

TRUST BOARD IN PUBLIC	Date: 19th December 2013	
	Agenda Item: 2.2	
REPORT TITLE:	Board Assurance Framework	
EXECUTIVE SPONSOR:	Gillian Francis-Musanu Director of Corporate Affairs	
REPORT AUTHOR:	Colin Pink Corporate Governance Manager	
REPORT DISCUSSED PREVIOUSLY: (name of sub-committee/group & date)	AAC 2 nd November 2013 Executive Team 27 th November & 11 th December 2013	
Purpose of the Report and Action Required: (√)		
The Board Assurance Framework (BAF) and Significant Risk Register describes the principal risks that relate to the organisation's strategic and operational management.	Approval	√
	Discussion	√
	Information/Assurance	√
Summary: (Key Issues)		
<p>The BAF highlights potential risks to the trusts strategic objectives and mitigating actions.</p> <p>The Board is asked to note the current updated report and consider the following:</p> <ul style="list-style-type: none"> • Does the board agree with the existing controls and assurances • Are the mitigating actions acceptable for the target risk score. <p>The Significant Risk Register details all risks on the Trust risk register system that are recorded as significant and the links to the Board Assurance Framework.</p>		
Relationship to Trust Corporate Objectives & Assurance Framework:		
This report is one of the main documents that reviews the Trust Corporate Objectives, Assurance Framework and Significant Risk Register.		
Corporate Impact Assessment:		
Legal and regulatory implications	The report is a requirement for all NHS organisations.	
Financial implications	As discussed in sections 4.1a . 4.1b (Income generation linked to activity referred to throughout the document)	
Patient Experience/Engagement	Patient experience and engagement is one of the Trusts strategic objectives. .	
Risk & Performance Management	These are highlighted throughout the report.	
NHS Constitution/Equality & Diversity/Communication	Discussed throughout the report but with the greatest detail in objective 2.	
Attachments:		
Board Assurance Framework and Significant Risk Register		

TRUST BOARD REPORT – 19th December 2013 BOARD ASSURANCE FRAMEWORK and SIGNIFICANT RISK REGISTER

1. Introduction

The Board Assurance Framework (BAF) describes the principal risks that relate to the organisation's strategic objectives and priorities. It is intended to provide assurances to the Board in relation to the management of risks that threaten the ability of the organisation to achieve these objectives.

The Trust has identified four main objectives:

- 1) Deliver safe, high quality, coordinated care
- 2) Ensure patients are cared for and cared about
- 3) Work in partnership with our community
- 4) Become a sustainable, effective organisation

These objectives are broken down into specific areas and the BAF details the key risks that the Trust faces to the delivery of these priorities, the controls that are in place, the sources and effects of assurance and mitigating actions to reduce the likelihood of the impact of the risk materialising. (Some priorities have more than one associated risk)

The Significant Risk Register (SRR) details the highest rated operational risks that have been raised by the Executive Team and Divisional Management. The SRR is reviewed and moderated by the Executive Team to ensure alignment with the BAF and other key risks to the Trust. From January 2014 the responsibility for review and management of the SRR will be passed from the dissolved management board for quality and risk and passed to the new Executive Committee for quality and risk.

2. Current status

At the November Audit and Assurance Committee an update of the BAF was presented for comment and challenge. Management were challenged to review and update the BAF throughout November and December to ensure the BAF was up to date in time for the December Board meeting. This version of the BAF was reviewed and moderated by the Executive Committee on the 27th November and the 11th December.

The SRR was also moderated and reviewed by the Executive Committee on the 27th November and 11th December 2013. This exercise focussed on ensuring that the risks recorded on the SRR were recognised as significant to the Trust and acting to update any risks that required significant review. This exercise moderated the scores of risks that the Executive Team considered had not been scored appropriately.

It is accepted that now the SRR has been moderated to reflect the level of significant risk recorded a further exercise needs to be completed to ensure that any risks not appropriately recorded are considered. Risk 1545 has been added to the Trust risk register and scored as a significant risk as part of the process to consider and add risks to the SRR which are not already recorded.

The BAF (attached) details a total of 21 risks to the four Trust objectives. The 3 Workforce related risks which have reached their residual level in objective 3 have been removed and 2 new risks have been added to objective 1.

The Board should note that risk 2.1 has increased to reflect a greater understanding of the performance of Trusts complaints and PALS systems This acknowledges the need for more triangulation of information relating to patient feedback and actions taken.

Objective	Red (15-25)	Amber (8-12)	Green (1-6)	Total
1. Deliver safe, high quality, coordinated care	3	7	0	10
2. Ensure patients are cared for and cared about	0	2	0	2
3. Work in partnership with our community	0	2	0	2
4. Become a sustainable, effective organisation	4	3	0	7
Total	7	14	0	21

One of the purposes of the BAF is to ensure that all risks are mitigated to an appropriate or acceptable level. It is expected that not all risks will be able to have mitigating controls that reduce the risk to green (low impact, low likelihood).

The tables below highlight the predicted swing in risk rating.

Table 1: Current BAF Risk Profile

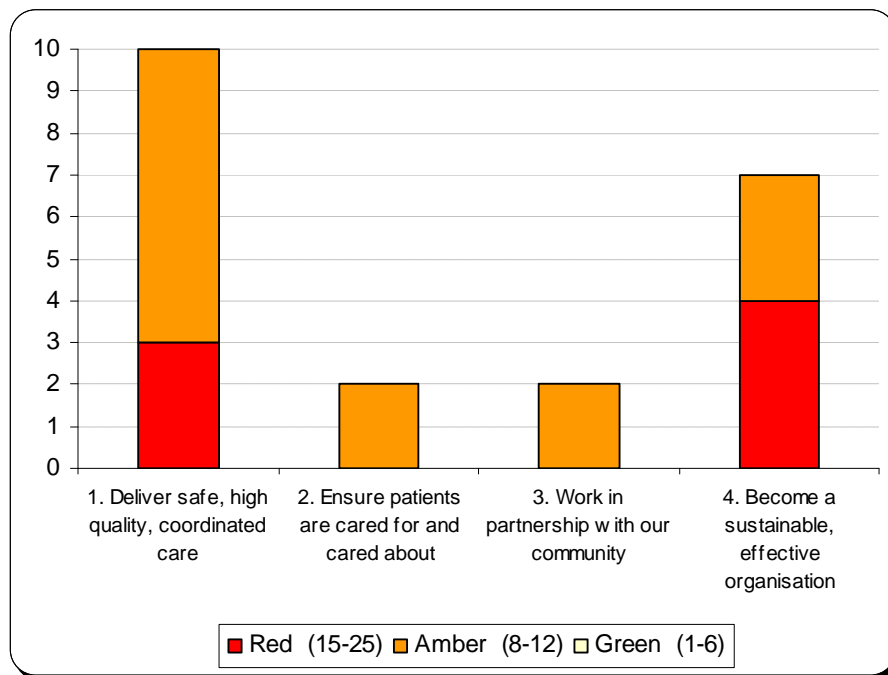
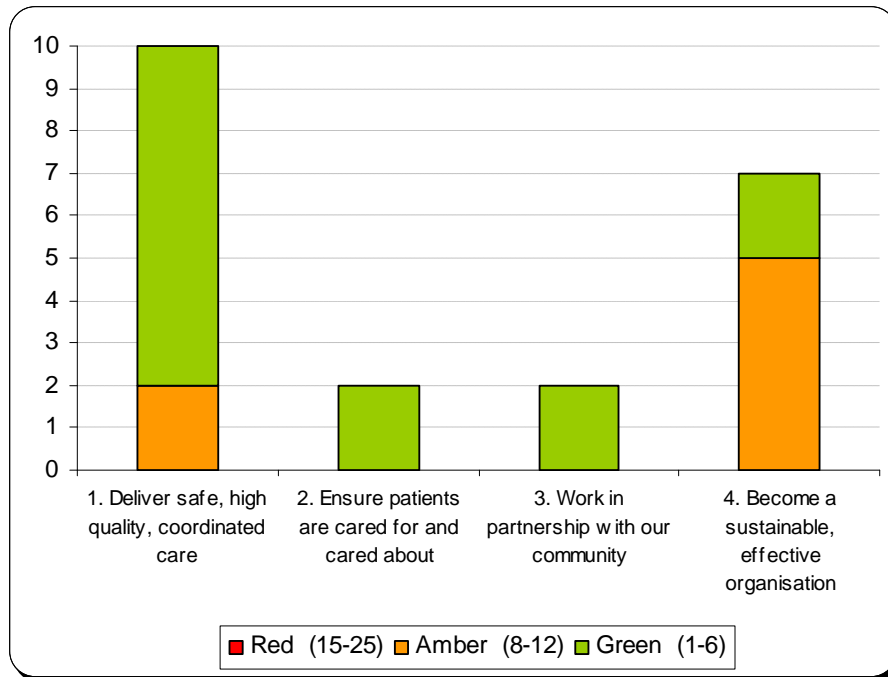


Table 2: Target BAF Risk Profile



2.1 Headline information by objective (BAF)

Objective 1 - Deliver Safe, High Quality, Co-ordinated Care	Initial Risk Rating: Severity x Likelihood	Current Risk Rating: Severity x Likelihood	Target Risk Score
1.1 If the Trust does not maintain expected regulatory standards this objective cannot be met (Page 1)	S4 x L2 = 8	S4 x L2 = 8	S3 x L2 = 6
1.2 Failure to continue to maintain and improve mortality indicators (Global HSMR or condition specific) will effect the Trusts ambition to achieve best outcomes for its patients (Page 2)	S4 x L2 = 8	S4 x L2 = 8	S5 x L1 = 5
1.3 Failure to maintain improvements in patient safety will effect the Trust's ability to achieve this objective (Page 3)	S4 x L3 = 12	S4 x L2 = 8	S3 x L2 = 6
1.4 Failure to maintain Emergency Department performance because of lack of capacity in health system to manage winter pressures has a significant impact on the Trust's ability to deliver high quality care (Page 4)	S5 x L4 = 20	S4 x L4 = 16	S3 x L4 = 12
1.5 Failure to maintain and improve performance within national expectations (i.e. Cancer, 18 Weeks, Maternity) will significantly effect the Trusts ability to achieve high quality care (Page 5)	S4 x L2 = 8	S4 x L2 = 8	S3 x L2 = 6
1.6 As readmission rates are an indicator of high quality care, failure to improve the Trust's rate poses a risk to this objective (Page 6)	S3 x L3 = 9	S3 x L3 = 9	S3 x L2 = 6
1.7 Failure to maintain systems to control rates of HCAI will effect patient safety and quality of care (Page 7)	S5 x L3 = 15	S5 x L3 = 15	S5 x L2 = 10
1.8 Failure to recruit and retain clinical staff may result in excessive usage of agency and may impact negatively on	S4 x L4 = 16	S3 x L3 = 9	S3 x L1 = 3

Trust's quality of care provided to patients. (Page 8)			
1.9 If the Trust does not put into place systems to assess, monitor and evaluate nursing staffing levels this may impact negatively on Trust's quality of care provided to patients. (Page 9)	S4 x L3 = 12	S3 x L3 = 9	S3 x L1 = 4
1.10 If the Trust does not maintain and improve ability to allocate the right bed first time there is an increased risk of receiving poor quality of our care (effectiveness, experience and safety) (Page 10)	S4 x L2 = 8	S4 x L4 = 16	S3 x L2 = 6

Objective 2 - Ensure Patients are cared for and cared about	Initial Risk Rating: Severity x Likelihood	Current Risk Rating: Severity x Likelihood	Target Risk Score
2.1 The Trust's objective to ensure all patients are cared for and about, will be significantly hampered if the Trust does not embed a coordinated approach for learning from patient feedback such as %our Care Matters+, Complaints and PALS (Page 11)	S4 x L2 = 8	S3 x L3 = 9*	S3 x L1 = 3
2.2 The Liverpool Care Pathway has been removed from use. Whilst an alternative management process is developed there is a probability that patients receiving palliative care will not receive the high quality care expected. (Page 12)	S4 x L3 = 12	S4 x L2 = 8	S4 x L1 = 4

Objective 3 - Work in partnership with our community	Initial Risk Rating: Severity x Likelihood	Current Risk Rating: Severity x Likelihood	Target Risk Score
3.1 There is a risk that the Trust will fail to achieve a sufficient geographic and demographic representation of its membership to meet Foundation Trust requirements (Page 13)	S4 x L2 = 8	S4 x L2 = 8	S4 x L1 = 4
3.2 Failure to engage with local media has a significant effect on the Trust reputation (Page 14)	S4 x L2 = 8	S4 x L2 = 8	S3 x L2 = 6

Objective 4 - Become a Sustainable, Effective Organisation	Initial Risk Rating: Severity x Likelihood	Current Risk Rating: Severity x Likelihood	Target Risk Score
4.1 Failure to deliver income plan (Page 15)	S5 x L3 = 15	S5 x L3 = 15	S4 x L2 = 8
4.2 Failure to stop divisional overspending against budget (Page 16)	S5 x L3 = 15	S5 x L3 = 15	S3 x L2 = 6
4.3 Unable to provide realistic medium term financial plan (Page 17)	S5 x L3 = 15	S5 x L3 = 15	S4 x L2 = 8
4.4 Liquidity: Inability to pay creditors / staff resulting from insufficient cash due to poor liquid position (Page 18)	S5 x L5 = 25	S5 x L3 = 15	S4 x L3 = 12
4.5 If the Trust does not progress and deliver its Foundation Trust plans it is unlikely to be able to successfully authorised. This could leave the Trust without local autonomy and could lead to an alternative	S4 x L2 = 8	S4 x L2 = 8	S4 x L2 = 8

organisational form being imposed on the Trust. Which could reduce choice and focus on local health provision (Page 19)			
4.6 There is a risk that the Trust does not fully realise the benefits available from well embedded IT systems (Page 20)	S5 x L3 = 15	S5 x L2 = 10	S5 x L1 = 5
4.7 There is a risk that the Trust isn't able to deliver service in an effective timely manner due to the estate not fully supporting the clinical strategy (Page 21)	S5 x L3 = 15	S5 x L2 = 10	S5 x L1 = 5

3. Key risks Strategic risks Identified

The BAF highlights the following 7 key red risks to the Trust objectives that have been identified at time of updating the framework. These are:

Risk description	Current rating	Target risk score	Page
1.4 Failure to maintain Emergency Department performance because of lack of capacity in health system to manage winter pressures has a significant impact on the Trust's ability to deliver high quality care	S4 x L4 = 16	S3 x L4 = 12	P4
1.7 Failure to maintain systems to control rates of HCAI will effect patient safety and quality of care	S5 x L3 = 15	S5 x L2 = 10	P7
1.10 If the Trust does not maintain and improve ability to allocate the right bed first time there is an increased risk of receiving poor quality of our care (effectiveness, experience and safety)	S4 x L4 = 16	S3 x L2 = 6	P10
4.1 Failure to deliver income plan	S5 x L3 = 15	S4 x L2 = 8	P15
4.2 Failure to stop divisional overspending against budget	S5 x L3 = 15	S3 x L2 = 6	P16
4.3 Unable to provide realistic medium term financial plan	S5 x L3 = 15	S4 x L2 = 8	P17
4.4 Liquidity: Inability to pay creditors / staff resulting from insufficient cash due to poor liquid position	S5 x L3 = 15	S4 x L3 = 12	P18

4. Significant Risk Register

Following the moderation exercises that have been carried out during quarter 3 of the financial year there are 10 risks on the Trust significant risk register. Each is in date and has mitigating actions to reduce the level of risk to an acceptable level.

As the Executive Committee and its subcommittees are planning on reviewing the risk register and the SRR once a month it is believed that this will improve the quality of the SRR and the Board will be able to draw greater assurance that the SRR is both effective and accurate.

4.1 SRR Breakdown

ID	Title	Initial Rating	Current Rating	Residual Rating	Next Review
1447	Risk to achieving consistent standards of care on Godstone	16	16	6	20/12/2013
1473	Risk of sub optimal NIV service	16	16	8	31/12/2013

1477	Medical Division Expenditure Budget Overspend	20	16	12	31/12/2013
1483	Risk associated with new Cerner PACS and RIS within DI	15	16	1	31/04/2014
1491	Failure to maintain Emergency Department performance	20	16	12	01/02/2014
1501	Patient admitted to the right bed first time	8	16	6	01/02/2014
1050	Failure to achieve stretch target for CDI reduction	16	15	12	01/01/2014
1459	Poor liquidity ratio impacting on cash position	25	15	12	01/02/2014
1493	Unable to provide realistic medium term financial plan	15	15	8	01/02/2014
1545	Risk that clinical systems do not promote rapid identification of potential child abuse	15	15	5	31/01/2014

5. Discussion/Action

The Board is asked to note the report and to:

- 1) Review the two new BAF risks (1.8 page 8 and 1.9 page 9) and discuss the narrative and risk rating.
- 2) Consider whether the increased score of the BAF risk to Objective 2 is appropriate (Risk 2.1 page 11).
- 3) Review the new risk added to the SRR (1545) and confirm the appropriateness of the score.

This report brings together the overview the BAF and SRR into one report and the Board is asked to discuss and review whether this enables greater visibility of all key strategic and operational risks.

Colin Pink
Corporate Governance Manager
December 2013