

BOARD ASSURANCE FRAMEWORK

1. PURPOSE OF THE BOARD ASSURANCE FRAMEWORK

The Board Assurance Framework (BAF) provides assurance to the Cwm Taf Morgannwg University Health Board on the delivery of its objectives, outlined within its 3 Year Integrated Medium Term Plan (IMTP) for 2020/2023 and through robust risk management processes. The 4 draft objectives being:

- Person Centred Outcomes
- Prudent Services
- A Learning and Growth Culture
- Resource Sustainability

Assurance provides Board members with the evidence that the uHB is operating effectively, achieving desired outcomes, delivering on its strategic vision, meeting its strategic objectives through effective risk management, in a manner which upholds the Citizen Centred Principles and is in accordance with all statutory requirements.

Boards need to be confident that the systems and processes are operating in a way that is effective and is driving the delivery of objectives by focusing on minimising risk.

The BAF supports the Accountability Report which includes the Annual Governance Statement (AGS), which are the subject of annual review by the Wales Audit Office (WAO) as part of the Structured Assessment process. The UHB purpose is achieved through its 5 organisational objectives and its priorities, which are calibrated against principal risks.

The BAF is designed to support the Board to deliver its Strategy as outlined within its 3 Year Integrated Medium Term Plan and has been refreshed to align with its 2020-2023 refreshed IMTP. The framework also serves to inform the Board on principal risks that may adversely affect the delivery of the UHB's objectives. The BAF aligns principal risks, key controls, its risk appetite and assurances on controls alongside each objective. Gaps are identified where key controls and assurances are insufficient to mitigate the risk of non-delivery of objectives. This enables the Board to develop and monitor action plans intended to close the gaps.

The revised BAF, originally established in 2015, and now updated, is

reconciled against the Corporate, Directorate and Locality Risk Registers, developed, updated and monitored through the uHB Management Board and scrutinised by the Board and relevant Sub Committees for coverage and consistency with regard to the principal risks.

1.1 Board responsibility for the BAF

It is important to recognise the Board Assurance Framework is not a single document, it is a *framework*. The framework aims to provide a structure through which the Board can gain assurance. It is not a passive process, and Board members (Independent and Executive) have a corporate responsibility to seek assurances from a number of different sources to satisfy themselves individually and collectively that the uHB's services are safe, good quality and sustainable whilst meeting the overall objectives of the Health Board.

The organisation uses a number of methods to obtain assurance through internal and external sources.

It is the responsibility of the Board to:

- Determine and clearly articulate its objectives;
- Identify the principal risks that threaten the achievement of these objectives;
- Agree the key strategic and operational plans that will deliver those objectives and which encompass the controls and actions in place to manage the identified risks;
- Monitor delivery through robust performance and assurance measurements;
- Ensure that plans are in place to take corrective action where they are not assured that objectives will be fully delivered; and
- Engage with and listen to staff.

These requirements form the basis of the Assurance Framework.

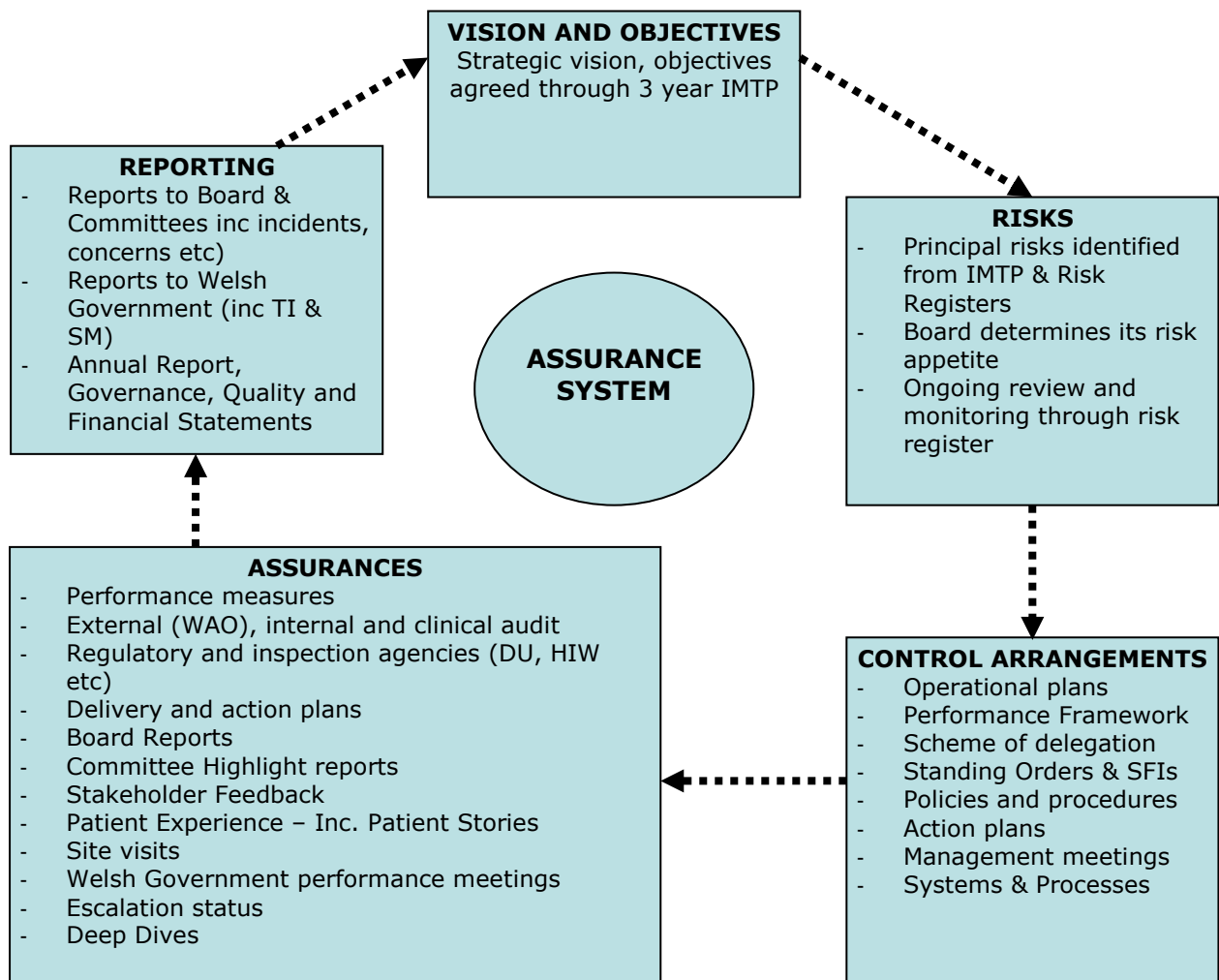
The Audit Committee has oversight on behalf of the Board on:

- the adequacy of the assurance processes
- the effectiveness of the management of principal risks

The Board will make an annual assessment on the effectiveness of the governance arrangements in place and report this through the Annual Governance Statement, which forms part of the Annual Report and Annual Accounts.

2. THE ASSURANCE FRAMEWORK IN ITS OPERATIONAL CONTEXT

At a high level, the following schematic represents the Board Assurance System.



2.1 Role of Board Committees

The Board may and, where directed by Welsh Ministers must, appoint Committees of the Board either to undertake specific functions on the board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board has established several committees to assist it in gaining assurance. The following Committees have been established;

- Audit & Risk
- Quality & Safety

- Remuneration & Terms of Service
- Finance, Performance & Workforce
- Mental Health Act Monitoring Committee
- Primary, Community, Population Health and Partnerships
- Charitable Funds Committee
- Information Governance & Information Communication (est Jan 2020)

Committees of the Board are established to support the CTMuHB Board in carrying out its duties effectively. The remit and terms of reference of these committees are reviewed each year, together with an assessment of committee effectiveness, to ensure robust governance and assurance arrangements are in place. The Board receives a regular report from each committee, as outlined within their terms of reference at the Board meeting after each meeting. This provides an effective structure with defined information flows for monitoring performance, receiving assurance and identifying under performance and concerns which require escalation. The remit, authority and responsibility delegated to these Committees is detailed in the Committee ToRs which form a schedule of the uHB's Standing Orders.

Each Committee has an Executive Director lead who works closely with the Chair of each Committee in;

- Agenda setting
- Committee Business Cycle Planning (to meet its ToRs)
- Supporting good quality, timely information to the Committee

The Audit & Risk Committee has a specific role in relation to reviewing the effectiveness of the uHB's Risk Management system and the BAF as agreed at the Health Board meeting in November 2019;

The Audit Committee will review the adequacy of (*amongst other issues*):

- the structures, processes and responsibilities for identifying and managing clinical and non-clinical risks facing the organisation;
- the Health Board's Organisational Risk Register and the adequacy of the scrutiny of strategic risks by assigned Committees;
- the Board Assurance Framework;
- the effectiveness of risk identification, management, escalation and monitoring.

2.2 Internal Systems for Monitoring Performance, Decision Making & Escalation

The uHB is in the process of implementing a new Operating Model to provide a framework and structure by which the Chief Executive may discharge their operational responsibilities for the day to day management of the uHB.

The new operating model articulates the leadership and management functions, accountabilities and responsibilities across the uHB. One of the guiding principles of the new Operating Model is to provide;

- **Robust, Simplified and Safe Decision Making.** Deliver good governance, clear accountabilities and organisational sustainability supported by simple, transparent and robust systems, structures, processes and technology. Have balanced conversations incorporating quality, performance and finance considerations, enabled by proactive data.

2.2.1 Executive Team & Management Board

The Chief Executive of the UHB is employed and appointed by the Board (with the approval of Welsh Minsters). They are the Board's principal adviser on the discharge of its functions and will be accountable to the Board. The Chief Executive's role is to provide operational leadership to the public body, and ensure that the Board's aims and objectives are met and the public body's functions and targets are delivered. In summary, the Board focuses on strategy, performance and behaviour – the Chief Executive advises the Board on all matters and is solely responsible for operational issues.

To assist the Chief Executive in discharging their accountabilities, the Chief Executive is supported by the Executive Team which meets on a weekly basis for formative discussion and support decision making.

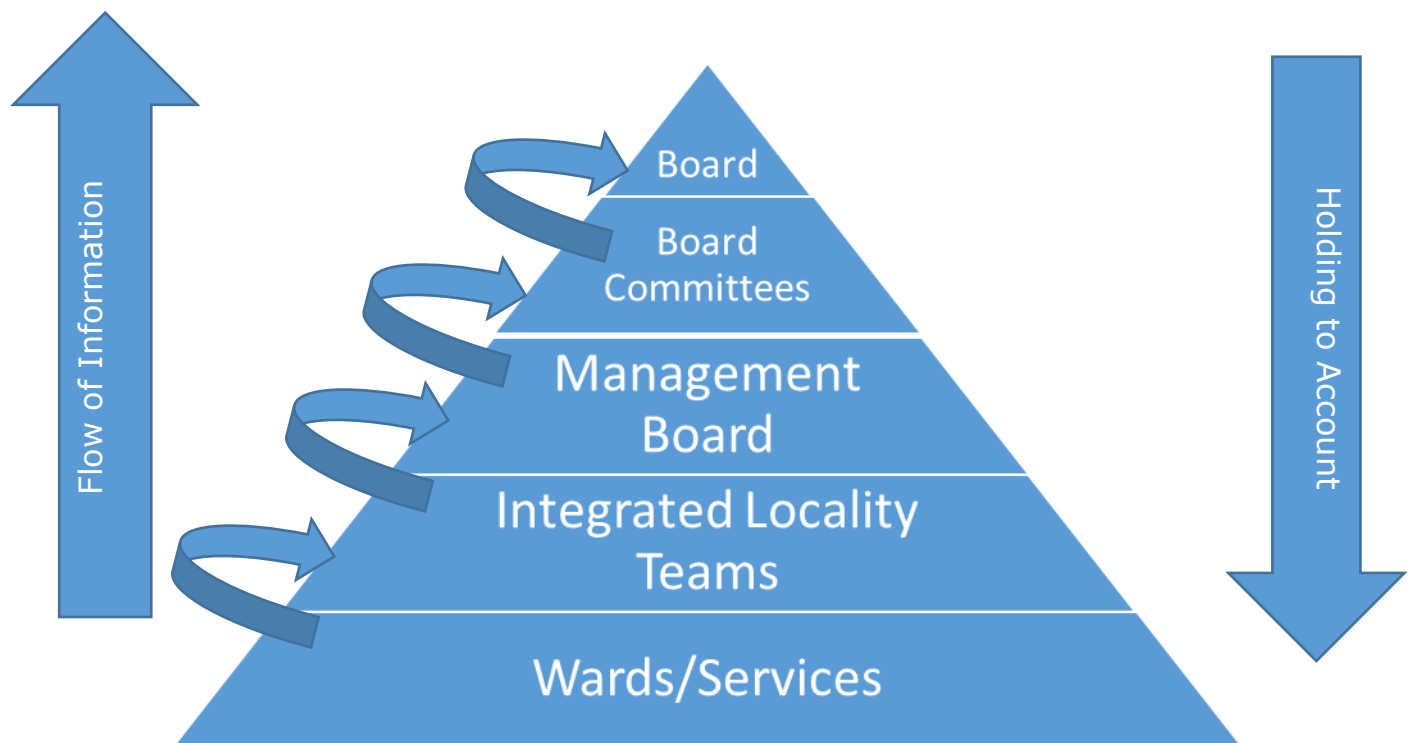
The Executive meet more formally with the wider leadership management group monthly in the *Management Board* which is the executive discussion, development, performance management and decision making forum. It has strong links to all relevant governance forums inside and outside the organisation.

Monitoring quality and performance information occurs at all levels of the uHB to provide *ward / team to Board* reporting. Performance, risk and incident reports are received at each Management Board meeting, providing the Management Board with oversight that the

uHB is meeting internal and external targets for quality and performance. They are also the mechanisms for identifying under performance and documenting exception reports and action plans. These are reviewed by the Board and the Audit Committee, both of which may delegate actions to other committees and meetings as appropriate.

Processes for monitoring performance, managing risk, receiving assurance and escalating concerns are outlined below. These processes commence at team level, with assurance and escalation of risk managed as appropriate through to Board level. The diagram below demonstrates the route assurance and escalation takes in the Health Board.

2.2.2 Assurance & Escalation



2.2.3 Wellbeing of Future Generations Act 2015

The Wellbeing of Future Generations Act (2015) requires all public bodies to demonstrate that we are improving social, economic and environmental wellbeing, whilst also looking to the future, planning for the long term and ensuring that we don't compromise the ability of future generations to be able to do the same. This is called sustainable development.

Welsh Government has set out 7 Wellbeing Goals:

1. A prosperous Wales
2. A resilient Wales
3. A healthier Wales
4. A more equal Wales
5. A Wales of cohesive communities
6. A Wales of vibrant culture and thriving Welsh language
7. A globally responsible Wales

The University Health Board, in partnership with other public bodies and stakeholders, will have to demonstrate how we are contributing to these goals and follow 5 Sustainable Development principles namely:

1. Long term
2. Integration
3. Collaboration
4. Involvement and
5. Prevention

The UHB approach will be included within the refreshed IMTP for 2020/2023 to its submission at the end of March 2020.

3. RISKS

The Risk Management Strategy is a fundamental and integral element of the BAF. A revised Risk Management Strategy is being developed to ensure cohesion and consistency across all elements of achieving the Objectives set by the Board in the IMTP.

Risks are identified, logged (via Datix) and managed/mitigated at the appropriate level of the organisation in line with the Health Board's current Risk Strategy and Policy. The highest level risks are reported to the Board at every meeting for scrutiny and assurance, after having been considered by the Management Board. Following Management Board consideration, a relevant 'assuring committee' will be assigned the risk who are then responsible for scrutinising the risks and management/mitigating action and in turn, assure the Board that the risks identified are being managed effectively to minimise any impact or reduce the likelihood of occurrence.

3.1 Identifying the risks of achieving UHB objectives

Against each organisational objective, there will need to be an assessment of the principal risks of achievement **prospectively** as an integral aspect of the Board's planning processes.

Approval of the UHB IMTP and any related operational / delivery plans will also align to the UHB's risk appetite and the ways by which the objectives will be delivered. The appetite being indicated as a target risk score.

The BAF will be updated regularly to reflect the periodic review of Corporate, System and Locality risk registers (to reflect the new Operating Model Structure) – exception reports will be focussed on deviation from agreed acceptable risk for consideration by management and the relevant assuring Board Committee.

The process by which risks are considered for inclusion in the Corporate Risk Register (i.e. only the highest level risks) is set out in the UHB's Risk Management Strategy, the risk scores of which are assessed and determined following consideration by the Executive Team or Management Board.

Any new risks identified during the year will be assigned against the appropriate organisational objective. The Audit Committee will wish to assure itself that any new risks or significant escalation of risk, were reasonably unforeseen at the start of the year.

In line with current arrangements, each principal risk on the Corporate Risk Register is designated to a Board Committee which has responsibility on behalf of the Board to seek assurance that those risks are being managed in accordance with the agreed risk appetite and action plans.

3.2 System of Internal Control

Governance and Assurance systems and processes are in place to support an effective system of internal control. Examples of control mechanisms include;

- **Standing Orders**

The Standing Orders for the Board are adopted from the Welsh Government Model Standing Orders for Health Boards in Wales and are reviewed and revised annually.

- **Standing Financial Instructions**

Standing Financial Instructions are maintained to protect the use of public money. And are incorporated in Standing Orders.

- **Board Assurance Framework**

The Board Assurance Framework enables the Board to set out a Framework of systems, processes and sources of internal and external assurances from which it can assure itself that the Health Board is delivering its strategic priorities and is compliant with regulatory requirements. The Framework draws on evidence from the work of the Board committees, as well as internal and external sources. The Framework is updated regularly and reflects the risks identified within the corporate risk register. The Assurance Framework also relies on detailed scrutiny at the Audit Committee on the effectiveness of the system of internal control, whose attendees includes both internal and external auditors.

- **The Risk Register**

The Health Board has a Risk Management Strategy and Policy in place (and is being updated in line with the revised BAF) for the identification and management of risks. The Risk Register is updated by the Management Board on a monthly basis and approved by the Audit Committee and Board at each meeting.

- **Reporting to the Board**

All committees of the Board provide a key issues report to the next meeting of the Board. Reporting and assurance is being reviewed and updated to ensure clear, highlights are reported to Board on matters for escalation, assurance and information.

- **Board Committees: Terms of Reference**

The terms of reference for each committee are reviewed annually by the committee, amendments recommended by the Committee are then subsequently approved by the Board.

- **Annual Business Cycle for the work of each Board Committee**

Each Board Committee produces and reviews at each meeting, a plan for the committee business for the year to ensure it delivers on the delegations awarded by the Board to the Committee.

- **Transparency & Openness**

The Board holds all its meetings in public. The minutes and reports of each of the Board Committees are received in public session. Agendas, minutes and papers are published on the uHB's public website.

In line with the Health Board's Freedom of Information Publication Scheme, only items where it is essential to include matters of a 'commercial in confidence', 'draft' reports or 'personally identifiable' nature, is a private (In-Committee) part of the Board meeting convened.

- **Annual Report, Accounts & Annual Quality Statement**

The University Health Board produces its annual reports and accounts each year, including an Annual Governance Statement and Annual Quality Statement.

- **Integrated Medium Term Plan (IMTP)**

The uHB maintains an up to date three year IMTP. The plan puts in place a clear set of strategic priorities. The uHB is currently delivering an approved IMTP.

The IMTP and underpinning operational plans describe the actions and processes to ensure delivery of objectives and the controls in place to manage risk.

These controls are wide-ranging from operational plans, project management, policies, procedures, financial management, quality and safety processes etc. to ensure that systems are in place and that staff are equipped to deliver an effective and consistent outcome.

Often there may need to be multiple controls in place to mitigate risk and some controls will also manage more than one risk.

It must be accepted that there is not always a neat framework and even if controls are in place, consideration needs to be given as to how effective they are and whether it is better to have a smaller number of key controls rather than multiple controls that no-one is properly following as this might give a false impression on the level of assurance.

One of the key challenges for the Board is to decide on those controls that it considers are most important and ensure there is a system in place to gain assurance about the effectiveness of the operation of these controls.

3.3 Sources of Assurance

The Board needs to assure itself that controls are effective to manage the principal risks.

A good system will bring together and triangulate internal and external assurance sources and should also be a combination of quantitative and qualitative information. The information included within the routine Board Performance report is a fundamental tool in this process, fully aligned through an integrated performance dashboard.

Whilst this is the agreed direction of travel, for now, the performance report will be supplemented by other internal and external sources. The further development of a BAF for CTMuHB will be to conduct an assurance mapping exercise to identify areas where sources of assurance can be enhanced, or better focused. This will assist the intelligence to develop the Internal Audit Plan in future years and other interventions to provide a broad range of assurance across the Health Board. The gaps in assurances subsequently identified will be highlighted in the Board Assurance Framework. Where there are gaps in assurance, further controls will need to be identified.

When there is a lack of evidence from current sources of information, this will be critical in determining the future work programmes of internal and clinical audit so resources are directed appropriately.

For each HB objective, the assurance will come from a variety of internal and external sources. These external sources are extremely important and it is essential that the Board (or relevant Committee) is aware of all sources of such information from regulatory or inspection bodies and are sighted on their conclusions.

Potential (but not exhaustive) sources of assurance include:

Internal Sources	External Sources
<ul style="list-style-type: none"> • Patient Experience Reports/Surveys • Site Visits • Local Clinical Audits • Integrated Performance Reports • Concerns/Compliments Reports 	<ul style="list-style-type: none"> • Wales Audit Office reports • Welsh Risk Pool Assessment reports • Healthcare Inspectorate Wales reports • Community Health Council visits • Feedback from healthcare and third

<ul style="list-style-type: none"> • Incident reporting (inc. serious incidents) • Targeted Intervention/Special Measures Maturity Matrices • Deep Dives • Workforce information • Staff Surveys • Benchmarking • Internal Audit • Board & Committee reports • Committee Highlight Reports & Minutes • Quarterly progress reports with implementation of IMTP • Local counter fraud work • Board Member Patient Safety Walkabouts • Results of internal investigations • Whistle blowing • Infection control reports • Compliance against legislation (e.g. Mental Health Act, Health & Safety, Fire Safety, Data Protection, Welsh Language, Equality Duty, Employment law) 	<ul style="list-style-type: none"> • sector partners • Royal College visit reports • Deanery visit reports • Regulatory, licensing and inspection bodies (HSE/HIW/MHRA/HTA etc) • External benchmarking and statistics • Public Service Ombudsman referrals • Commissioner Referrals Upheld/Fines (ICO/YPC/OPC/WLC) • HM Coroner Regulation 28 reports • Accreditation schemes • National Clinical Audits • Peer reviews • Population Health information • Feedback from service users • Local/Regional networks (eg cancer networks) • AM/MP/Local Authority Feedback • Investors in People • Welsh Government feedback (JET/TI/Special Measures) • IMSOP Reports (Special Measures) • Welsh Government Joint Escalation & Intervention Status
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3.4 Reporting and Public Disclosure Documents

Organisational risks will be presented at each Board meeting for regular review. Exception reports from service or locality will be presented to the Audit & Risk Committee routinely (either directly or via an assurance sub group) and be used, along with the Datix Risk module, to inform the development and review of the Organisational Risk Register.

The Board Assurance Framework is summarised in appendix A.