

To:	Trust Board
From:	Medical Director
Date:	January 2019

Title:	Board Assurance Framework (BAF) & Corporate Risk Report
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Responsible Director: Dr Neill Hepburn, Medical Director

Author: Paul White, Risk Manager

Purpose of the Report:

The purpose of this report is to enable the Trust Board to:

- Review the Board Assurance Framework (BAF)
- Review the current level of risk exposure as recorded in the Trust’s Corporate Risk Register

The Report is provided to the Board for:

Decision	<input type="checkbox"/>	Discussion	<input checked="" type="checkbox"/>
Assurance	<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>

Summary/Key Points:

- The Board Assurance Framework (BAF) has recently been revised and updated
- The most significant corporate risks (all rated Very high risk) currently recorded are:
 - Managing emergency demand
 - Delivery of the financial recovery plan
 - Substantial unplanned expenditure or financial penalties
 - Workforce capacity & capability (recruitment, retention & skills)
 - Compliance with fire safety regulations & standards
 - Compliance with clinical governance regulations & standards
- The current corporate risk profile illustrates the extent to which the achievement of the Trust’s objectives are at risk, with 30 out of 61 corporate risks (49%) rated High or Very high

Recommendations

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

Strategic Risk Register

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.

Performance KPIs year to date

Appropriate KPIs for risk management have been incorporated within the revised Risk Management Policy and will be reported regularly to the Audit Committee.

<p>Assurance Implications</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>Patient and Public Involvement (PPI) Implications</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>Equality Impact</p> <p>The Trust's Risk Management Policy has been assessed for equality impact and no issues were identified.</p>
<p>Information exempt from Disclosure – No</p>
<p>Requirement for further review? No</p>

1. Purpose of the Report

- 1.1 The purpose of this report is to enable the Trust Board to:
- Review the Board Assurance Framework (BAF)
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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)

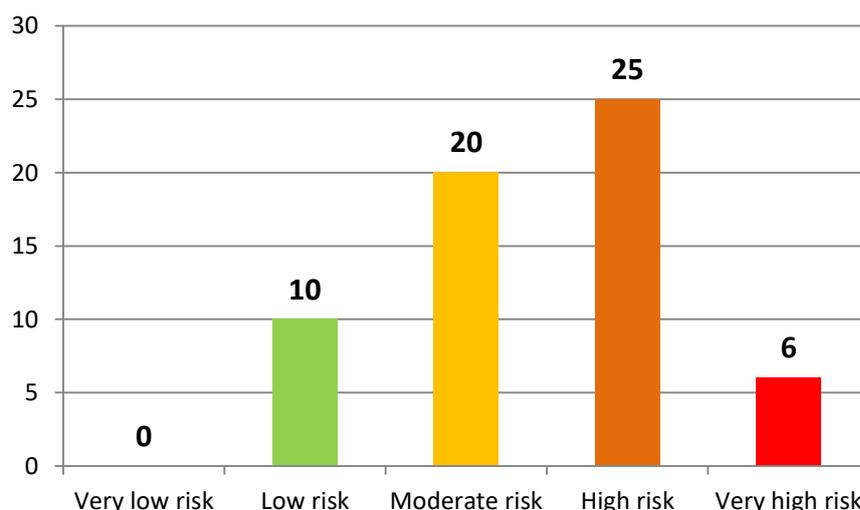
- 4.1 The BAF is an important document that enables the Trust Board to maintain effective oversight of significant risks to its strategic objectives and priorities.
- 4.2 Each objective within the BAF is assigned to a lead assurance committee, which reviews evidence and reports from lead executives on 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.

- 4.3 A copy of the current BAF for 2018/19 is attached as **Appendix I** for the consideration of the Trust Board.
- 4.4 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:
 - a. If there are any assurance gaps that impact on the committee’s ability to evaluate the management of risks to that objective
 - b. Where there are any assurance gaps, what action will be taken to address them
 - c. An appropriate assurance rating to be assigned to each objective

Corporate risk register

- 4.5 A corporate risk is defined as a risk that would have consequences for the objectives of more than one division, 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.
- 4.6 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.
- 4.7 All risks on the corporate risk register are recorded on and managed using the Datix system. The corporate risk register has been further populated and now includes detailed action plans for all risks other than those with a current rating of Low. The financial risk relating to the Trust’s cash position is being reviewed.
- 4.8 The Trust’s corporate risk profile (showing the number of corporate risks by current risk rating) is as follows:



4.9 This profile indicates that the Trust is currently exposed to a substantial amount of risk to the delivery of its corporate objectives.

4.10 The 6 most significant risks at present (all rated Very high risk) are:

Risk	Rating (current)	Risk level (current)	Mitigation plans
Management of emergency demand	20	Very high risk	Improvement plans for ambulance handovers; streaming; ED staffing & processes; admission & flow management; bed reconfiguration
Delivery of the financial recovery plan	20	Very high risk	Financial Turnaround programme
Substantial unplanned expenditure or financial penalties	20	Very high risk	Financial plan assumptions; People Strategy to reduce reliance on temporary staff
Workforce capacity & capability (recruitment, retention & skills)	20	Very high risk	Nursing & medical staff engagement & structuring development pathways; exploration of new staffing models
Compliance with fire safety regulations & standards	20	Very high risk	Fire safety improvement programme
Compliance with clinical governance regulations & standards	20	Very high risk	Clinical governance improvement project (part of QSIP)

4.11 A report showing all High and Very High risks (those scoring 12 or more) on the Corporate Risk Register is attached as **Appendix II**.

Operational risk registers

4.12 Each directorate now has in place comprehensive risk register covering intrinsic risks to their core objectives relating to quality and safety; service continuity; finances; and reputation and compliance. All risks on operational risk registers are also recorded on and managed using the Datix system.

4.13 Each lead assurance committee receives a regular report detailing all High and Very high operational risks within their area of responsibility.

Emergent risks

4.14 From time to time additional risks will be identified that are not captured within the Trust’s risk framework as they are either project-related or defined by extraordinary circumstances. These will be classified as ‘Emergent risks’ and will be individually assessed and managed in accordance with the Trust’s Risk Management Policy.

4.15 At present the following emergent risks are rated High or Very high risk:

Risk	Rating (current)	Risk level (current)	Mitigation plans
Continuity of aseptic pharmacy services (corporate)	20	Very high risk	Options appraisal and business case for future service provision
Safe and responsive delivery of Non-Invasive Ventilation (NIV) at Lincoln County Hospital	16	High risk	Action plan managed through NIV Group
Delivery of the E-prescribing project (corporate)	12	High risk	Application to NHSI for funding to be re-submitted in January 2019.
Paediatric services at Pilgrim Hospital, Boston (Women & Children's Division)	12	High risk	Interim service model in place whilst long-term model is being developed
Safe and responsive delivery of Non-Invasive Ventilation (NIV) at Pilgrim Hospital, Boston	12	High risk	Action plan managed through NIV Group

Risk ratings

4.16 A copy of the Risk Scoring Guide that is used to evaluate all risks that recorded within the Trust’s risk registers on Datix is attached for reference as **Appendix III**.

Risk management process

4.17 A guide to the practical application of the risk management process, to support the implementation of the new Risk management Strategy once approved, is currently being developed and will be further supplemented by the introduction of regular workshop training sessions delivered as part of the Core Management Skills programme.