The Queen Elizabeth Hospital NHS
King's Lynn
NHS Foundation Trust

REPORT TO THE BOARD OF DIRECTORS (PUBLIC)

SUBMITTED BY:	REPORT FOR:		IMPACT:		
Patricia Wright CEO	Decision	√	High	Med	Low
CONSULTATION:	Information		√		
	REPORT TYPE:		RELATED WORK:		
	Strategic	√	Business Plan – May 2012		
	Operational				
	Governance				
BAF ref:	All BAF risk areas				
Monitor Compliance Framework:	All				
CQC Essential Standard Reference:	All				
NHSLA Standard Reference:	N/A				
Media / Communications:	N/A				

Meeting Date: **29th August 2012**
Report Title: **Board Assurance Framework**

Purpose:

To facilitate the Board's review of its strategic risk and the alignment of the BAF with the Divisional Objectives and Risks articulated in the Trust's Business Plan 2012 / 13.

Summary:

The BAF has been updated with the performance data reported to the Board in July and Executive Director input since the Board's review of the BAF in July.

The definitions used for the development of the BAF and the Trust's risk scoring methodology are attached at Appendix 1. This methodology has been utilised to RAG rate the target risks and residual risks set out in the BAF.

The Heat Map methodology used to assess the strength of the Board's sources of assurance for this exercise is set out at Appendix 2.

Financial Implications: No financial implications as a direct result of this report.

Risk Assessment (cross-reference with Risk Register where appropriate):

Strategic / External	Operational/ Organisational	Financial	Clinical	Legal/ Regulatory	Reputational / Patient Experience
✓	✓	✓	✓	✓	✓

Recommendations:

The Board is invited to:

(i) Endorse the principle risks to the delivery of the strategic and corporate objectives
(ii) Consider the relative strength of the sources of assurance on control
(iii) Commission additional work to strengthen controls, sources of assurance or actions to mitigate risks

Appendix 1

BAF Definitions

Principal risks
What could prevent this strategic objective being achieved?

Key Control
What controls / systems do we have in place to assist in securing delivery of our objective?
"The ongoing policies, procedures, practices and organisational structures designed to provide reasonable assurance that objectives will be achieved and that undesired events will be prevented or detected and corrected" Ref: DoH, Building the Assurance Framework – a Practical Guide for NHS Boards

Gaps in control
Where are we failing to put controls / systems in place and where are we failing in making them effective?

Sources of Assurance
Where can we gain evidence that our controls / systems, on which we are placing reliance, are effective? (Management Checks, Internal Audit, Clinical Audit, CQC assessments, External Audit, Local Counter Fraud Services, NHSLA, other reviews)

Positive assurances
What evidence do we have that shows we are reasonably managing our risks and our objectives are being delivered?

Gaps in assurance
Where are we failing to gain evidence that our controls / systems, on which we place reliance, are effective?

Residual level of risk
What residual risk score remains when current controls are in place?

Target Risk
Risk appetite - What level of risk is the Board prepared to carry/accept?

Actions / Target Date
What actions are in hand or planned to address the gaps in controls or assurance?
What is the timeframe?

Executive Lead / Monitoring Committee
Who is responsible for ensuring actions are addressed?

Risk Scoring Matrix

LIKELIHOOD							
	Almost Certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Rare	1	1	2	3	4	5
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			CONSEQUENCE				