	
<p>4. Recommendations / Actions</p> <p>The Board is invited to:</p> <ol style="list-style-type: none"> 1. Note the Executive Lead and Assurance Committee responsible for each risk (appendix one). 2. Approve the current version of the Board Assurance Framework (appendix two). 3. Note the internal audit report findings and the update on risk appetite implementation. 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. 	

Board Assurance Framework report – May 2024

Summary of key changes made to the BAF since January 2024

Ref.	Risk summary	Rating (Impact x Likelihood)	Executive Lead(s)	Target risk rating (Impact x Likelihood)
BAF2	Financial performance – value and sustainability	4x4=16	Director of Finance	4x3=12
<i>Key changes:</i>	Assurances on controls updated in relation to: <ul style="list-style-type: none"> (a) medium term planning (quarterly reporting to EMC). (d) delegated accountability to divisions – added detail regarding accountability framework annual review and monitoring of metrics. Amended action (8) to refer to increasing deficit at WSH.			
BAF3	Insufficient capital resources to progress investments	4x3=12	Director of Finance	4x2=8
<i>Key changes:</i>	Added reference to IFRS16 within control (e), added reference to Comprehensive Spending Review (CSR) and updated associated assurances. During April's Performance and Finance Committee a query was raised on whether the likelihood of this risk could benefit from a further review. This will be considered by the Executive risk owner with any recommendations for change reported to the May Performance and Finance Committee.			
BAF4	Quality assurance mechanisms regarding the quality and safety of patient services	4x2=8	Chief Nurse	4x1=4
<i>Key changes:</i>	<ul style="list-style-type: none"> Infection Prevention and Control BAF added as an assurance source; Maternity Incentive Scheme 23/24 action removed, following approval by Trust Board. Assurance relating to the Trust's Inequalities Strategy updated to clarify that the strategy is approved by the Board, and then monitored by the QPS Committee. Action (1) relating to the delivery of quality priorities has been updated to reflect 24/25. Action (2) regarding re-scoping of the QI faculty is now recorded as complete. Action (3) regarding development of a Care Accreditation Framework is now recorded as complete, and the associated action (4) regarding launching the framework has also been recorded as complete, with a note added that initial outcomes will be reported to the QPS Committee in September. Added action (5) regarding the completion of the Board Healthcare inequalities self-assessment, and development of an action plan with annual review. 			
BAF5	Workforce – recruitment and retention	4x3=12	Director of People & Organisational Development	4x2=8
<i>Key changes:</i>	<ul style="list-style-type: none"> Added vacancies created by EPR as additional gap in assurance, amended action (6) to reflect associated mitigating action. Added action (7) regarding banding change for AfC Band 2 Healthcare Support Workers (during February), and updated this to report completion in March 2024. Added gap in assurance regarding Healthcare Support Worker back-pay agreement, and associated action (8) regarding reaching agreement with unions. 			
BAF6	Sustainable delivery of elective performance targets	5x3=15	Director of Elective Care	5X2=10
<i>Key changes:</i>	<ul style="list-style-type: none"> Added gap in assurance relating to delivery of 65 week national standard being reliant on timely availability of new build capacity. Recorded action (3), regarding review of the clinical harm review process, as complete. Amended action (4) to reflect review of extension of waiting list initiative beyond April 2024. Added action (6) regarding 'Further Faster' outpatient transformation work to reduce polling time for key specialities. 			
BAF6A	Sustainable delivery of emergency care performance targets	5x3=15	Deputy CEO Director of Operations and NEecs	5X2=10

Ref.	Risk summary	Rating (Impact x Likelihood)	Executive Lead(s)	Target risk rating (Impact x Likelihood)
<i>Key changes:</i>	<p>Added additional controls re. enhanced boarding and system resilience dashboard; added an additional gap in control re. capacity to support patients with acute mental health conditions; and additional gaps in assurance re. ambulance escalation protocol; and flow through ED.</p> <ul style="list-style-type: none"> Recorded action (4), re. strengthening oversight of boarded patients and patients who have multiple bed moves, as complete. (Action was added to the BAF during February 2024). Added action (7) re. approval of revenue case to appoint staff recurrently relating to community at the front door and urgent community response teams Added action (8) re. implementation of the 'Home for lunch' quality initiative, designed to release capacity earlier, which will in turn reduce patient safety risks and improve experience. <p>The risk remains rated at 15, but consideration will be given to reducing the likelihood rating if sustainable performance is demonstrated. This will be considered by the Executive risk owner with any recommendations for change reported to a future Performance and Finance Committee</p>			
BAF6B	Timely cancer diagnosis and treatment	5x3=15	Deputy CEO Director of Elective Care	3x2=6
<i>Key changes:</i>	<ul style="list-style-type: none"> Amended gap in assurance to refer to the 28 FDS national standard not being met within urology in addition to colorectal. Amended action (1) re. delivery of 28 FDS for 23/24 to reflect that this was achieved overall, but that focus remains on improving performance within colorectal and urology to deliver the standard for 24/25 and improve patient experience. added new action (4) re. Cancer Board review of clinical outcomes. 			
BAF7	Estates Development and Capital Equipment	4x4=16	Director of Estates and Facilities	3x2=6
<i>Key changes:</i>	<ul style="list-style-type: none"> Added additional control re. asset register and associated assurance. Updated as completed the following actions <ul style="list-style-type: none"> (1) Recruitment of estates strategy AD; (2) External support to bring together property data; (5) Updating backlog maintenance plan; (7) Identifying higher risk areas from backlog maintenance plan; (9) Estates governance review; (10) Developing an estates assurance model; and (11) Reintroduction of PAM Assurance Group. Added a new action (6) re. periodic review of backlog maintenance plan. 			
BAF8	Improvements to patient quality, safety and experience through implementation of an EPR	4x2=8	Director of Digital Logistics and Operations,	4x1=4
<i>Key changes:</i>	<p>Risk fully reviewed to describe impact from a patient safety and experience perspective. The controls, assurances and actions have been reviewed and revised and now include key actions relating to the realisation of the benefits, including: digital literacy programme, training accreditation, orientation week, engagement with clinical and operational teams to support process review, process standardisation, design, build, training and testing.</p>			
BAF9	Transformation	4x3=12	Director of Strategy, Research & Innovation	4x2=8

Ref.	Risk summary	Rating (Impact x Likelihood)	Executive Lead(s)	Target risk rating (Impact x Likelihood)
<i>Key changes:</i>	<ul style="list-style-type: none"> • Risk is now recorded as impacting all five strategic objectives. • The impact of the risk being realised has been added: 'Being unable to meet the needs of our patients, stakeholders and communities; regulatory action'. • Assurance reporting details regarding Communications and Engagement Strategy (d) and Diagnostics Strategy (f) added. • A gap in control relating to not having an environmental strategy has been added, with an associated action for this to be developed during 2024/25. 			

No changes have been made to BAF1.

The full BAF is provided within appendix two.

Developments

Internal Audit Report findings

Between November 2023 and December 2023, the Trust's independent internal auditors undertook an audit of the BAF and associated risk management processes; the conclusion was a positive 'reasonable assurance' rating. The two medium priority actions arising from the audit related to BAF completeness (which was resolved prior to the January 2024 report to the Trust Board), reporting the BAF to the Risk Oversight Committee (now a standing agenda item) and the highlighting of key changes made to the BAF between meetings – which has been resolved through enhanced reporting to the Trust Board and its Committees (the table above is an example of this).

Risk appetite implementation

Work continues on implementing the risk appetite* methodology to risk escalation. This will enhance existing risk management arrangements, enabling an escalation threshold to be set for individual categories of risk, based on the Board's risk appetite. The approach is being tested based on appetite values previously agreed; the terms of reference for the Risk Oversight Committee are being amended to define the committee's role in the process – which will see the committee validating risk descriptions, ratings, categorisation and mitigation approach, and the review of risks above their appetite threshold. The risk appetite statements will be refined based on feedback from the Audit and Risk Committee and recommended to the Board for approval in June prior to go live.

**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.*