

ITEM: 09/063
Doc 09

Meeting: Trust Board
Date: 15th April 2009

Title: **Board Assurance Framework (BAF) update**

Executive Summary: The BAF was last reviewed by the Trust Board in January 2009 following an exercise to ensure consistency between this document and:

1. the operational Risk Register
2. the risks associated with individual directors' objectives mapped into the corporate objectives set out in the IBP.
3. the risks identified in the updated IBP

The "Risk Description" column of the BAF is now cross-referenced both to the relevant director objectives and to the list of 13 risks in Chapter 7 of the IBP. The risk register is cross-referenced to the BAF and this needs to be regularly updated to reflect any changes in the BAF. New risks are considered monthly by the Executive Committee and notified to the Board in the CEO's report. Where appropriate they are added to the BAF. It should be noted that whereas the Risk Register shows the impact/probability score both before and after mitigation, the BAF shows the net score after mitigation on the basis of controls and assurances in place.

This update complies with the auditor's recommendation that the Board should receive the BAF on a quarterly basis. Because of the timing of the Audit Committee, this update comes straight to the Board from the executive team. For this reason changes from the previous version are highlighted, including changes to the RAG-rating. The BAF relates to the risks that were identified for the financial year 2008-09 and the corporate/director objectives in that year.

Key significant changes from January are:

- o A reduction in the risk relating to WFL's facilities management
- o A reduction in the risk relating to the achievement of HCC core standards following ED review
- o Elimination of the 2008-09 18 week risk
- o Increased risk to long term site development because of economic uncertainty
- o Reduction in risk of income loss following establishment of coding project
- o Impact of IFRS now a certainty (not yet reflected in risk register)
- o Incorporation of reputational risks

Objectives for 2009-10 will come to the Board for approval at the next meeting. There will then be a major review of the BAF to reassess the risks taking account of any changes in objectives and the risks identified in the 2009-10 annual plan. The 2009-10 BAF will be discussed in detail by the Audit Committee at its July meeting and then be presented to the July meeting of the Trust Board.

Action: The Trust Board is asked to note the changes to the BAF, review the controls and assurances in place, including any gaps in control, and consider the appropriateness of any action plans.

Report From: Susan Sorensen
Trust Corporate Secretary

Sponsored By: Fiona Elliott
Director of Planning and Performance

Compliance with statute, directions, policy, guidance

Lead: All directors

Reference:
DH guidance on Board self-certification

Compliance with Auditors' Local Evaluation standards (ALE)

Lead: Director of Finance

Reference:
Internal Control