

ITEM: 10/032
Doc: 09

Meeting: Trust Board
Date: 24th March 2010

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

Executive Summary: The BAF was last reviewed by the Trust Board at its meeting on 20th January 2010. Since then, it has been reviewed to ensure alignment with the updated Risk Register and to take account of the implementation of actions to mitigate risks. The Audit Committee has approved the revised BAF subject to final review by directors. This is now complete and the attached version incorporates the following material changes from January:

- risk of poor clinical outcomes reverts to green from amber following actions to mitigate the operational risks on the risk register (1.1)
- major update on decontamination risk and action plan following commencement of off-site services (1.4)
- reduction in risk of failure to meet core targets e.g. 62 day cancer target. Urology is now the only specialty requiring an action plan. Risk rating has improved from red to amber (2.1)
- update on action plan for data loss protection (2.2)
- Reputational risk has been extended to cover communications during period of strategic uncertainty and has moved from amber to red (5.2)

Stable green-rated risks

The following risk has been green-rated on the last three reviews and is recommended to be considered for deletion:

- ❖ Potential change of policy by UCL medical school (10.1)

Red-rated risks

The following five risks have impact x probability scores of 15 and above

- Insufficient investment in the physical environment resulting in failure to redevelop the hospital site to accommodate future business requirements (4.1)
- Adverse changes in strategic decisions of commissioners of services (5.1)
- Reputation damage from the communications challenge during the period of strategic uncertainty leads to loss of public confidence affecting choice & demand (5.2)
- 2009-10 Cost improvement and increased productivity programme is not achieved leading to budget overspend (7.3)
- Economic recession resulting in lower growth in allocations (7.8)
- Failure to agree a sustainable solution for the provider landscape - breakdown in collaboration across organisation boundaries (8.1)

The final version of the 2009-10 BAF will now be submitted to internal audit as part of their review of the BAF process.

Following approval of corporate and directors' objectives for 2010-2011, the BAF will be reconstructed to cover the risks to the achievement of the new objectives. This will be presented to the June meeting of the Trust Board.

Action: The Board is asked to note the changes to the BAF, consider the recommendations for deletion of risks and approve the BAF for submission to the auditors.

Report From: Susan Sorensen
Trust Corporate Secretary

Sponsored By: Fiona Smith
Director of Planning and Performance

Compliance with statute, directions, policy, guidance
Lead: Director of Planning and Performance
Director of Finance

Reference:
DH guidance on Board self-certification
ALE standards on internal control