

'You matter, we care'

Trust Board Meeting (Part 1)	Date: 29 January 2013
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Title:	Trust-wide Risk Register and Board Assurance Framework
Item:	BD/13/301

Executive Director lead and presenter	Emma Roberts, Company Secretary
Report author(s)	Hannah Dennis, Corporate Governance and Risk Manager

History:	<i>ET, 7 January 2014 & SMT, 15 January 2014</i>
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This report is for:	
Decision	X
Discussion	
To Note	

Executive summary of key issues:
<p>The Board Assurance Framework and Trust-wide Risk Register are presented for review and challenge by the Board. All Executive Risk Registers have been reviewed at the meeting of SMT on 15 January 2014. No risks were identified by Executive Directors as requiring escalation in this month. This was approved by SMT.</p> <p>In addition, this report provides a risk profile for the Trust, illustrated using the Trust's risk matrix. This is analysed below.</p> <p>Following implementation of a revised Board Assurance Framework in August 2013 further amendments to the structure of the document have been made to improve the clarity of the information captured and better support the Board in seeking assurances from the organisation to inform decision making. The document now also captures the current risk rating of risks identified to achieving objectives, as well as probable, un-evidenced, assurances.</p> <p>It has also been identified during this time that the content of the document changes less frequently than month on month, therefore to ensure the review timescale for the document is meaningful it is proposed that the Board review of the Board Assurance Framework becomes quarterly.</p> <p>The following appendices are provided with this report:</p>

1. Board Assurance Framework, January 2014, v.8
2. Trust-wide Risk Register, January 2014 – risks divided by area
3. Trust-wide Risk Register, January 2014 – risks sorted from high to low scoring

It is recommended that the Board **note** the report and appendices, and **approve** the structure of the updated Board Assurance Framework and the amendment to the reporting timeline for the document to quarterly reports to the Board.

This report addresses these Strategic Priorities:

We will deliver the best care	X
We will support and develop our staff	X
We will continually improve what we do	X
We will use our resources wisely	X
We will be future focussed	X

1. Trust-wide Risk Register – Risk Profile

The risks currently captured on the Trust-wide risk register are plotted on the risk matrix below to illustrate the distribution of our risks:

		RISK RANKING MATRIX				
SEVERITY		VERY LOW 1	MINOR 2	MODERATE 3	HIGH 4	VERY HIGH 5
PROBABILITY	ALMOST CERTAIN 5					
	LIKELY 4			IBP05		
	POSSIBLE 3		IBP01 IBP03	IBP02 IBP15	IBP09 IBP13	
	UNLIKELY 2		IBP12	IBP16 IBP14 IBP08 IBP04		
	RARE 1				IBP17	

By grouping the risks on the matrix it is clear that the Trust is managing the majority of its risks to a moderate level, and supported by the information documented on the risk register there are controls planned to bring these down to a minor and less likely level of probability.

Risk IBP12 has a current risk score of 4, assessed as being both minor in severity and unlikely to occur at this time, therefore the Board should consider removal of this risk from the Trust-wide risk register as this indicates controls in place are sufficiently mitigating the risk. Should the risk owner, the Director of Finance, identify this risk as

increasing in probability or severity in the future this risk may be returned to the Trust-wide risk register and further action taken.

The Trust's highest risks currently are IBP09 and IBP13, both of which have been subject to detailed risk reviews in September and November 2013 respectively. These risks require the Board's continued oversight.

2. Board Assurance Framework

2.1. Current document and challenges

In August 2013 the Board approved a revised format for the Board Assurance Framework. This has now been in use for six months and reviewed by the Board on a monthly basis alongside the Trust-wide risk register, at the Board's request. Although the format has been welcomed as user friendly and an improvement to the process we have found that it has been challenging to capture the necessary information in the right way in order to report fully on our assurances.

We have also found that the monthly update of this document has been difficult as although risks can be seen to change month on month, the assurances over the control of these change less regularly, and often where actions are identified to close assurance gaps these take some time to complete.

2.2. Proposed amendments to the Board Assurance Framework

In response to this, the Board Assurance Framework structure has been further refined to work more effectively alongside the Trust's risk registers, with the aim of improving links between the two documents and therefore giving greater clarity around the assurances the organisation can provide to the Trust Board.

This amendment seeks to make clearer how the document is associated with the risk registers through the addition of the current risk score of the associated risk, the identification of positive and potential sources of assurance, and RAG rating of the completeness and appropriateness of the assurances currently identified. Use of the Executive risk registers is improving month on month with content being continually refined and more effectively captured as the process continues to be embedded in the monthly reporting cycle.

In response to the challenge of providing a monthly update to the Board Assurance Framework it is also suggested that the document be reviewed quarterly by the Trust Board. The document will continue to be reviewed at each meeting of the Audit and Risk Committee. The Committee will also oversee the assurance mapping process to inform updates to the Board Assurance Framework.

3. Recommendation

The Board should **note** the current risk position, supported by the attached appendices.

The Executive Team is asked to **review** the Board Assurance Framework as updated with the amendments shown on the attached version, and **discuss** the proposal that the document is presented to the Board quarterly from January 2014 onwards.