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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	15 July 2019	Agenda Item	2c.
Report Title	Board Assurance Framework (BAF)		
Report Author	Jacqui Maunder, Interim Head of Compliance		
Report Sponsor	Pam Wenger, Director of Corporate Governance		
Presented by	Pam Wenger, Director of Corporate Governance		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report is to provide the Audit Committee with an update on progress to develop and strengthen the Health Board's Board Assurance Framework (BAF).		
Key Issues	<ul style="list-style-type: none"> • The development of the Board Assurance Framework (BAF) has been agreed by the Board and is owned by the Accountable Officer and the Board; • The Director of Corporate Governance is the lead Executive with responsibility for the delivery of the Board Assurance Framework (BAF); • The Audit Committee has a key role in overseeing the development of the Board Assurance Framework; and • The assurance schedule sets out the proposed steps in the development of the Board Assurance Framework including reporting arrangements. 		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations	Members are asked to: <ul style="list-style-type: none"> • NOTE the progress on the development of the Board Assurance Framework 		

SBUHB BOARD ASSURANCE FRAMEWORK (BAF)

1. INTRODUCTION

The purpose of this report is to provide the Audit Committee with an update on progress to develop and strengthen the Health Board's Board Assurance Framework (BAF).

2. BACKGROUND

[*The Good Governance Guide for NHS Wales Boards*](#) *Second edition 2017, Academi Wales*, provides some useful guidance in the development of robust assurance arrangements to support the Board's delivery of its business.

As expectations of organisations increase and available resources become restricted, so do the constraints under which they operate and the risks that they face. It illustrates how risk and assurance arrangements can be directed to meet the delivery and accountability needs of the Accounting Officer and Board, providing evidence-based assurances on the management of risks that threaten the successful achievement of public service delivery objectives.

Advice on and scrutiny of key risks is a matter for the Board. The Board will routinely monitor the mitigation of certain strategic risks. Whilst the Board will most closely monitor its key risks, it will otherwise delegate the monitoring of assurance to the Audit Committee. This is not a substitute for management's responsibility for the mitigation of risks. On behalf of the Board, the Audit Committee will examine the arrangements in place to provide comprehensive and reliable assurance. This involves identifying the assurance need, how it will be met, whether there are any assurance gaps or overlaps, how these can best be filled and whether this will provide the sufficient, relevant, reliable assurance that it needs. These arrangements should be monitored throughout the year to ensure that sufficient assurance is being planned and delivered to avoid surprises and to enable early decisions and action to be taken on risk and control issues. This will help to routinely validate assurance. A good framework is required to support the governance process.

More specifically, an effective assurance framework:

- Provides timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues
- Facilitates escalation of risk and control issues requiring visibility and attention by senior management, by providing a cohesive and comprehensive view of assurance across the risk environment
- Provides an opportunity to identify gaps in assurance needs that are vital to the organisation, and to plug them (including using internal audit) in a timely, efficient and effective manner
- Can be used to raise organisational understanding of its risk profile, and strengthen accountability and clarity of ownership of controls and assurance thereon, avoiding duplication or overlap
- Provides critical supporting evidence for the production of the Governance Statement

- Can clarify, rationalise and consolidate multiple assurance inputs, providing greater oversight of assurance activities for the Board/Audit & Risk Assurance Committee in line with the risk appetite; and
- Facilitates better use of assurance skills and resources.

3. GOVERNANCE AND RISK ISSUES

3.1 Developing the Board Assurance Framework (BAF)

At the Board Development Session in December 2017 which focussed on risk management, it was agreed that a BAF should be developed. The NHS Wales Board Secretaries network, the NHS Wales Audit Committee Chairs and the Wales Audit Office (WAO) held a workshop in January 2018 with a view to agreeing a certain level of consistency in the approach across NHS Wales and BAF examples from Cwm Taf Morgannwg UHB and Betsi Cadwaldr UHB were shared and deemed to be good practice.

In 2018 the Director of Corporate Governance undertook a governance stocktake and areas of focus for 2018-19 were captured within a Governance Work Programme for 2018-19. A presentation on the approach to the development of the Board Assurance Framework was discussed at the Board Development Session in February 2018. Updates were discussed at the Executive Board meetings on August and September 2018.

Work was progressed on a suggested template which was supported by the Audit Committee, however, due to the challenges in terms of the risk management system and process, the Audit Committee agreed to hold the development of the Board Assurance Framework whilst work was progressed on the risk management process in the organisation.

The Internal Audit team undertook an internal audit assessment on the development of the Board Assurance Framework and the final assessment rating was a 'limited assurance'. Work is now being picked up on the development of the Board Assurance Framework led by the Interim Head of Compliance on behalf of the Director of Corporate Governance.

As part of this work a draft standard operating procedure (SOP) is being developed to define the purpose of the BAF and views are currently being sought by the Risk Management Group on the content. The final procedure will be considered by the Executive Board at the end of July 2019.

The revised Board Assurance Framework Dashboard is being developed which outlines the health board risks and a summary of focus areas for internal audit and external inspection has been further developed based on good practice examples. The template requires further work and following feedback from the Risk Management Group it was been agreed to seek comments to ensure that the revised dashboard reflects good practice, learns lessons from other Health Boards and reflects the actions required from the internal audit feedback on the Board Assurance Framework.

The Interim Head of Compliance is in the process of meeting with nominated leads to update the information populated within the BAF dashboard and the document will be subject to scrutiny at the Executive Team meeting scheduled for 31 July 2019, prior to final submission to the Audit Committee on the 19 September 2019.

The Board's updated Governance & Assurance Structure is presented at **Appendix 1** for information. It should be noted that other forms of scrutiny and assurance processes sit beneath this structure and these include Complaints, Claims Scrutiny Panels, Welsh Language Group, Information Governance Group, Infection Prevention & Control Committee etc.

2.2 Rationale for the Board Assurance Framework (BAF)

It is essential that there is an effective and efficient framework in place to give sufficient, continuous and reliable assurance on organisational stewardship and the management of the major risks to organisational success and delivery of improved, cost effective, public services. Understanding the sources of assurance and their scope means internal audit can focus most effectively on the riskier areas. The structured mapping of assurances is one of the fundamental steps in building an assurance framework.

The BAF has been developed following discussion within the Board and guidance outlined within The Good Governance Guide for NHS Wales Boards (2014), Academi Wales; and the joint BAF workshop held with NHS Wales Audit Committee Chairs, the Wales Audit Office (WAO) and the NHS Wales Board Secretaries network in January 2018.

The Internal audit forward plan of business for 2019-2020 includes an audit on the Board Assurance Framework commencing in December 2019.

4. FINANCIAL IMPLICATIONS

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

5. RECOMMENDATIONS

Members are asked to:

- **NOTE** the progress on the development of the Board Assurance Framework

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	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"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	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"/>
Health and Care Standards		
<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"/>
Quality, Safety and Patient Experience		
Ensuring the Board and its Sub-Committee(s) makes fully informed decisions is dependent on the quality and accuracy of the information presented and considered by those making decisions. Informed decisions are more likely to impact favourably on the quality, safety and experience of patients and staff.		
Financial Implications		
There are no direct financial implications arising from this report.		
Legal Implications (including equality and diversity assessment)		
Ensuring the Board has an effective and evolving Board Assurance Framework (BAF) that supports the Board in delivering the current one year plan, is an essential component of the Board's Governance arrangements going forward.		
Staffing Implications		
The development of the Board Assurance Framework will require a significant amount of work from the Executive Team and their teams to ensure that the process of mapping is undertaken and that this framework meets the needs of the Board. Progress on the development of the Board Assurance Framework is slower than anticipated as there is no resource to support this work.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
The Act requires the Health Board to think more about the long term, how we work better with people and communities and each other, look to prevent problems and take a more joined up approach with partners. There will be long term risks that will affect both the delivery of services, therefore, it is important that you use these five ways of working (Long Term Thinking, Prevention, Integration, Collaboration and Involvement) and the wellbeing goals identified in the Act in order to frame what risks the Health Board may be subject to in the short, medium and long term. This will enable The Health Board to take the necessary steps to ensure risks are well managed now and in the future.		
Report History	Board Development Session 22 February 2018 Executive Team 5 March 2018 Audit Committee March 2018 Executive Board 22 August 2018 Executive Board 12 September 2018 Audit Committee 20 October 2018 Risk Management Group 4 July 2019	
Appendices	Appendix 1: Governance & Assurance Structure	

