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Key points of this document

- This document describes how the Assurance Framework will be maintained and clarifies the role of the various Board committees.

BOARD ASSURANCE FRAMEWORK

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1.   Introduction

1.1   The Assurance Framework provides a structure and process that enables the Trust to be aware of and deal with the risks which exist to the achievement of its principal objectives. It sets out clearly for all Board members the controls which are in place to reduce the risks and the sources of assurance which the Board can rely on to know that the risk is being managed.

1.2   The framework provides the organisation with a simple, comprehensive method of displaying and managing the risks. Through its regular use, the Board can also see progress over time.

1.3   The Chief Executive is required to sign an Annual Governance Statement (AGS) on behalf of the Board as part of the Annual Report. This statement requires the Board to be in a position to demonstrate that they have been properly informed about all of the organisation's risks (both clinical and non-clinical).

1.4   This document describes how the Assurance Framework will be maintained and clarifies the role of the various Board committees.

2.   Overview of the Framework

Corporate Objectives

2.1   The assurance framework must be driven by the objectives of the organisation, as clear strategic and operational objectives need to be identified before an effective system of internal control can be established. Without clear objectives, the Trust is unable to identify and evaluate the risks that threaten the achievement of its goals and design and operate a system of internal control to manage those risks.

2.2   The corporate objectives of the Trust are determined by the Board, based on organisational, local and national priorities. These corporate objectives are reviewed annually.

Principal Risks

2.3   The principal risks set out the main risks to achievement of the objectives. They are derived in two ways: the 'top down' proactive identification of risks that directly affect the Trust's achievement of its principal objectives, and the 'bottom up' assessment through the Trust risk registers.

2.4   High level risks (scored 15 and over) are reported to the Board on a regular basis. The Trust Secretary (Executive lead for the Board Assurance Framework) and the Risk Manager, who maintains the Trust Risk Register and the Corporate Risk Register will ensure that there is cross-over between the documents. All risks associated with corporate objectives are now included on the risk register, and each risk on the risk register is mapped to the Trust's corporate objectives. There is a trigger mechanism to ensure that high-level risks from the risk register filter up for review and consideration for inclusion in the Board Assurance Framework.

2.5   The BAF risks are allocated an Executive Director Lead and have an identified Board subcommittee to oversee the risk. All principal risks are reviewed on a monthly by the Board, through its Sub Committees, and the Executive Management Team. The BAF is reviewed at every Board Meeting.

Inherent Risk Rating

2.6   The inherent risk rating (RAG rating) for each BAF risk is determined in line with scoring set out in the Risk Management Strategy.

Key Controls

2.7   Controls are the measures in place to mitigate risk and assist in securing the achievement of the objective. The presence of a control should reduce the effect of a risk or make it less likely to happen (and hence reduce the residual risk rating).

2.8   Risk Appetite

         Risk appetite defines the overall risk levels the Trust is willing to accept while operating in full compliance with regulatory and legal requirements.

2.9   Target Risk Rating

         The Target Risk Rating is the level of risk that the Trust would like to achieve.

Assurance Sources

2.10   Assurance is gained from evidence available to the Board regarding the effectiveness of each control considering whether or not the control is in place and operating effectively. Assurance may come from a variety of sources including management reports, internal and external audit and external assessment such as a CQC assessment. The framework identifies the active assurance (that which is currently in place) and gaps in assurance (not in place or are not planned). Sources of assurance are considered against the 'three lines' model:

2.11   The Trust maintains an assurance register on Datix which contains the up to date sources of assurance for each risk and linking each risk to the Trust's principle objectives.

Levels of Assurance

2.12   Levels of assurance will be attributed to a response when it is reviewed. The levels of the assurance that will be used are displayed in Table 1. These levels of assurance will be applied in all cases.

Table 1

Level	Details
Significant	Taking account of the issues identified, the Board can take reasonable assurance that the responses upon which the organisation relies to manage the risk are suitable designed, consistently applied and effective
Adequate	Further action could be taken to improve the effectiveness and efficiency of responses
Limited	Action needs to be taken to ensure this risk is managed.
None	Immediate action needs to be taken to ensure this risk is managed.

Action Plans

2.13 Wherever gaps in control or assurance are identified, an action plan must be put in place. The action plan should be linked to the gaps in assurance. A target date should be set to complete any action(s).

Residual Risk Rating

2.14 The assessment of the risk with the controls (and any action plans to implement controls) in place. This will be determined in line with the scoring set out in the Risk Management Strategy.

Monthly Assessment

2.13 The RAG rating indicates the current progress with the principal objective at a particular point in time. The monitoring of risk is set out in the table below:
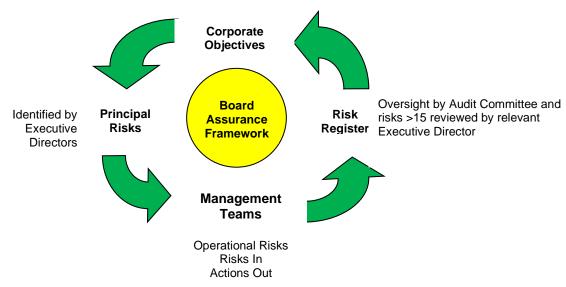
Table 2

Low (1-3)	Acceptable risk. The service can be used with identified threats, but the threats must be observed to discover changes that could increase the risk level.
Moderate (4-6)	Acceptable risk. The service can be used with identified threats, but the threats must be observed more closely to discover changes that could increase the risk level and actions completed.
High (8-12)	The risk can be acceptable for the service but, for each threat, the development of the risk must be monitored monthly, with a following consideration whether necessary measures have to be implemented.
Extreme (15-25)	Not acceptable risk. Cannot (should not) start using the service before risk reducing treatment has been implemented. If the services are already in use, the threats must be monitored monthly and if necessary the service closed until the threats are brought under control.

3. Maintaining and Updating the Board Assurance Framework

3.1 The Chief Nurse has overall responsibility for the management of risk for the Trust and delegates the management of the Risk Register to the Risk Manager.

3.2 The Trust Secretary has responsibility for the management of the Board Assurance Framework.

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3.3 The Trust updates its principal objectives through the Annual Planning process and its longer-term strategy. The associated risks, controls, sources of assurance and action plans will be updated on an ongoing basis.

3.4 The assurance framework must be a dynamic tool to enable the Board to assure itself that all significant strategic risks are being managed effectively.

3.5 Each identified risk is allocated to an Executive Director, who is responsible for updating the Board level Extreme (Red) risks on a monthly basis. Where this is delegated to managers within the Trust this should be signed off with the relevant Director.

3.6 To enable the Board to identify areas where the framework has changed, all updates from the previous version will be recorded on Datix progress notes.

3.7 The Audit Committee oversee the overall population of the risk register and integration within the Board Assurance Framework. The Corporate Risk Register is reviewed on a quarterly basis by the Performance Committee and the Quality & Risk Committee. The risk register is inextricably linked to the Board Assurance Framework as shown in the diagram below.

Corporate Objectives

Principal Risks — Identified by Executive Directors

Board Assurance Framework

Risk Register — Oversight by Audit Committee and risks >15 reviewed by relevant Executive Director

Management Teams — Operational Risks, Risks In, Actions Out

4. Scrutiny of the Assurance Framework

4.1 It is the duty of the full Board of Directors to question and discuss the Assurances given within the framework. The Board Assurance Framework will be reported to the Board of Directors at each meeting, and an overview will be presented to the Board of Directors in quarter 4 of the financial year.

4.2 The Audit Committee will monitor the full Board Assurance Framework via an overview document presented at each meeting. Board Sub Committees (Q&R, Performance and Strategic Projects) will consider action plans and assurances in detail and will oversee the interface with the risk register. Board committees should endeavour to drill down into those risks that are flagging "red". The Audit committee will report to Board of Directors by exception any concerns.

5. Monitoring and Review of the Board Assurance Framework

5.1 The Audit Committee will undertake a review of the Policy on a biennial basis taking into account any changes in legislation, national best practice, comments from audit

reports. The Policy will also be reviewed after any significant changes to the Trust objectives.

5.2   Executive Directors are required to undertake a monthly review of their respective risks, to ensure they remain up-to-date and accurate, and to strive to reduce the risk. All principal risks will be reviewed annually.

5.3   The Board Assurance Framework will be monitored in accordance with the table set out below.

Board Assurance Framework Monitoring Table

What will be Monitored	Lead	Method	Frequency	Reporting To	Deficiencies / Gaps in Training, Recommendations & Actions	Implementation of any Required Changes
BAF Risks	Executive Director Leads	Self-Assessment	Monthly	Updates captured on DATIX system to inform BAF reports to Board and sub committees	Board of Directors by exception	Required changes in practice will be identified and actioned within a specified timeframe and lessons will be shared.
Board Assurance Framework Tracker & Report	Audit Committee	Review	Every Meeting	Reports to Trust Board and Board sub-committees		
BAF Framework	Trust Secretary	Report	Biennial	Audit Committee		

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Further document information

Approved by Executive Director/local committee **(required for all documents):**	Executive Directors 11.01.22
Approval date (*this version*):	
Approved by Board of Directors or Committee of the Board **(required for Strategies and Policies only):**	Audit Committee 20 January 2022 The Audit Committee members and the Board approved minor variations to paragraph 3.7 and Table 1. (Version 6.1) Sent for information to: Quality and Risk Management Group 08.02.22 Quality & Risk Committee 27 January 2022 Performance Committee 27 January 2022 SPC 24 February 2022
Date:	20 January 2022
This document supports: *standards and legislation – include exact details of any CQC outcomes*	Care Quality Commission (CQC) Outcome 16
Key related documents:	DN139 Risk Management Strategy DN290 Risk Assessment Procedure

Equality Impact Assessment: Does this document impact on any of the following groups? If YES, state positive or negative, complete Equality Impact Assessment form from DN507 Single Equality Scheme, and attach.						
Groups:	Disability	Race	Gender	Age	Sexual orientation	Religious & belief	Other
Yes/No:	No	No	No	No	No	No	No
Positive/ Negative:	N/a	N/a	N/a	N/a	N/a	N/a	N/a

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