

Agenda item 3.iii

Report to:	Trust Board	Date: 03 June 2021
Report from:	Trust Secretary	
Principal Objective/ Strategy and Title	Board Assurance Framework (BAF) update	
Board Assurance Framework Entries	All	
Regulatory Requirement	Well Led/Code of Governance: To have clear and effective processes for assurance of Committee risks	
Equality Considerations	Equality has been considered but none believed to apply	
Key Risks	Leadership; Governance; Failure to Identify and manage risk	
For:	Review	
Assurance Evidence	October 2018 Internal Audit review of Risk Management and Assurance Framework - outcome: Substantial Assurance (third line)	

1. Background

The Board had agreed that the presentation of the Board Assurance Framework (BAF) required review. A sub group of NEDs and EDs met with the Trust Secretary to consider the scope of the current reporting to Board and this cover paper to the BAF report provides the Board with an update from that review.

2. Key issues

A BAF is a document that sets out strategic objectives, identifies risks in relation to each strategic objective along with controls in place and assurances available on their operation. The most effective boards use this as a dynamic tool to drive the board agenda. Formats for reports vary and the RPH BAF report provides the Board with a summary of:

- BAF risks above risk appetite
- New and closed risks
- Commentary on risks with increases in RRR & any other key changes
- Summary of principal risks
- The number and rating of BAF risks for each strategic objective
- A mapping of risks to strategic objectives illustrating maximum, minimum and average risk rating
- The tracker report which includes the risk owner & Committee details, BAF title, RRR and the 18 month trend for RRR. It also includes risk appetite and a flag for action plans.

A number of recommendations came out of the review meeting with NEDs and ED leads. These include review of the structure of the BAF report, and piloting a change in how it is used at Committee meetings. The key challenge for Committees was to ensure that they are enabled to use the BAF to test:

- i. That the organisation is identifying risks;

- ii. That the organisation is ranking those risks in a sensible way (likelihood of occurring and impact);
- iii. Those risks that are the highest rank are visible to the Board;
- iv. That mitigating actions/controls are in place to manage the risks down;
- v. Where these actions/controls do not fully mitigate the risk there is clarity about why the risk cannot be managed down further, and how the residual risk ranks.

Board Committees should be testing these matters in various ways to make sure that we collectively have assurance that the process is working, is being used in real time, and the actions that are said to be taking place are taking place.

3. Actions for improvement

We agreed to pilot a change in how we use the BAF at Performance Committee and see if bringing it to the top of the agenda helps to frame discussion in the meeting and allowed a focus on what (in terms of the BAF scoring) presents the greatest degree of risk to the Trust. This has been put in place at the last two Committee meetings has been felt to have a positive impact on the discussion. It has allowed the Committee to reflect on the assurance that it is receiving in relation to the risks that it is responsible for, and acts as a prompt to ensure that the Committee is attending to all of the matters that are included in the BAF.

We have amended the Committee BAF reporting and each Committee receives a more detailed report on individual Committee risks ranked by residual risk rating. This ensures that the Committee is able to focus on the risks that it owns, and is able to consider the control measures and statements on assurance for those risks.

The issue of Committee ownership of risks has been referred for discussion through the full Board. We have a small number of risks where we have mapping to multiple committees and this is felt to be unhelpful. It is proposed that each risk should be owned by a single Committee. This has been raised today through the Performance Committee Chair's Report.

Finally it was felt that we needed to look at the issue of balancing risk and how we demonstrate and record the approach that we take in balancing the complex risks that are inherent to delivery of healthcare. It was acknowledged that this may be about ensuring that this is articulated in reports to committee outside of the BAF report.

4. BAF Report May 2021

The BAF report does not include the mapping to strategic objectives this month as these are being remapped to the 2021/22 strategic objectives. All other updates are as set out in the attached report.

5. Recommendation:

The Board is asked to note the BAF report for May 2021 consider whether there is any requirement to adjust the scope, rating and assessment of assurance for the BAF risks.