

Trust Board Meeting: Wednesday 12 November 2014

TB2014.131

Title	Annual Review of Assurance Strategy
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Status	For review
History	<p>The Trust Board formally approved the existing Assurance Strategy on 31 July 2012.</p> <p>A review of the strategy was first presented to the Trust Board on 13 November 2013.</p> <p>The current review was presented to the Trust Management Executive on 23 October 2014.</p>

Board Lead(s)	Eileen Walsh Director of Assurance			
Key purpose	Strategy	Assurance	Policy	Performance

Executive Summary

1. This paper provides the results of the annual review of the Assurance Strategy for consideration by the Board. The purpose of the review was to ensure that the existing Assurance Strategy was still valid and to review progress in relation to the implementation of the strategy.
2. The Assurance Strategy contains a detailed set of assurance principles and an indicative summary of the application of these principles within the Trust. This was used as the basis of assessment of implementation of the Assurance Strategy. A summary of the results of this assessment are included in Appendix 1 to this report.
3. The main focus of activity in the last year has been on the following:
 - Building the relationship with Internal Audit;
 - Developing a rolling programme of review of risk registers;
 - Implementing and evaluating Phase One of the Peer Review Programme;
 - The review and submission of supporting evidence in relation to the Quality Governance Framework;
 - The review of the Board Governance Memorandum and collation of supporting evidence, as validated by Internal Audit; and
 - The development of an Assurance Directory to log external accreditation and regulation activities.
4. The Assurance Strategy was fully reviewed and a number of minor changes to the strategy were identified as a result, these amendments were reviewed by the Trust Management Executive on 23 October 2014.

5. Recommendation

The Board is asked to:

- Note the progress made in relation to the development of the Trust's Assurance Strategy; and
- Approve the revised Assurance Strategy as reviewed by the Trust Management Executive.

Assurance Strategy Review

1. Purpose

- 1.1. This paper provides the results of the annual review of the Assurance Strategy for consideration by the Board.

2. Background/ Purpose of Review

- 2.1. The Trust Board reviewed the existing Assurance Strategy on 5 July 2012 and delegated formal approval of the final document to the Chief Executive and Chairman of the Trust. The strategy was formally approved on 31 July 2012. The review section of the strategy sets out the requirement for a formal evaluation of the implementation of the Assurance Strategy on an annual basis.
- 2.2. The purpose of the review was to ensure that the existing Assurance Strategy was still valid and to review progress in relation to the implementation of the strategy.

3. Review Results

- 3.1. The development of a robust risk management process is one of the key elements of a good assurance system. The review of the Assurance Strategy was linked to that of the Risk Management Strategy.
- 3.2. The results of the annual review of the Risk Management Strategy are included in a separate report to this Board Meeting (item TB2014.132). This showed a small positive impact on the Trust's risk maturity over the course of the year. This was in part due to actions linked to the Assurance Strategy.
- 3.3. The Assurance Strategy contains a set of assurance principles and an indicative summary of the application of these principles within the Trust. This was used as the basis of assessment of implementation of the Assurance Strategy. A summary of the results of this assessment are included in Appendix 1 to this report. The results were reviewed and discussed by the Trust Management Executive at its meeting on 23 October 2014.
- 3.4. While this report shows that good progress has been made in relation to the majority of areas, there are some that require further development.
- 3.5. The main focus of activity in the last year has been on the following:
 - Building the relationship with Internal Audit;
 - Developing a rolling programme of review of risk registers;
 - Implementing and evaluating Phase One of the Peer Review Programme;
 - The review and submission of supporting evidence in relation to the Quality Governance Framework;
 - The review of the Board Governance Memorandum and collation of supporting evidence, as validated by Internal Audit; and

- The development of an Assurance Directory to log external accreditation and regulation activities.

3.6. The Assurance Strategy has been fully reviewed as part of this process and a number of minor changes to the strategy were identified as a result. The Trust Management Executive reviewed these amendments on 23 October 2014.

4. Recommendation

4.1 The Board is asked to:

- Note the progress made in relation to the development of the Trust's Assurance Strategy; and
- Approve the revised Assurance Strategy as reviewed by the Trust Management Executive.

Eileen Walsh

Director of Assurance

Prepared by:

Clare Winch, Deputy Director of Assurance

November 2014

Assurance Principle	Application within the Trust
<p><u>Planning to gain assurance</u></p> <p>Overall assurance will only be gained if there is a strategy for obtaining it. The Assurance Strategy should be approved by the Board and the Audit Committee. Supporting processes for obtaining assurance should be embedded into existing processes.</p>	<p>An Assurance Strategy, which reflects the assurance system in operation within the Trust and therefore the supporting processes, has been approved at Board Level after consultation with both the Audit Committee and the Quality Committee. The Assurance Strategy has been prepared to align with the other key strategies – Risk Management Strategy and Quality Strategy.</p> <p>Assurance Directorate 2014 review comments: Above wording is still relevant no further actions required.</p>
<p><u>Making explicit the scope of the assurance boundaries</u></p> <p>To form an overall opinion the scope of the processes need to include the whole of the organisation's governance, risk and performance management lifecycle. Whilst this does not reflect the need to review every risk and internal control it should cover:</p> <p>Assurance on the Risk Management and Performance Management Strategies and how these work in practice (the extent to which line managers review the risks and controls within their responsibility and maintain dynamic risk and performance management arrangements)</p> <p>Assurance on management of risks and controls themselves.</p> <p>Assurance on the adequacy of the assurance processes.</p>	<p>The Assurance Directorate will be responsible for ensuring that there is adequate assurance on the risk management system and the risks / controls themselves.</p> <p>Assurance Directorate 2014 review comments: Above wording is still relevant and the following actions have been taken since the previous review of the strategy in November 2013:</p> <ul style="list-style-type: none"> • Internal Audit review of the systems for managing risk and the Board Assurance Framework (significant assurance opinion provided) • Assurance Directorate internal rolling programme for review of risk registers now in place.
<p><u>Evidence</u></p> <p>The evidence supporting assurance should be sufficient in scope and weight to support the conclusion and be:</p> <ul style="list-style-type: none"> • Relevant • Reliable • Understandable • Free from material misstatement • Neutral / free from bias • Such that another person would reasonably come to the same conclusion 	<p>The Assurance Directorate will define 'what good evidence looks like', ensuring that the details within this principle are adhered to. This has already been undertaken for evidence in support of Care Quality Commission outcomes. A training programme on assurance will be undertaken across the Trust, which will include a session on evidence. The software being used to support the assurance agenda will act as a central repository of evidence, allowing a quality assurance process to be undertaken by the Assurance Directorate in relation to quality of evidence. Any issues identified in this way will be addressed by additional training.</p> <p>Assurance Directorate 2014 review comments: Above wording is still relevant and the following actions have been taken since the previous</p>

Assurance Principle	Application within the Trust
<p>All evidence does not carry the same weight and should be weighted in accordance to independence and relevance. Evidence may be flawed in terms of both quality and quantity, leading to limitations in the assurance that can be provided.</p>	<p>review of the strategy in November 2013:</p> <ul style="list-style-type: none"> • Design, implementation and evaluation of Phase One of the Peer Review Programme. This included the development and delivery of training in relation to 'good evidence' • The co-ordination of Trust responses to various CQC consultations, including the Fit and Proper Person Test, Duty of Candour and changes to regulatory framework / provider handbook.
<p><u>Evaluation</u></p> <p>The objective is to:</p> <ul style="list-style-type: none"> • Evaluate the adequacy of the governance, risk and performance management policies and strategies to achieve their objectives • Evaluate the adequacy of the risk management processes designed to constrain residual risk to the risk appetite • Evaluate the adequacy of the performance management processes to support the achievement of targets and goals • Identify limitations in the evidence provided or in the depth or scope of the reviews undertaken • Identify gaps in control and / or over control and provide the opportunity for continuous improvement • Support the preparation of the Annual Governance Statement 	<p>The independent review of all key areas will be co-ordinated by the Assurance Directorate in conjunction with the Finance Directorate. The Audit Committee will approve the intended approach as put forward by the Assurance Directorate.</p> <p>Gaps and duplications in assurance will be identified by the development of an assurance map, the responsibility for which falls within the remit of the Assurance Directorate. A directory of sources of external assurances will be maintained in accordance with the requirements of the External Reviews Policy. This will populate, in part, the assurance directory, which will also contain internal sources of assurance.</p> <p>Central reviews of evidence will be undertaken by the Assurance Directorate. Training will be provided across the Trust to enable Divisions and Corporate Directorates to be the first line of evidence assessment.</p> <p>Assurance Directorate 2014 review comments: Above wording is still relevant and the following actions have been taken since the previous review of the strategy in November 2013:</p> <ul style="list-style-type: none"> • Full review and submission of evidence in support of the Trust's Quality Governance Memorandum • Full review of the Board Governance Memorandum and supporting evidence, this work was independently validated by Internal Audit. • See comments re Internal Audit review of BAF & CRR • Director of Assurance and Deputy Director of Assurance involved in planning process for Internal Audit Plans. • The Assurance Directory has been developed to include a log of

Assurance Principle	Application within the Trust
	<p><i>external accreditation and regulation activities, internal and external audit reports, Internal Peer Review Reports and external reviews. This will then be expanded to include other internal sources.</i></p>
<p><u>Reviewing and Reporting</u></p> <p>Assurances are reported from many different sources within an organisation and therefore the Assurance Strategy needs to define stages where assurances will be evaluated and opinions reported through the various layers of management to the Trust Board.</p> <p>Assurance opinions need to be reported clearly and worded so as to clearly communicate the scope and criteria used in arriving at those conclusions.</p>	<p>The Assurance Strategy contains the governance structure for the Trust. It makes it clear that assurances for the Trust Board will be assessed in terms of value by the Assurance Directorate. Training and education will be undertaken across the Trust in relation to reporting of assurances.</p> <p><i>Assurance Directorate 2014 review comments: Above wording is not relevant to assurance principle and a revised set of applications is included in the revised Assurance Strategy in Appendix 2.</i></p> <p><i>The following actions have been taken since the previous review of the strategy in November 2013:</i></p> <ul style="list-style-type: none"> • <i>All assurances recorded in the BAF are reviewed and assigned an Assurance Level and this is reported in the BAF.</i> • <i>Assurance gained from the recent CQC Inspection has been fully reported to the appropriate committees of the Trust and action plans are subject to regular monitoring by the Trust Management Executive.</i> • <i>The BAF has been used as the starting point for the production of the Annual Governance Statement; this was compiled and presented to the appropriate committees in a timely manner.</i> • <i>The Deep Dive process of reporting assurance to the Audit Committee has continued to develop.</i> • <i>The data quality assessment process applied to the IPR has been incorporated into the HealthAssure system to allow for improved review and reporting of supporting evidence.</i> <p><i>Due to the proposed changes to the CQC regulatory Framework current reporting from the Trust CQC assurance system have been suspended, a full evaluation of the impact of these changes is planned to commence in November 2014.</i></p>