

<b>To:</b>	<b>Trust Board</b>
<b>From:</b>	Medical Director
<b>Date:</b>	August 2018

<b>Title:</b>	<b>Board Assurance Framework (BAF) &amp; Corporate Risk Report</b>		
<b>Responsible Director:</b> Dr Neill Hepburn, Medical Director			
Author: Paul White, Risk Manager			
<b>Purpose of the Report:</b>			
<p>The purpose of this report is to enable the Trust Board to:</p> <ul style="list-style-type: none"> <li>Review the Board Assurance Framework (BAF) and the current level of risk exposure as recorded in the Trust's Corporate Risk Register</li> <li>Review progress with implementation of the full rebuild of corporate and operational risk registers throughout the Trust</li> </ul>			
<b>The Report is provided to the Board for:</b>			
	Decision	<input type="checkbox"/>	Discussion
			<input checked="" type="checkbox"/>
	Assurance	<input checked="" type="checkbox"/>	Information
			<input type="checkbox"/>
<b>Summary/Key Points:</b>			
<ul style="list-style-type: none"> <li>The new Board Assurance Framework (BAF) has been updated, with clear links to the Corporate Risk Register; there are still some risks requiring assessment</li> <li>The greatest corporate risks currently recorded are: <ul style="list-style-type: none"> <li>Managing emergency demand</li> <li>Workforce capacity &amp; capability (recruitment, retention &amp; skills)</li> <li>Unplanned expenditure or financial penalties</li> </ul> </li> <li>The Corporate Risk Register is being completely rebuilt in line with the new Risk Management Strategy and Policy</li> <li>New entries on the corporate Finance, Procurement &amp; Corporate Affairs, Estates &amp; Facilities and HR&amp;OD risk registers have been drafted and are in the process of being reviewed and finalised before being added to Datix (draft entries are included within the attached Corporate Risk Register)</li> <li>Progress continues to be made in the rebuilding of the Trust's operational risk registers; there are now only 5 risk registers still to be updated on Datix</li> </ul>			
<b>Recommendations</b>			
That the Trust Board considers the content of the report and advises if any further action is required.			

<p><b>Strategic Risk Register</b></p> <p>Corporate and operational risk registers are aligned with the Board Assurance Framework (BAF) to enable the Trust Board to evaluate the extent to which its strategic objectives are at risk..</p>	<p><b>Performance KPIs year to date</b></p> <p>Appropriate KPIs for risk management have been incorporated within the revised Risk Management Policy and will be reported regularly to the Audit Committee.</p>
<p><b>Assurance Implications</b></p> <p>This report enables the Trust Board to review the effectiveness of corporate risk management in order to take assurance regarding the effectiveness of current risk mitigation plans and to consider the extent of risk exposure at this time.</p>	
<p><b>Patient and Public Involvement (PPI) Implications</b></p> <p>The effectiveness of the Trust’s risk and corporate governance arrangements is reported through the Annual Governance Statement (AGS) and is included in the opinion of both internal and external audit. As such, it may influence the degree of confidence that patients and members of the public have in the Trust.</p>	
<p><b>Equality Impact</b></p> <p>The Trust’s Risk Management Policy has been assessed for equality impact and no issues were identified.</p>	
<p><b>Information exempt from Disclosure – No</b></p>	
<p><b>Requirement for further review? No</b></p>	

**1. Purpose of the Report**

- 1.1 The purpose of this report is to provide the Trust Board with:
- Review the Board Assurance Framework (BAF) and the current level of risk exposure as recorded in the Trust’s Corporate Risk Register
  - Review progress with implementation of the full rebuild of corporate and operational risk registers throughout the Trust

**2. Recommendations**

- 2.1 That the Trust Board considers the content of the report and advises if any further action is required.

**3. Reasons for Recommendations**

- 3.1 It is essential that the Trust Board maintains an awareness of the extent of risk exposure within the Trust and has confidence in the effectiveness of the Trust’s risk management arrangements.



#### 4. Summary of Key Points

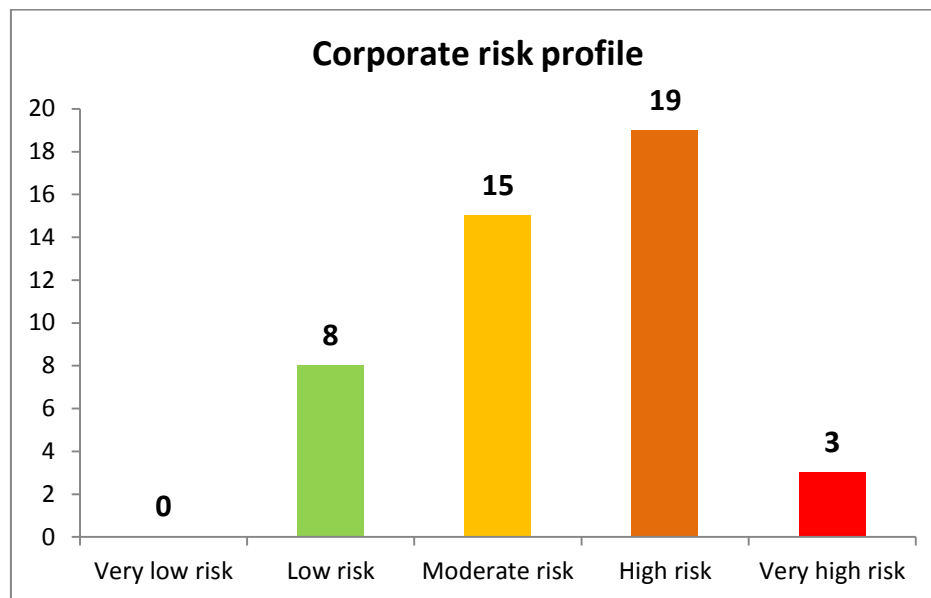
##### **Board Assurance Framework (BAF)**

- 4.1 The BAF is an important document that enables the Trust Board to maintain effective oversight of significant risks to its strategic objectives and priorities. Each objective within the BAF is assigned to a lead assurance committee, which reviews evidence and reports from lead executives on performance, issues and risks. This enables the committee to provide an appropriate level of assurance to the Trust Board in relation to the management of risks to each objective in the BAF.
- 4.2 A revised BAF for 2018/19 has been developed and is attached as **Appendix I**. Corporate risks that are considered to be of strategic significance to the achievement of each objective are recorded on the BAF for regular review by the lead committee.
- 4.3 Each lead committee has been invited to review the objectives for which it is the identified lead and, on the basis of details from the corporate risk register and evidence provided by lead executives, determine:
- If there are any assurance gaps that impact on the committee's ability to evaluate the management risks to the objective
  - If there are any assurance gaps, what action will be taken to address them
  - If there are any corporate risks that should be added to or removed from the BAF, making a recommendation to the Trust Board regarding any changes
  - An appropriate assurance rating to be assigned to each objective (GREEN = assured; AMBER = inconclusive; RED = not assured), to signify the extent to which the committee is satisfied that risks to the objective are being managed effectively, i.e. there are appropriate mitigation plans that are progressing, even if the current level of risk exceeds the Trust's risk appetite

##### **Corporate risk register**

- 4.4 A corporate risk is defined as a risk that would have consequences for the objectives of more than one directorate, or for the whole Trust. All standard corporate risks have a Severity rating of 4 and are assigned to the lead executive as responsible manager and a senior operational manager as risk lead. From time to time additional risks will be identified that are not captured within the corporate risk framework. These will be classified as 'Emergent risks' and will be individually assessed and managed in accordance with the Trust's Risk Management Strategy.
- 4.5 Wherever possible, corporate risks are also assigned to a lead management committee for regular review and oversight as well as upward reporting to the lead assurance committee.
- 4.6 The Trust's corporate risk register continues to be developed and added to as the rebuilding of clinical and corporate risk registers progresses. New entries on the corporate Finance, Procurement & Corporate Affairs, Estates & Facilities and HR&OD risk registers have been drafted and are in the process of being reviewed and finalised before being added to Datix. Draft entries for these risk registers are included within the attached Corporate Risk Register. They should not be seen as a definitive assessment of these risks at this time.

4.7 At this stage, the Trust’s corporate risk profile (showing the number of risks by current risk rating) is as follows:



4.8 The areas of greatest risk within the draft Corporate Risk Register at present (rated 20 – Very high risk) are:

- Managing emergency demand
- Workforce capacity & capability (recruitment, retention & skills)
- Substantial unplanned expenditure or financial penalties

4.9 A copy of the draft Corporate Risk Register is attached as **Appendix II**.

**Reporting and assurance**

4.10 Every risk on a corporate or operational risk register is aligned with the most appropriate assurance committee of the Trust Board, to ensure that regular oversight and scrutiny of risk exposure and mitigation plans is maintained.

4.11 Lead executive-led management committees also receive regular reports on areas of corporate and operational risk that fall within their remit. Further work is in progress to ensure that there is comprehensive coverage across all areas of risk within the Trust’s governance arrangements.

4.12 Future reports to both management and assurance committees will provide more detailed analysis of the Trust’s risk profile, highlighting common risk factors and areas of prolonged risk exposure as well as providing assurance where risks remain well managed.

4.13 A copy of the Risk Scoring Guide is attached for reference as **Appendix III**.