

ITEM: 08/107

DOC: 10

Meeting: Trust Board
Date: 18 June 2008

Title: Board Assurance Framework (BAF)

Executive Summary: The Board received the updated Assurance Framework at its meeting in March 2008. In response to the recommendations arising from the due diligence review forming part of the Foundation Trust application process, it was agreed that the Assurance Framework should be reviewed by the Board on a quarterly basis. The attached Assurance Framework incorporates changes from March.

It was noted that further work needed to be done to ensure full alignment of processes for risk assessment and management between the risk register, the Board Assurance Framework and the Integrated Business Plan. This work is now being undertaken within the Directorate of Strategy and Performance and an interim report was received by the newly-constituted Audit Committee at its meeting on 10th June.

The Audit Committee also received the Internal Audit Annual Report and the Head of Internal Audit Opinion. Internal audit had carried out a review of the BAF arrangements in 2007-08 and had made a number of recommendations for enhancing and strengthening existing risk management processes. Overall, the opinion set out in the letter to the Chief Executive was that:

"An Assurance Framework has been established which is designed and operating to meet the requirements of the 2007/08 Statement of Internal Control and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation."

The Audit Committee expressed concern that the Assurance Framework and Risk Register should be maintained as live documents to ensure that risks are owned and timely action taken. It was recommended that the risk register should be regularly reviewed by the Executive Committee who would then report key changes and action taken to the Audit Committee. Through this process the Audit Committee could then give the necessary assurance to the board on a quarterly basis that risks were being managed in real time.

A detailed review of the risk register identified the need for rationalisation and ensuring consistency in rating. This will inform the next update of the register and redesigned processes for its maintenance.

Risk management will be a topic for detailed discussion at the Board seminar on 16th July. The revised risk register and Assurance Framework will be brought to the Board in September.

Action: The Board is asked to note the updated Assurance Framework and the work in progress to develop and strengthen the risk management structures and processes.

Report from:	Susan Sorensen Director of Strategy and performance
Sponsor:	David Sloman, Chief Executive
Financial Validation Lead: Director of Finance	N/a
Compliance with statute, directions, policy, guidance Lead: All directors	Reference: NHS London Performance Management regime
Compliance with Healthcare Commission Core/Developmental Standards Lead: Director of Nursing & Clinical Development	Reference:
Compliance with Auditors' Local Evaluation standards (ALE) Lead: Director of Finance	Reference: Governance
Evidence for self-certification under the Monitor compliance regime Lead: All directors	Compliance framework reference: Board statement Appendix C