

**TO:** West Gloucestershire Primary Care Trust Board

**FROM:** Assistant Director Corporate Services

**DATE:** 17<sup>th</sup> March 2005

**SUBJECT: BOARD ASSURANCE FRAMEWORK**

## **1.0 PURPOSE**

1.1 To present to the Board the revised Assurance Framework which has now been adapted to take account of the Healthcare Commission's Standards for Better Health.

## **2.0 BACKGROUND**

2.1 All NHS organisations are required to have in place an Assurance Framework that covers the whole organisation at a strategic level and is embedded at Board level. The Assurance Framework supports the annual Statement on Internal Control (SIC). The SIC sets out the accountability for and purpose of the system of internal control and states how the effectiveness of the system is reviewed. Evidence of a fully embedded Assurance Framework is key to the demonstration that the principal risks to the organisation are being dealt with and reviewed on a regular basis.

2.2 The Statement on Internal Control for 2004/05 is likely to be based on 2003/04 Treasury guidance. This will require a full statement (there is no provision for partial statements for 2004/05) to confirm that the Assurance Framework has been in place and embedded for the full year.

2.3 The Board Assurance Framework was originally developed following a number of Board Development sessions in 2003 and the final version for 2003/04 was ratified at the Board meeting in April 2004. Since then the risks identified in the Assurance Framework, together with risks identified from the controls assurance standards baseline assessments, have continued to be reviewed and have been integrated into the PCTs risk register, which supports the Trusts risk management system.

## **3.0 DISCUSSION**

3.1 The Board held a development session on 16<sup>th</sup> December 2004 to review the Assurance Framework and in particular to update it to reflect the 7 domains in the Standards for Better Health:

- Safety
- Clinical and cost effectiveness
- Governance
- Patient focus
- Accessible and responsive care
- Care environment and amenities
- Public health

3.2 Following the above session a report was taken to the Board meeting on 20<sup>th</sup> January 2005 which outlined the revised principal objectives of the PCT. A sample format for the revised framework was also discussed. Following this meeting further work has taken place to integrate the original framework into the revised format and to

further identify risks, controls and assurances (and gaps) against the revised objectives. The Framework, which now identifies Director Leads for each risk area, was subsequently circulated to Directors for comments and further additions, where appropriate. The updated version of the Framework is attached at Annex 1. It should be noted that the Assurance Framework document records the framework at a particular point in time. It needs to be under continual review and should be updated on a regular basis with quarterly reports being brought to the Board.

**4.0 NEXT STEPS**

- 4.1 During 2005/06 there is a need to further develop the Assurance Framework process to ensure its effective integration into the risk management and planning and performance processes, including the PCT Local Delivery Plan. Internal Audit have recently undertaken a review which seeks to establish the degree to which the Trust's Assurance Framework has been developed in line with Department of Health guidance and the extent to which it has been embedded in the organisation's risk management processes and reporting arrangements.
- 4.2 Internal Audit have identified that a particular weakness of the Assurance Framework process to date is that the principal objectives have not been derived from an overall PCT Strategy or Business Plan. In addition the principal objectives have yet to be aligned with the PCTs performance management system. There is also a need to focus on the integration of governance structures within the Trust.
- 4.2 It is recommended that early attention is given to the above in order to provide an overall structure and comprehensive Assurance Framework process which supports and enhances Board decision making, direction and control.

**5.0 RECOMMENDATION**

- 5.1 The Board is asked to approve the Assurance Framework and note the next steps outlined above.