

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST

REPORT TO: **BOARD OF DIRECTORS – 30 JANUARY 2014**

SUBJECT: **BOARD ASSURANCE FRAMEWORK**

REPORT FROM: **TRUST SECRETARY**

PURPOSE: **Decision**

CONTEXT / REVIEW HISTORY / STAKEHOLDER ENGAGEMENT

The Board Assurance Framework (BAF) provides the Trust with a comprehensive method for the effective and focused management of the principal risks to meeting its annual objectives. It also provides a structure for the evidence to support the Annual Governance Statement. The BAF goes before the Executive and Divisional Senior Management Teams at all CPMTs (Corporate Performance Management Team) meeting and is also presented to IAGC.

SUMMARY:

The BAF has been produced in a format suggested by Internal Audit. It links the Trust's Strategic and Annual objectives (AOs) and identifies risks to their achievement, as well as describing the Control processes in place and the Assurance opinions given on the achievement of the AOs. Progress against the implementation of any outstanding Controls required is also measured by a RAG rating. The risks identified are a combination of some of those highlighted in the Corporate Risk Register and some which are specific to the BAF.

The Following are appended:

Appendix 1: Board Assurance framework

Appendix 2: Exception report on progress against the Annual Objectives; and

Appendix 3: Progress against all Annual Objectives

Changes to Appendix 1:

- In order to show a clear link between the controls and assurance the BAF now has brackets after each assurance (where applicable) to show which of the controls are assured. This aims to highlight where there may be gaps in assurances.
- All risks have been individually risk assessed to ensure that it is clear where the biggest impact for the Trust sits.
- For clarity the action status will be "Green" if there are no outstanding actions; "Yellow" when there are outstanding actions but within the agreed delivery timescale; "Amber" when the actions are a month overdue; and "Red" when the actions are more than a month out of date.

Increased risk:

A number of the risks have increased since the last report and of note are the following:

- Annual Objective 4 (page 10 of the appendix): Plan and Implement PAS up-grade to enable more efficient and productive approach to managing 18 week pathway for elective care from referral to treatment and follow-up. However, there are a number of additional controls and assurances identified to adjust the position.
- Annual Objective 9 (page 16): Implement the marketing strategy to meet repatriation and market share targets for inpatient and day case procedures.

<p>The key control required is the development of a Private Patient Strategy which is underway.</p> <ul style="list-style-type: none"> • Annual Objective 12 (page 19): Agree with commissioners and consult with the public to implement a sustainable clinical strategy which will in particular meet the standards of emergency surgery; ensure the availability of an appropriately skilled workforce; provide safe sustainable services with consideration of access for patients and their families and visitors. This will remain a high risk until the outcome of the consultation is known. • Annual Objective 14 (Page 21): Ensure strong financial governance, agree contracts with commissioners that deliver sufficient activity and finance and support a comprehensive internal cost improvement programme where all Divisions deliver cash releasing savings schemes to deliver Trust QIPP targets. All controls and assurances are in place and the Board is accepting this position based as patient safety and experience is the priority.
<p>IMPACT ON TRUST'S STRATEGIC OBJECTIVES:</p> <p>The BAF records sources of assurance against risks to the delivery of the AOs. This in turn supports the delivery of strategic objectives. The second document shows actual performance in terms of achievement of the AOs.</p>
<p>FINANCIAL IMPLICATIONS:</p> <p>Currently, all major financial implications have been identified and subjected to the Business Case process.</p>
<p>LEGAL IMPLICATIONS / IMPACT ON PUBLIC SECTOR EQUALITY DUTY</p> <p>The BAF risk management process and the reporting of actual performance against the AOs supports the Chief Executive in signing the Annual Governance Statement which forms part of the Trust's statutory reporting requirements. All equality impact issues are dealt with as part of the individual streams of work and/or through the annual service and employment equality monitoring process.</p>
<p>PROFESSIONAL ADVICE TAKEN ON ANY NOVEL OR CONTENTIOUS ISSUES</p> <p>Format of BAF as recommended by the Internal Auditors</p>
<p>BOARD ACTION REQUIRED:</p> <p>The Board is asked to discuss, review, triangulate and if necessary challenge the BAF and AO Performance Report.</p>
<p>CONSEQUENCES OF NOT TAKING ACTION:</p> <p>In the event that an organisation does not have a BAF in place there may be insufficient evidence to produce a satisfactory Annual Governance Statement.</p>