

**COVERSHEET**

|                        |  |
|------------------------|--|
| Meeting                | Board of Directors' meeting in PUBLIC          |
| Paper Title            | Draft Board Assurance Framework                |
| Date of meeting        | 8 <sup>th</sup> October, 2020                  |
| Date paper was written | 2 October 2020                                 |
| Responsible Director   | Director of Corporate Governance (Interim)     |
| Author                 | Chief Risk Officer                             |
| Presenter              | David Holden, Director of Governance (interim) |

**EXECUTIVE SUMMARY**

The Board is aware of the pressing requirement to revise and review the structure and content of the Board Assurance Framework (BAF).

This new draft BAF report presents significant structural change in data capture enhancing risk recording, the ability to monitor action and control, and to interrogate assurance around the management of strategic risk in an automated reconfigured IT (4Risk) system.

The BAF data fields are a reflection of best/good practice, The Trust internal auditors (Mersey Internal Audit Agency – MIAA) are aligned with the Trust direction of travel as noted at the September Audit and Risk Committee. The strategic risks in this report are aligned to those risks commonly found in Provider Trust BAFs (benchmarking BAF reports: MIAA, Yorkshire Audit, 360 and the Good Governance Institute), although risks are scored and controlled differently.

The content of the document is skeletal and is continually being populated with further information which will continue over the coming weeks. The Board of Directors will be asked to nominate Executive Director ownership for each risk and confirm relevant Assurance Committee oversight. Additionally, a November Board of Directors development session on risk is confirmed and will be covering content and BAF use as well as risk appetite. Old BAF risks will transfer from the old BAF to the new BAF as deemed appropriate.

The new BAF (shown below) is aligned to generic NHS strategic objectives, rather than this Trust's strategic objectives, which as directors will know are being reviewed.

The Board is asked to **RECEIVE** the Draft Board Assurance Framework.

|                          |   |
|--------------------------|---|
| Previously considered by | Audit & Risk Assurance Committee (Sep-20) – fully assured |
|--------------------------|---|

**THE BOARD OF DIRECTORS' (Committee) ARE ASKED TO:**

| <input type="checkbox"/> Approve  | <input checked="" type="checkbox"/> Receive  | <input type="checkbox"/> Note  | <input checked="" type="checkbox"/> Take Assurance                 |
|---|--|--|--|
| To formally receive and discuss a report and approve its recommendations or a particular course of action | To discuss, in depth, noting the implications for the Board or Trust without formally approving it | For the intelligence of the Board without in-depth discussion required | To assure the Board that effective systems of control are in place |

Link to CQC domain:

Safe

Effective

Caring

Responsive

Well-led

Link to strategic objective(s)

*Select the strategic objective which this paper supports*

- PATIENT AND FAMILY Listening to and working with our patients and families to improve healthcare
- SAFEST AND KINDEST Our patients and staff will tell us they feel safe and received kind care
- HEALTHIEST HALF MILLION Working with our partners to promote 'Healthy Choices' for all our communities
- LEADERSHIP Innovative and Inspiration Leadership to deliver our ambitions
- OUR PEOPLE Creating a great place to work

Link to Board Assurance Framework risk(s)

All

Equality Impact Assessment

- Stage 1 only (no negative impact identified)
- Stage 2 recommended (negative impact identified and equality impact assessment attached for Board approval)

Freedom of Information Act (2000) status

- This document is for full publication
- This document includes FOIA exempt information
- This whole document is exempt under the FOIA

Financial assessment

n/a

# BAF Full Report

|                            |             |
|----------------------------|-------------|
| <b>Report Date</b>         | 02 Oct 2020 |
| <b>Risk Status</b>         | Open        |
| <b>Risk Register Level</b> | BAF         |
| <b>Control Status</b>      | Existing    |
| <b>Action Status</b>       | Outstanding |

**Financial Health and Performance Management**

| Created Date | Risk Ref | Risk Title/Descriptor   | Cause & Effect  | Assurance Committee   | Inherent Risk Priority | Risk Control                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance         | Overall Assurance Assurance Level   | Residual Risk Priority | Action Required  | Progress Notes  | Target Risk Priority    |
|--------------|----------|---|---|-----------------------|------------------------|------------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|---|------------------------|--|---|-------------------------|
| 30 Sep 2020  | BAF 3    | There is a risk that the Trust becomes financially unsustainable.<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>A failure to maintain financial sustainability due to non-planned cost pressures<br><b>Effect(s) &amp; Impact(s)</b><br>Potential external action being taken; damage to the Trust's reputation and the Trust's continuing abilities to function; and the imposition of regulatory controls leading to the loss of local control.                                    | Finance & Performance | I = 5 L = 4 High (20)  | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 5 L = 4 High (20)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on Target | I = 5 L = 2 Medium (10) |
| 30 Sep 2020  | BAF 2    | There is a risk of not meeting constitutional and National performance targets<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b><br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b>    | <b>Hazard(s) / Cause(s)</b><br>A failure to meet constitutional and National performance targets , eg ED waiting times, Cancer referrals, patient care and experience and referral to treat (RTT), may lead to sub-optimal care<br><b>Effect(s) &amp; Impact(s)</b><br>Negative impact on quality indicators, financial penalties, regulatory action and damage to reputation and public confidence | Finance & Performance | I = 4 L = 4 High (16)  | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 1                   | Evidence 1                   | Control - No Gaps Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 4 High (16)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2 Medium (8)  |

**Governance and Regulatory Compliance**

| Created Date | Risk Ref | Risk Title/Descriptor   | Cause & Effect  | Assurance Committee | Inherent Risk Priority | Risk Control                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance         | Overall Assurance Assurance Level   | Residual Risk Priority | Action Required  | Progress Notes  | Target Risk Priority   |
|--------------|----------|---|---|---------------------|------------------------|------------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|---|------------------------|--|---|------------------------|
| 30 Sep 2020  | BAF 8    | There is a risk of not adequately meeting CQC Health & Social Care regulations.<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>Non -compliance in achieving Trust strategic objectives due to failing to consistently meet the requirements of the CQC Health & Social Care regulations or other national standards.<br><b>Effect(s) &amp; Impact(s)</b><br>May lead to regulatory action being taken against the Trust, compromising patient care and reputational damage. | Quality and Safety  | I = 4 L = 5 High (20)  | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 5 High (20)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2 Medium (8) |

| Governance and Regulatory Compliance |          |   |   |                     |                        |  |                              |                              |                              |   |   |                        |  |   |                        |
|--------------------------------------|----------|---|---|---------------------|------------------------|--|------------------------------|------------------------------|------------------------------|---|---|------------------------|--|---|------------------------|
| Created Date                         | Risk Ref | Risk Title/Descriptor   | Cause & Effect  | Assurance Committee | Inherent Risk Priority | Risk Control                                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance             | Overall Assurance Assurance Level   | Residual Risk Priority | Action Required  | Progress Notes  | Target Risk Priority   |
| 29 Sep 2020                          | BAF 1    | There is a risk of not providing adequate patient safety, quality of care and patient experience.<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b>   | <b>Hazard(s) / Cause(s)</b><br>A failure to monitor appropriate governance arrangements between organisations<br><b>Effect(s) &amp; Impact(s)</b><br>A lack of delivery from external partners may lead to poor patient outcomes; increased patient harm; poor patient experience; and poor staff morale. A failure to manage patient flow and capacity, to develop new pathways.         | Quality and Safety  | I = 4 L = 4 High (16)  | Control 1<br><b>Control Owner:</b> To be allocated | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps<br>Assurance - No Gaps  | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 4 High (16)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on Target | I = 4 L = 2 Medium (8) |
| 30 Sep 2020                          | BAF 7    | There is a risk of not being able to keep pace and direction with transformational service redesign<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>A failure to provide future-proof and fit-for-purpose excellent patient outcomes and achieve financial and operational stability through the lack of direction and control<br><b>Effect(s) &amp; Impact(s)</b><br>That could potentially result in patient harm and reputational damage due to incorrect results, lack of services and significant delays. | Quality and Safety  | I = 4 L = 4 High (16)  | Control 1<br><b>Control Owner:</b>                 | Evidence 1                   | Evidence 2                   | Evidence 3                   | Controls - No Gaps<br>Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 4 High (16)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2 Medium (8) |

| IMT and Research |          |  |  |                       |                        |                                    |                              |                              |                              |                                       |   |                        |  |   |                        |
|------------------|----------|--|--|-----------------------|------------------------|------------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|---|------------------------|--|---|------------------------|
| Created Date     | Risk Ref | Risk Title/Descriptor  | Cause & Effect   | Assurance Committee   | Inherent Risk Priority | Risk Control                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance         | Overall Assurance Assurance Level   | Residual Risk Priority | Action Required  | Progress Notes  | Target Risk Priority   |
| 30 Sep 2020      | BAF 6    | There is a risk of not providing robust IT infrastructures and digital defences against cyber security. Also the ability of the Trust to provide and use reliable data (business intelligence), making best use of technology is compromised<br><br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>Unable to deliver excellent patient outcomes and maintain financial and operation sustainability due to a failure to develop and embed a robust Clinical IT Strategy.<br><br><b>Effect(s) &amp; Impact(s)</b><br>Potential to lead to inefficiencies financially and technically, causing further financial pressure on the Trust and the potential for patient harm.<br><br>A failure to ensure appropriate investment in and application of digital defences to deter cyber-attacks may lead to patient harm; financial loss; and disruption and/or damage to the reputation of the Trust from the failure of information technology systems. | Finance & Performance | I = 4 L = 4 High (16)  | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 4 High (16)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2 Medium (8) |

| Sustainability and Partnerships |          |  |   |                     |                        |                                    |                              |                              |                              |                                      |   |                        |  |   |                         |
|---------------------------------|----------|--|---|---------------------|------------------------|------------------------------------|------------------------------|------------------------------|------------------------------|--------------------------------------|---|------------------------|--|---|-------------------------|
| Created Date                    | Risk Ref | Risk Title/Descriptor  | Cause & Effect  | Assurance Committee | Inherent Risk Priority | Risk Control                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance        | Overall Assurance Assurance Level   | Residual Risk Priority | Action Required  | Progress Notes  | Target Risk Priority    |
| 30 Sep 2020                     | BAF 9    | There is a risk that the impact of COVID-19 continues for a considerable period.<br><br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>Potential 2nd wave of the virus and the known impact of winter pressures<br><br><b>Effect(s) &amp; Impact(s)</b><br>Continues to have significant impact on the delivery of all strategic aims | COVID Assurance     | I = 5 L = 4 High (20)  | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps Assurance - No Gap | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 5 L = 4 High (20)  | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 5 L = 2 Medium (10) |

| Sustainability and Partnerships |          |   |  |                     |                            |  |                              |                              |                              |  |   |                            |  |   |                           |
|---------------------------------|----------|---|--|---------------------|----------------------------|--|------------------------------|------------------------------|------------------------------|--|---|----------------------------|--|---|---------------------------|
| Created Date                    | Risk Ref | Risk Title/Descriptor   | Cause & Effect   | Assurance Committee | Inherent Risk Priority     | Risk Control                                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance            | Overall Assurance Assurance Level   | Residual Risk Priority     | Action Required  | Progress Notes  | Target Risk Priority      |
| 30 Sep 2020                     | BAF 5    | There is a risk that the current and future estates, infrastructure and equipment does not comply with national specifications, meet service needs and/or service user needs.<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>The ageing buildings, physical environment, associated infrastructure and inadequate backlog resources present a risk of services failing and impacting on the delivery of patient services.<br><b>Effect(s) &amp; Impact(s)</b><br>There is a risk of the Trust breaching its conditions; regulatory action being taken against the Trust; poorer patient outcomes and/or patient harm; and adverse publicity and reputational damage. | Sustainability      | I = 4 L = 4<br>High (16)   | Control 1<br><b>Control Owner:</b> To be allocated | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps<br>Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 4 L = 4<br>High (16)   | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2<br>Medium (8) |
| 02 Oct 2020                     | BAF 10   | There is a risk around the uncertainty of Brexit<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b>  | <b>Hazard(s) / Cause(s)</b><br>Potential for UK to leave EU without a deal<br><b>Effect(s) &amp; Impact(s)</b><br>Disruption to procurement and HR   | Sustainability      | I = 4 L = 3<br>Medium (12) | Control 1<br><b>Control Owner:</b> To be allocated | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps<br>Assurance - No Gaps | Substantial<br>Assurance Date: 02 Oct 2020<br>Assurance By: To be allocated | I = 4 L = 3<br>Medium (12) | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 31 Dec 2020 | 02 Oct 2020<br><b>To be allocated</b><br>Action on target | I = 4 L = 2<br>Medium (8) |

| Workforce    |          |   |   |                     |                          |                                    |                              |                              |                              |  |   |                          |  |   |                           |
|--------------|----------|---|---|---------------------|--------------------------|------------------------------------|------------------------------|------------------------------|------------------------------|--|---|--------------------------|--|---|---------------------------|
| Created Date | Risk Ref | Risk Title/Descriptor   | Cause & Effect  | Assurance Committee | Inherent Risk Priority   | Risk Control                       | Control Assurance (1st Line) | Control Assurance (2nd Line) | Control Assurance (3rd Line) | Gap(s) in Control / Assurance            | Overall Assurance Level   | Residual Risk Priority   | Action Required  | Progress Notes  | Target Risk Priority      |
| 30 Sep 2020  | BAF 4    | There is a risk of the ability to recruit and retain staff.<br><b>Executive Lead:</b> To be allocated<br><b>Operational Lead:</b> To be allocated<br><b>Last Updated:</b> 02 Oct 2020<br><b>Latest Review Date:</b><br><b>Latest Review By:</b><br><b>Last Review Comments:</b> | <b>Hazard(s) / Cause(s)</b><br>An inability to recruit and retain an appropriate workforce to meet the needs of the current and future patient base<br><b>Effect(s) &amp; Impact(s)</b><br>May lead to the Trust breaching guidance, regulatory action being taken against the Trust; poorer patient outcomes and increased harm; and adverse publicity and/or reputational damage. Furthermore this may lead to the financial unsustainability of some services. | Workforce           | I = 3 L = 5<br>High (15) | Control 1<br><b>Control Owner:</b> | Evidence 1                   | Evidence 2                   | Evidence 3                   | Control - No Gaps<br>Assurance - No Gaps | Substantial<br>Assurance Date: 30 Sep 2020<br>Assurance By: To be allocated | I = 3 L = 5<br>High (15) | Action 1<br><b>Person Responsible:</b> To be allocated<br><b>To be implemented by:</b> 30 Dec 2020 | 30 Sep 2020<br><b>To be allocated</b><br>Action on target | I = 3 L = 2<br>Medium (6) |