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Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>12<sup>th</sup> November 2020</b>	<b>Agenda Item</b>	<b>2.3</b>
<b>Report Title</b>	<b>Board Assurance Framework (BAF) Update</b>		
<b>Report Author</b>	Len Cozens, Head of Compliance		
<b>Report Sponsor</b>	Pam Wenger, Director of Corporate Governance		
<b>Presented by</b>	Len Cozens, Head of Compliance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The purpose of this paper is to present an update on the position regarding the Board Assurance Framework (BAF), to set out suggested next steps for its review and update, and to propose the process by which it will be embedded within our organisational risk and assurance processes.		
<b>Key Issues</b>	<p>The development of the Board Assurance Framework (BAF) has been agreed by the Board, and it is owned by the Accountable Officer and the Board.</p> <p>The Director of Corporate Governance is the lead Executive with responsibility for the delivery of the BAF</p> <p>The Audit Committee has a key role in overseeing the development and implementation of the BAF</p> <p>The current version of the BAF was populated following meetings with relevant Executive Directors and managerial leads.</p>		
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input checked="" type="checkbox"/>
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the background and context within which the decision to develop the Board Assurance Framework was made</li> <li>• <b>NOTE</b> the work which has gone into getting the BAF to its current position</li> <li>• <b>NOTE</b> and <b>APPROVE</b> the programme of work intended to further develop the current iteration of the BAF</li> <li>• <b>NOTE</b> and <b>APPROVE</b> the steps proposed for embedding the BAF within our organisational risk and assurance processes</li> </ul>		

# **BOARD ASSURANCE FRAMEWORK (BAF) UPDATE**

## **1. INTRODUCTION**

- 1.1 The purpose of this report is to present the Audit Committee with an update on the development and implementation of the Board Assurance Framework.

## **2. BACKGROUND AND CONTEXT**

- 2.1 The decision to develop a Board Assurance Framework was made following a Board Development Session on risk management which took place in December 2017, with a presentation on the approach to its development being received and discussed at a further Board Development Session in February 2018.

- 2.2 The process of gaining assurance is fundamentally about taking all of the relevant evidence together and arriving at informed conclusions. With this in mind, the BAF is intended to enable the Board to:

- Identify and understand the principle risks to achieving its strategic objectives
- Establish the sources of, and receive assurance (both positive and negative) in respect of the adequacy, suitability, completeness and operation of the controls in place to manage those risks.
- Receive assurance that, where gaps in control or assurance are identified or the need for improvement has been highlighted, action plans are in place and being delivered.
- Provide an overall assessment of the risk to achieving the objectives based on the strength (or otherwise) of the controls and assurance in place.

- 2.3 In summary, the BAF provides a framework for identifying which of the Health Board's strategic objectives are at risk because of inadequacies in controls or insufficient assurance about them. At the same time it provides structured assurance about risks which are being managed effectively, and objectives that are being delivered.

- 2.4 The most objective assurance comes from independent external review sources. These are supplemented by internal sources such as clinical audit, internal management, performance management and self-assessment reports.

## **3. PROGRESS OF THE BAF**

- 3.1 The current version of the BAF has developed since those Board Development Sessions, driven by the Director of Corporate Governance and Interim Head of Compliance. During that period, the format and content has evolved and been updated, taking account of:

- The outcome of meetings held with relevant Executive Directors and communication with managerial leads.
- Input from colleagues within NWSSP Audit & Assurance
- Feedback received from the Executive Board and Audit Committee

- Guidance outlined within the Good Governance Guide for NHS Wales Boards – Academi Wales
  - Good practice identified in the Care Quality Commission's Quality report on the University Hospitals Bristol NHS Foundation Trust
- 3.2 The most recent iteration of the BAF was received and reviewed at the November 2019 Executive Board meeting, where the content was endorsed and confirmed as accurately reflecting the position for each relevant Directorate.
- 3.3 At a subsequent meeting of the Audit Committee, also in November 2019, the Committee confirmed that it was content with the BAF in terms of both format and content, and was happy to approve it for submission to the Board. In doing so, it was recognised that it would be continually improving, and would be a dynamic document. The BAF was then presented to the January 2020 meeting of the Board.
- 3.4 The Audit Wales Structured Assessment 2020 has noted that the full implementation of the Board Assurance Framework was put on hold as a result of COVID-19 but recognises the need to ensure that this is put in place for 2020/21.
- 3.5 In light of COVID-19 the BAF will need to be re-set to consider the current strategic priorities of the Health Board as described in the Operating Plan.

#### **4. NEXT STEPS**

- 4.1 The current iteration of the BAF has already been circulated to Executive colleagues in order to commence the process of reviewing and updating its content, and the Head of Compliance will now work with relevant Executive Directors and/or their teams in order to support and facilitate this process.
- 4.2 Work will also be undertaken with the Head of Patient Experience, Risk & Legal Services and Risk Management Group to review both Corporate Health Board and Group/Operational Risk Register entries, in order to ensure that those which are currently mapped to Enabling Objectives within the BAF remain up-to-date and relevant.
- 4.3 A recent NWSSP Internal Audit report on Risk Management & Board Assurance Framework (SBU-1920-003) made recommendations specific to the BAF in respect of:
- The inclusion of target dates for the completion of actions to address identified gaps in control and/or assurance
  - The need to ensure a clear distinction between controls and/or sources of assurance which are already in place, and actions identified to address gaps in control and/or assurance
  - Further work required in respect of the validation of Group/Operational risks, and their alignment with Health Board Strategic (or Principle) risks within the BAF.

The Head of Compliance will address these issues, working in conjunction with the Director of Corporate Governance, Head of Patient Experience, Risk & Legal Services, and relevant Executive Directors and their teams.

- 4.4 The Head of Compliance will also review and where necessary update the draft BAF Standard Operating Procedure and Easy User Guide (e.g. the Internal Audit report referred to above highlights the use of some now out-of-date terminology).
- 4.5 Once updated, the BAF will be brought back to the Executive Board for review and agreement in terms of its content, before subsequently being presented to the Risk Management Group, Audit Committee and to the Board.

## 5. PROPOSED OPERATIONALISATION OF THE BAF

- 5.1 As has already been recognised, the BAF is intended to be a dynamic living document, evolving as our Health Board evolves in order to meet the needs of the population it serves. As such, the following is the suggested process by which the BAF will be embedded within our organisational risk and assurance processes:
  - The BAF will be monitored by the Risk Management Group, in tandem with the Health Board Risk Register
  - Every six months, sections of the BAF will be monitored by the relevant Board Committees and Management Groups in order to ensure risk management of the delivery of the strategic objectives
  - Every quarter, the Executive Team will review the BAF in full, prior to its presentation to the Audit Committee.
  - Every 6 months, the BAF will be presented to the Board for Assurance.

## 6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications arising from the recommendations in this report.

## 7. RECOMMENDATIONS

- 7.1 Members are asked to:
  - **NOTE** the background and context within which to decision to develop the Board Assurance Framework was made
  - **NOTE** the work which has gone into getting the BAF to its current iteration
  - **NOTE** and **APPROVE** the programme of work intended to further develop the current iteration of the BAF
  - **NOTE** and **APPROVE** the steps proposed for embedding the BAF within our organisational risk and assurance processes

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
Ensuring that the Board and its Sub-Committees make fully informed decisions is dependent on the quality and accuracy of the information presented and considered by those making the decisions. Informed decisions are most likely to impact favourably on the quality, safety and experience of patients and staff.		
<b>Financial Implications</b>		
There are no direct financial implications arising from this paper		
<b>Legal Implications (including equality and diversity assessment)</b>		
Ensuring that the organisation has an effective and evolving Board Assurance Framework (BAF) that supports the Board in delivering its plans and achieving its objectives, is an essential component of the Health Board's governance arrangements going forward.		
<b>Staffing Implications</b>		
The further development and embedding of the BAF will require a significant amount of work on the part of Executive colleagues and their teams.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
The development of the BAF will assist the Board in assessing risk and gathering assurance across all corporate objectives, which span the five ways of working, and the wellbeing goals identified in the Act.		
<b>Report History</b>	Audit Committee – 15 March 2018 Executive Board – 22 August 2018 Executive Board – 12 September 2018 Audit Committee – 20 October 2018 Risk Management Group – 4 July 2019 Audit Committee – 4 July 2019 Executive Team – 13 November 2019 Audit Committee – 21 November 2019 Health Board – 30 January 2020 Executive Board – 14 October 2020 Risk Management Group – 21 October 2020	
<b>Appendices</b>	None	