

**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	24 June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Board Assurance Framework – Progress to date
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Steve Moore, Chief Executive Officer
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Board Secretary Charlotte Beare, Head of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The purpose of this report is to provide an update on the work being undertaken to further develop the Board Assurance Framework (BAF) and align it to the Health Board's strategic objectives. It sets out the purpose of a BAF, the recent work undertaken to identify the principal risks and principal risk owners to align the BAF to our strategic objectives, the proposed process (which is likely to evolve), and the role of the Board and Committees.

Cefndir / Background

The BAF will enable the Board to focus on those risks which may compromise the achievement of strategic objectives. The BAF will provide a structure and process to enable the organisation to focus on its principal risks. It will also highlight any key controls that have been put in place to manage the risk, sources of evidence or assurance, and any gaps requiring further action.

The BAF is more than a risk register as it provides evidence through 'assurance' on the achievement of the Health Board's strategic objectives. It should support effective decision-making and inform Board agendas in addition to providing assurance on the system of internal control.

Executive Directors and Independent Members require satisfaction that, whatever the particular strategic context the organisation faces, it delivers on its strategic objectives and manages risk without losing sight of maintaining the quality and safety of services through the organisation. Although Boards are not responsible for directly delivering strategy and managing risks, they do retain overall responsibility for all decisions. They should regularly test and challenge their current understanding of the internal and external environment within which they operate, and ensure they have the right processes in place to horizon scan and capture risks to provide with confidence that the Board is fully sighted on its key strategic risks. Having robust and proportionate assurance arrangements in place is a highly effective means of providing that comfort to the Board, and directing scarce resource investment, such as time, effort and money into assurance activities.

An effective Board Assurance Framework will:

- Provide timely and reliable information on the effectiveness of the management of major strategic risks and significant control issues
- Facilitate escalation of risk and control issues, requiring visibility and attention by senior management, by providing a cohesive and comprehensive view of assurance across the risk environment
- Provide an opportunity to identify gaps in assurance needs that are vital to the organisation, and to plug them (including using internal audit) in a timely, efficient and effective manner
- Help to raise organisational understanding of its risk profile, and strengthen accountability and clarity of ownership of controls and assurance thereon, avoiding duplication or overlap
- Provide performance information regarding current achievement and key milestones and targets
- Provide critical supporting evidence for the production of the Annual Governance Statement
- Help to clarify, rationalise and consolidate multiple assurance inputs, providing greater oversight of assurance activities for the Board/Audit & Risk Assurance Committee in line with the risk appetite
- Facilitate improved use of assurance skills and resources
- Inform Board and Committee agendas, particularly where the largest gaps are perceived to exist either in relation to confidence with the current position or achievement against the strategic objectives

Asesiad / Assessment

At any given time, the Board is required to have knowledge of the current state of progress with regard to its strategic objectives. Whilst there will always be levels of uncertainty, the Board needs to be assured, either positively or negatively, as to what is feasible and practicable regarding the delivery of its objectives.

The following components and processes must be in place for the Board to receive the necessary assurances:

- **Objectives** (strategic/directorate) must be clear and measurable. Other components of governance cannot function effectively or efficiently unless these clear objectives and associated success measures are in place;
- **Controls** (policies, procedures, structures, staffing, etc) should be implemented by management in order to achieve core objectives, taking into consideration known risks to achievement;
- **Performance** against tangible measures of success should be regularly reviewed, with shortfalls/weaknesses identified as a risk to the achievement of objectives;
- **Risks** to the achievement of objectives and individual tangible success measures should be identified. Risks should be assessed and graded in terms of their impact on a particular or specific objective and escalated for consideration against higher objectives as required;
- **Risk management** decisions should be taken in light of risk appetite, risk tolerance, and the cumulative impact and likelihood of any or all of the risks threatening achievement of a single objective;
- **Action** should be taken in response to risk, including additions or amendments to the control framework.

Once these components and processes of governance have been embedded effectively, the Board is required to be reliably assured that each component is operating effectively within an

overall framework. The Board will also be required to identify the specific output from this process in relation to each strategic objective.

The Health Board has had a BAF in place for a number of years, however this has focussed on operational objectives (Delivery of Annual Plan), as opposed to strategic objectives. Audit Wales (AW) have consistently reported that the Health Board has a well-developed BAF, which clearly sets out the controls in place, the sources of assurance, where gaps in assurance exist, and a set of performance indicators that are used to measure progress. In its 2019 structured assessment, AW recognised that the Health Board is currently exploring ways in which the BAF can be updated to support the implementation of the strategy from 2020 onwards. This work was delayed due to COVID-19 and the refresh of the Health Board's strategic objectives.

During April and May 2021, separate workshops were held in respect of each of the 6 strategic objectives. These were chaired by the Chief Executive Officer (CEO) or Deputy CEO with invited members of the Executive Team, i.e. those who were the named lead for the planning objectives within each strategic objective. The objective of each of these workshops was to identify the principal risks to achieving each of the strategic objectives and the principal risk owners for these risks. The 18 principal risk descriptions and risk owners are at Appendix 1. Work is currently being undertaken by risk owners and their teams to identify the controls, assurances, and gaps in controls.

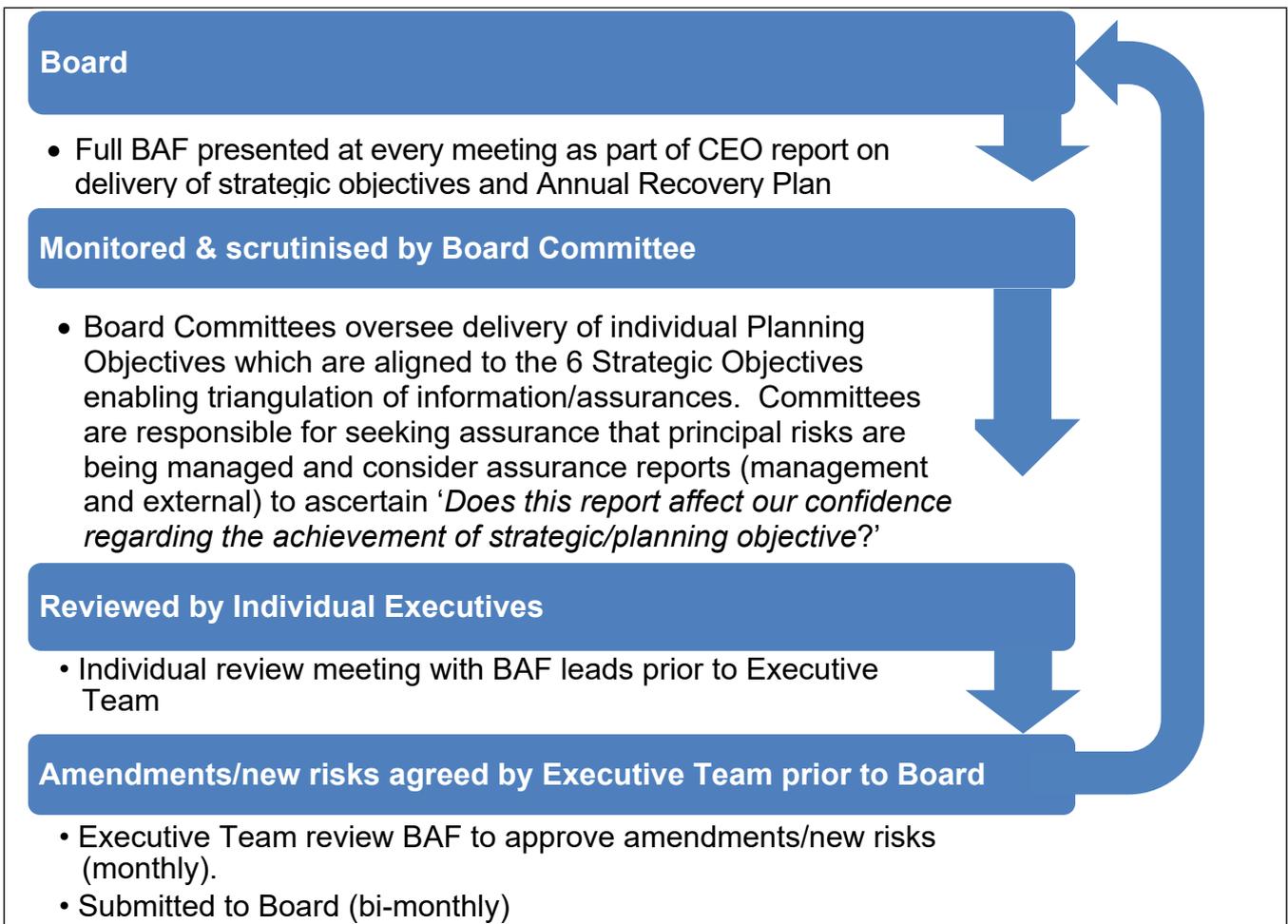
The Performance Team have utilised the outputs of the BAF workshops to help shape the draft primary and secondary measures. These strategic Board performance measures will be used to provide an understanding of the current state across all 6 strategic objectives, and an understanding of quality across the system. These set of small measures, when agreed, will create an opportunity for leaders, committees, etc. to drill down further to understand specific performance challenges or successes and to identify strategic opportunities for improvement. The principles to selecting the Board measures include:

- Measures that are important in driving towards our strategic objectives and outcomes and have a clear line of sight to the strategic objectives.
- Measures need to be relatively simple to understand, measure, and obtain in a timely way. With the new focus on Statistical Process Control (SPC) charts where possible, measures should have data available monthly or quarterly, and electronically.
- Measures need to be useful to drive improved performance.
- Measures can be applicable across multiple services and settings of care.
- A balance of personal measures, which capture outcomes desired for our staff and patients, health board measures and system measures.
- A focus on the key domains of quality: Safe, Timely, Equitable, Patient – centeredness, Efficiency, Equity.
- Measures consider the risks identified.

The performance and governance teams will continue to work collaboratively to develop an improved, robust and meaningful report, which records the Board's confidence in the achievement of each strategic objective at a given point in time, given all the information that has been made available to them.

The proposed process

The BAF will be reviewed and presented to the Board and Committees as follows:



It is anticipated that this process will evolve and develop over time.

The role of Board

The Board is responsible for agreeing strategic objectives and reviewing its achievement against these objectives, and using BAF as a dynamic tool to drive the board agenda (areas of concern/risks, new assurances, previous challenges re risks/assurances). It should review the principal risks set out in the BAF, and those risks above tolerance in the risk categories for which the Board has agreed the lowest risk tolerance. The Board should decide what level of risk is acceptable.

Boards should focus their attention on significant risks to the achievement of strategic objectives and areas where they have little confidence in the assurances being provided to them, or where their Committees have identified and advised of weaknesses in the assurances being provided.

The role of Board Committees

Each strategic objective has been aligned to a Board level Committee as follows:

Strategic Objective		Board Committee
1	Putting people at the heart of everything we do	People, Culture and Organisational Development Committee
2	Working together to be the best we can be	People, Culture and Organisational Development Committee
3	Striving to deliver and develop excellent services	People, Culture and Organisational Development Committee

4	The best health and well-being for our individuals, families and our communities	Strategic Development and Operational Delivery Committee or Sustainable Resources and Operational Delivery Committee
5	Safe, sustainable, accessible and kind care	Strategic Development and Operational Delivery Committee
6	Sustainable use of resources	Sustainable Resources and Operational Delivery Committee

It will be the role of Committee to seek assurance that risks associated with delivery of the strategic objective are being managed in accordance with the agreed risk appetite and tolerance levels and agreed action plans. The Board will also delegate part of its role of scrutiny of assurances and performance to its Committees to make the most of appropriate and efficient use of expertise. This will also enable the Board to place greater reliance on assurances if they are confident that they have been robustly scrutinised by one of its Committees and provide them with greater confidence about the likely achievement of strategic objectives and providing a sound basis for decision-making. The role of Executive Directors (Risk Owners) will be to provide assurance that planning objectives are being delivered, risks are being managed effectively and efficiently, assurance systems are in place, performance measures are being monitored, and corrective action is being taken when triggers are met.

It is the role of Committees to challenge where assurances in respect of any component are missing or inadequate. Any gaps should be escalated to the Board.

The role of Quality, Safety and Experience Assurance Committee (QSEAC)

The QSEAC will oversee and scrutinise measures related to harm and ascertain whether these are improving with the development of our strategic objectives.

The role of Audit and Risk Assurance Committee (ARAC)

ARAC has oversight, on behalf of the Board on:

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

It is not ARAC's role to discuss risk scoring or content but to focus on whether the BAF meets the Board's needs and whether the most significant risks and assurance arrangements are captured. From 2021/22, the Internal Audit Plan will include an annual review of the Health Board's risk management and BAF arrangements.

ARAC will also agree the Internal Audit Plan and ensure it is aligned to the BAF, e.g., where risks have limited sources of assurance, review of significant risks and review risks that have been reduced to check controls are in place and working effectively. ARAC can monitor the assurance environment and challenge the build-up of assurance on the management of key risks throughout the year.

ARAC will examine the arrangements implemented to provide comprehensive and reliable assurance. These arrangements should be monitored throughout the year to ensure that sufficient assurance is being planned and delivered to avoid surprises and to enable early decisions and action to be taken on risk and control issues.

ARAC will also ensure that the Internal Audit Plan is aligned to the BAF and Corporate Risk Register.

Transformation Steering Group (TSG)

In support of the Board Assurance Framework, the Group will consider data collection requirements and, where possible, propose solutions to be examined further by the Executive Team. The resulting outputs will provide a 'continuous discovery' approach allowing the Board to receive the most up to date relevant local, regional, national and global information – this will assist the Health Board planning and decision-making process.

The role of Executive Team

Responsibility for populating and updating the BAF sits with the Executive Team, as does the responsibility for the identification, assessment and management of risks. Executive Directors are responsible for identifying the assurance need, establishing how the assurance need will be met, assessing whether there are any assurance gaps or overlaps, deciding how assurance gaps can best be filled, and whether arrangements will provide the sufficient, relevant, reliable assurance that is required.

The Executive Team will review the Board Assurance Framework at its formal monthly Executive Team meeting to ensure that principal risks are being managed appropriately and gaps in controls and assurance are being addressed.

BAF Reporting

It is proposed that BAF reporting to the Board will commence in September 2021 to allow for the new Committee structure to be developed and implemented, and for further work to be undertaken to develop the risks, assurance and measures.

Argymhelliad / Recommendation

The Board is requested to:

- Agree the above approach to managing the BAF.
- Recognise next steps.
- Note the principal risks that have been identified to date.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s): Hyperlink to NHS Wales Health & Care Standards	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives: Hyperlink to HDdUHB Strategic Objectives	All Strategic Objectives are applicable

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable
---	--------------------

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Good Governance Institute Institute of Risk Management HM Treasury Assurance Frameworks
Rhestr Termau: Glossary of Terms:	Contained within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Executive Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	A sound system of internal control, including financial risk management, enacts robust financial control, safeguards public funds and the Health Board's assets.
Ansawdd / Gofal Claf: Quality / Patient Care:	Effective risk management identifies risks which can have an impact on quality and safety.
Gweithlu: Workforce:	Effective risk management identifies risks which can have an impact on the workforce.
Risg: Risk:	Without a robust process in place for managing and mitigating its risks, there is a potential for the Board to be unaware of its key risks.
Cyfreithiol: Legal:	Proactive risk management including learning from incidents and events contributes towards reducing/eliminating recurrence of risk materialising and mitigates against any possible legal claim with a financial impact.
Enw Da: Reputational:	Poor risk management could affect the reputation of the organisation and reduce confidence of stakeholders.
Gyfrinachedd: Privacy:	No direct impacts.
Cydraddoldeb: Equality:	<ul style="list-style-type: none"> • Has EqIA screening been undertaken? No • Has a full EqIA been undertaken? No

Appendix 1

Strategic Objective 1 – Putting people at the heart of everything we do

SO1.1	There is a risk...	that the Health Board will not be able to measure whether the transformational changes it is investing in are improving the experience for our workforce and the delivery of care, and will enable it to meet or exceed patient and families expectations.
	This is caused by...	the lack of an effective, systematic way to engage with and capture feedback from our workforce and patients across the breadth of our services.
	This could lead to an impact/effect on...	poor patient experience, lost opportunities and inability to offer patients and staff a great experience.
	Risk Owner	Mandy Rayani
	Strategic objectives	1
SO1.2	There is a risk...	the Health Board does not design and deliver services that take in the views of the population.
	This is caused by...	a lack of a systematic approach and capacity, capability and willingness, including awareness and understanding, within all levels of the workforce to undertake consistent and meaningful engagement with the Hywel Dda population.
	This could lead to an impact/effect on...	poorly designed services, lack of improvement in patient outcomes and experience, lack of improvement in performance, reduction of public confidence, increased scrutiny from media, regulators and WG and potential judicial review.
	Risk Owner	Lee Davies
	Strategic objectives	1 but may fit better elsewhere or be applicable to more SOs
SO1.3	There is a risk that...	staff within Hywel Dda do not have the space, time and support to develop the right skills to deliver what we need to do now and to deliver its strategic vision to improve the overall experience of patients and staff within Hywel Dda.
	This is caused by...	gaps in the workforce created by a lack of clinical (medical, nursing and therapies) staff with the right skills and values in the market, demography (aging workforce), geography, lack of commissioned places from HEIW, inconsistent or poor systems and processes, lack of comprehensive clinical education programme, lack of accommodation and capacity to deliver training and development, suitable office space and inadequate career development framework.
	This could lead to an impact/effect on...	our ability to recruit new staff, retain and develop current staff, improve the well-being of our staff, to improve of service delivery and access to timely care.
	Risk Owner	Lisa Gostling
	Strategic Objective	1 (but also links with SO2)

Strategic Objective 2 – Working together to be the best we can be

SO2.1	This a risk that...	the Health Board does not have a strong enough reputation to attract people and partners to come and work with us
	This caused by...	the fragility of our services, the lack of understanding and buy-in to the Health Board's mission, geography, and Terms and Conditions of national contract of employment.
	This could lead to an impact/effect on...	our inability to recruit, retain and develop the best people, not realising the benefits of local support for Hywel Dda charity, and reduced confidence from stakeholders.
	Risk Owner	Steve Moore
	Strategic Objective	2
SO2.2	This a risk that...	the Health Board is not effectively leveraging within our partnerships (and carers).
	This caused by...	A lack of clarity about what we want to achieve together.
	This could lead to an impact/effect on...	the Health Board missing out on opportunities, duplication of effort as various partnerships not streamlined, and not realising the shared value/benefits of achieving more together than as separate entities.
	Risk Owner	Ros Jervis
	Strategic Objective	2
SO3.1	There is a risk...	services fail to learn, innovate and improve to a sufficient level in a timely manner.
	This is caused by...	a culture that does not facilitate learning, innovation and improvement.
	This could lead to an impact/effect on...	Services failing to see evidence of continuous improvement.
	Risk Owner	Steve Moore
	Strategic Objective	3

Strategic Objective 3 – Striving to deliver and develop excellent services

SO3.2	There is a risk...	that the workforce are not enabled to engage and contribute in the ambition to strive for the delivery of excellence
	This is caused by...	the approach developed under 'Improving Together' is not being sufficiently well-developed with insufficient resource applied to support the rollout across the organisation. This includes ensuring that the approach is widely adopted (mindset); that skills are developed across the organisation to implement the approach (skillset) and that the systems required to support the rollout are implemented (toolset).
	This could lead to an impact/effect on...	inability to improve recruitment and retention of the workforce, staff morale, poor patient experience or harm, poorer value healthcare and reduction of confidence from our stakeholders.
	Risk Owner	Huw Thomas
	Strategic Objective	3

SO3.3	There is a risk...	that the Health Board lacks consistent ambition for our services.
	This is caused by...	an underestimation of excellence by the Health Board.
	This could lead to an impact/effect on...	the relative deterioration in the quality of our services in the future, inability to improve recruitment and retention of the workforce, staff morale, poor patient experience or harm, poorer value healthcare and reduction of confidence from our stakeholders.
	Risk Owner	Phil Kloer
	Strategic Objective	3

Strategic Objective 4 – The best health and well-being for our individuals, families and our communities

SO4.1	There is a risk...	that the Health Board sets the wrong value for best health and well-being for individuals and communities.
	This is caused by...	seeing health and well-being through the NHS lens, using incorrect measures, not engaging with individuals and communities, and under and/or over-estimating potential for best health and well-being.
	This could lead to an impact/effect on...	the direction and strategy set by the Health Board, poorly designed services that do not improve outcomes for individuals and communities.
	Risk Owner	Phil Kloer
	Strategic Objective	4
SO4.2	There is a risk...	that the Health Board broadens or fails to address health inequalities within our community.
	This is caused by...	a lack of understanding or consideration of the health inequalities that are across our communities when redesigning services.
	This could lead to an impact/effect on...	the most disadvantaged within our community continue to have poorer or worse outcomes from service changes.
	Risk Owner	Ros Jervis
	Strategic Objective	4
SO4.3	There is a risk...	the Health Board will be unable to increase uptake and access to public health interventions (such as vaccinations and immunisations, screening, smoking cessation programmes).
	This is caused by...	a failure to influence individual and community behaviours to maximum effect.
	This could lead to an impact/effect on...	our ability to improve outcomes for individuals and our population.
	Risk Owner	Ros Jervis
	Strategic Objective	4

Strategic Objective 5 – Safe, sustainable, accessible and kind services

SO5.1	There is a risk...	the Health Board is not able to receive early indications across the breadth of its existing and new services of where they may fall short of being safe as defined by the agreed standards.
	This is caused by...	no comprehensive way of measuring safety aligned to the standards adopted by the Health Board for all the services we provide and commission on behalf of people requiring health care interventions.
	This could lead to an impact/effect on...	on public and patient confidence, organisational reputation, positive patient reported outcomes.
	Risk Owner	Mandy Rayani
	Strategic Objective	5

SO5.2	There is a risk...	that the Health Board is not be able to provide safe, sustainable, accessible and kind services.
	This is caused by...	insufficient investment to ensure we have appropriate equipment, facilities and digital infrastructure of an appropriate standard.
	This could lead to an impact/effect on...	our ability to deliver our strategic objectives, service improvement/development, statutory compliance (ie fire, health and safety) and delivery of day to day patient care.
	Risk Owner	Lee Davies
	Strategic Objective	5

SO5.3	There is a risk...	that the Health Board will not deliver its Healthier Mid and West Wales Strategy.
	This is caused by...	models of care that do not deliver the aspirations of the strategy.
	This could lead to an impact/effect on...	our ability to move care and resources from secondary care settings to the community, to move resources into preventative pathways, and to develop innovative and responsive models of care that are based on latest evidence.
	Risk Owner	Steve Moore
	Strategic Objective	5

Strategic Objective 6 – Sustainable use of resources

SO6.1	There is a risk...	that the Health Board designs and delivers a sub-optimal approach to shifting care in the community.
	This is caused by...	incorrect planning assumptions (workforce, finance, technological, demand/capacity and patient outcomes/experience), constraints to delivery (revenue/capital, environmental and workforce) and partners and population not changing their behaviours.
	This could lead to an impact/effect on...	inefficient services, undeliverable plan and poorer outcomes for the population.
	Risk Owner	Jill Paterson
	Strategic objectives	6
6.2	There is a risk that...	the Health Board does not develop or deliver a credible plan to achieve financial sustainability.
	This is caused by...	insufficient data or intelligence driving theoretical opportunities which cannot be practically delivered by Operational Teams; change programmes are not sufficiently resourced or well-managed; or changes made to services which do not result in financial benefits as they address unmet demand or have unintended consequences.
	This could lead to an impact/effect on...	our inability to deliver financial sustainability which could lead to a resumption of financial turnaround with consequences for retention of the workforce, staff morale, poor patient experience and poorer value healthcare with a reduction of confidence from our stakeholders.
	Risk Owner	Huw Thomas
	Strategic Objective	6
SO6.3	There is a risk...	the Health Board does not maximise the social value it creates through adequately addressing the challenges faced by society as we recover from COVID.
	This is caused by...	decarbonisation, deprivation in our communities and the impact on the environment.
	This could lead to an impact/effect on...	loss of funding opportunities, harm to reputation/loss of stakeholder confidence, long term impact on population health within Hywel Dda and the Health Board not meeting the needs of future generations.
	Risk Owner	Huw Thomas
	Strategic Objective	6