



TIAN Insight

How good is your BAF?

October 2023



Introduction

Board Assurance Frameworks are a key tool used by NHS bodies to monitor risks to corporate objectives and ensure that the Board receives robust and timely assurance to inform its discussions, decision making and management of risk.

NHS audit teams undertake annual coverage of the adequacy and effectiveness of clients' BAF and Risk Management arrangements as a core part of their Annual Audit Plans.

To help share learning and inform clients about issues identified across the sector, TIAN has undertaken a national benchmarking exercise of the results of internal audit work undertaken in this area during 2022/23.

For 2022/23, whilst most NHS organisations were focused on their own arrangements, many were engaging with their system partners to consider risk management at the system level, shared risks and alignment of risk management arrangements. TIAN will consider shared learning on this as it develops through 2023/24.

Key Findings

Based on our sample comparing 88 NHS organisations from across the country, the key findings are:

- 7% of NHS organisations got a “Limited” overall Head of Internal Audit (HoIA) Annual Opinion for 2022/23 – although this was a lot more common for the new ICBs (23%) than Provider Trusts (4%). Nearly 56% of organisations were given a Significant, Substantial or High Annual Opinion.
- Where a separate assurance opinion was assigned specifically in respect of the organisation's BAF arrangements, 78% were assigned a Significant, Substantial or High assurance opinion.
- The average number of risk entries being monitored by NHS organisations through their BAF is 13 – with 6.1/47% of these entries being assessed as being “High/>15+” risk.

The most common significant audit issues being reported in this area related to

- The need to undertake (and better evidence) regular review of BAFs by the Board and relevant key Committees;
- Improvements required in the identification of gaps in controls and assurances;
- Lack of clarity over risks and also regarding controls and assurances; and
- Weakness in updating content and issues regarding progress being made to address planned actions.

Questions for Audit Committees to Consider

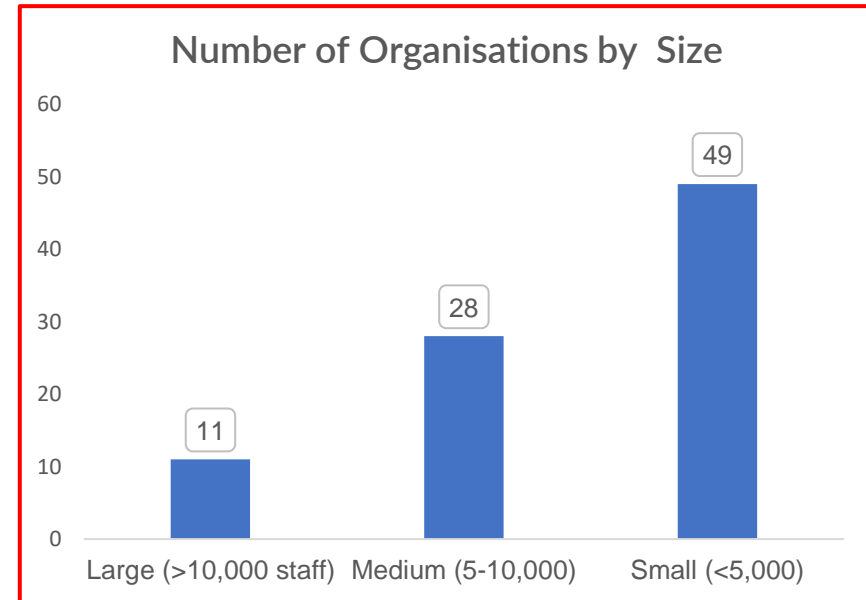
This Insight provides information to support audit committees in reviewing their organisation's BAF processes. It is intended to prompt and inform discussions.

1. Are you assured that actions identified through your internal audit review of your BAF are being progressed as required?
2. Is your BAF regularly reviewed at the Board and other relevant committees?
3. Does your BAF consistently and accurately identify gaps in controls and assurances?
4. Are the risks, controls and assurances documented in your BAF clear?
5. Is your BAF regularly updated to demonstrate progress made on planned actions?
6. Are you considering how shared system risks are being collectively managed?

Detailed Results

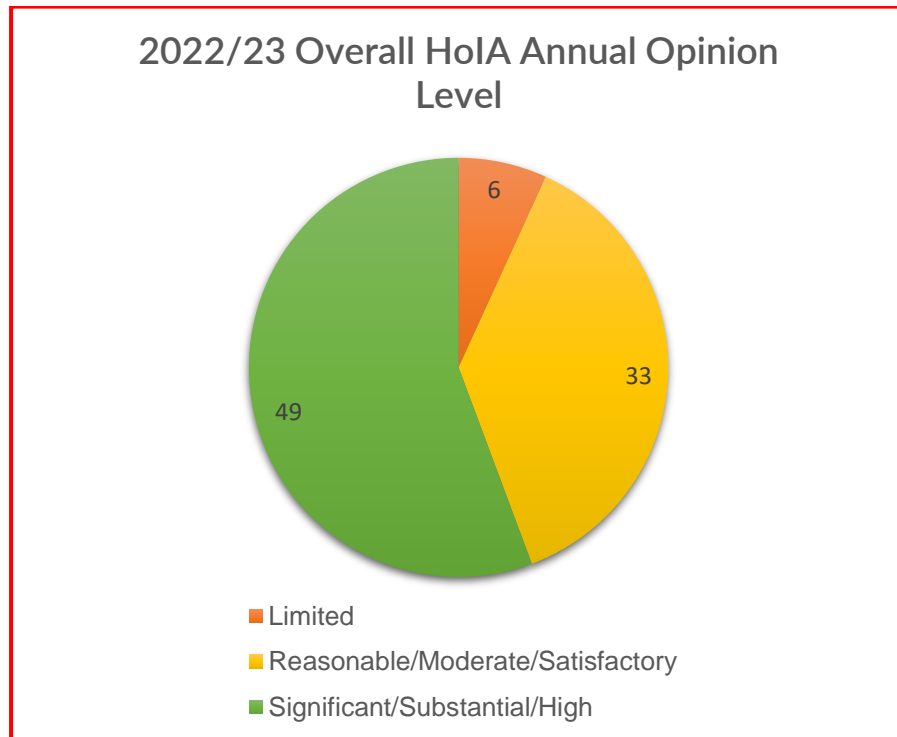
1. Coverage

The 88 NHS organisations included within this analysis are split by size as shown below. Within the population were 75 Provider Trusts (52 Foundation Trusts and 23 NHS Trusts) and 13 Integrated Care Boards (ICBs). The 75 Provider Trusts covered a wide range of services (with many delivering more than one kind of care) such that 65% provide Acute Services, 41% provide Community Services, and 28% deliver Mental Health. The sample also included 3 Ambulance Trusts and 2 which provide elements of Social Care and/or Primary Care.



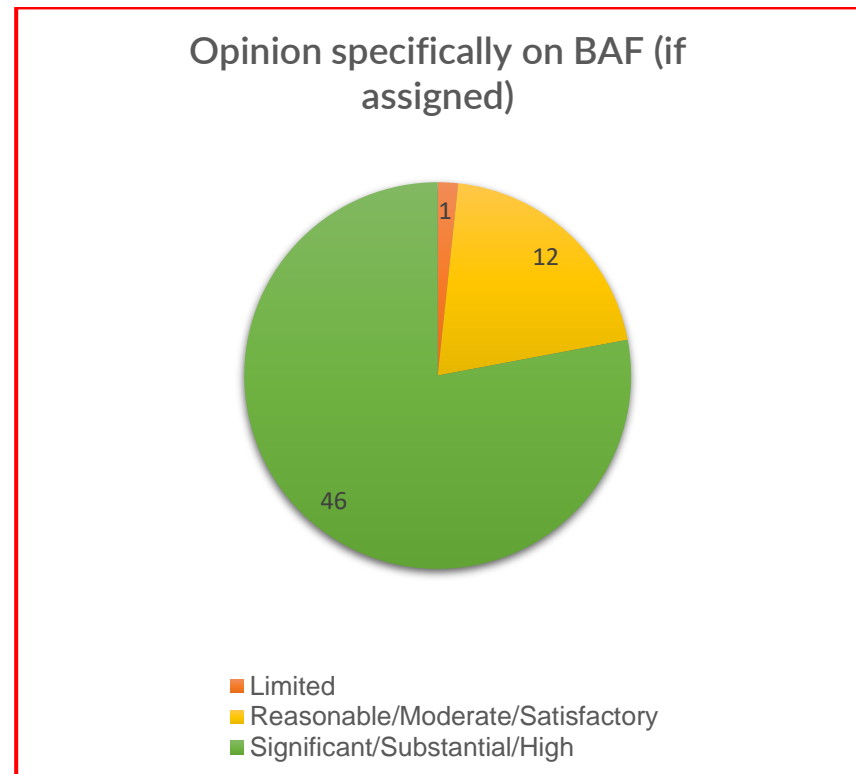
2. Overall HoIA Annual Opinion

7% of the organisations within our population got a “Limited” overall HoIA Annual Opinion for 2022/23 – although this was a lot more common for the newly established ICBs (23%) than for Provider Trusts (4%). As shown below, overall 49 (56%) were given a Significant, Substantial or High overall assurance opinion.



3. Specific Assurance Opinion on BAF & Risk Management

A separate assurance opinion specifically relating to their BAF/Risk Management arrangements was assigned to 59 of the 88 of organisations (67%). Of these only 1 was “Limited”, whilst 46 (78%) were given a Significant, Substantial or High assurance rating.

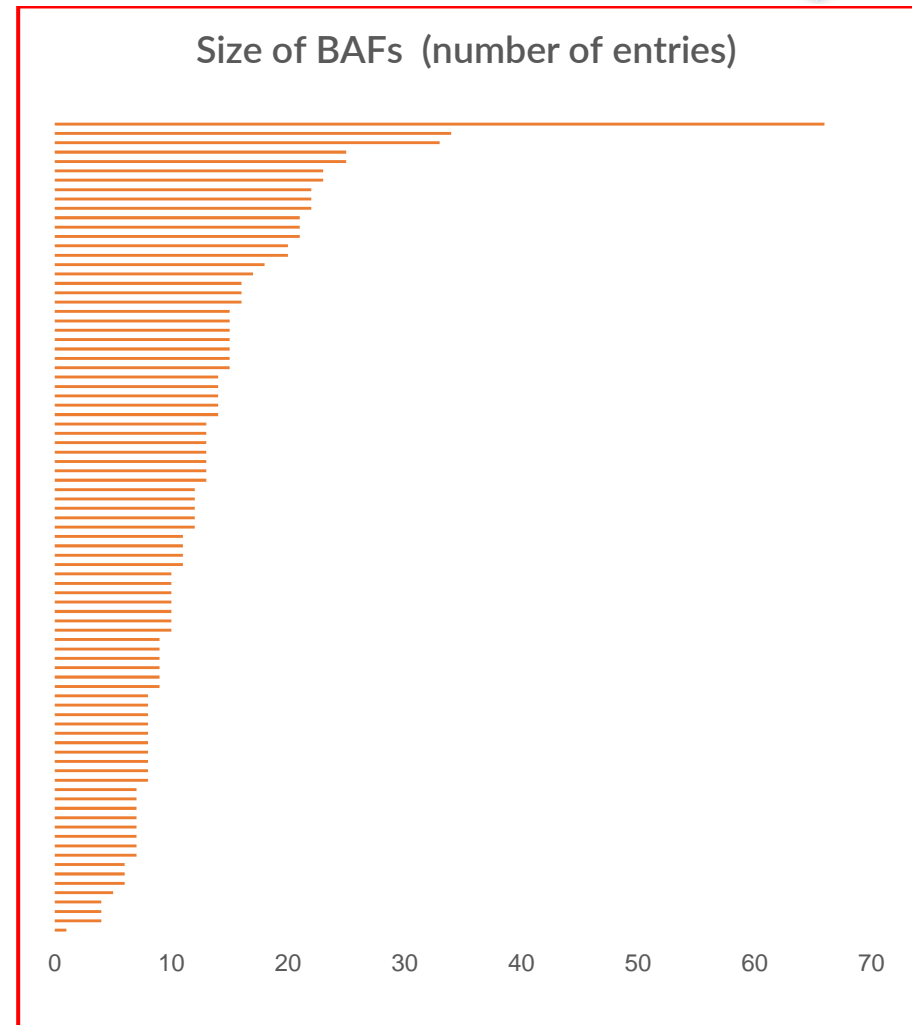


4. Composition of the BAF

The size and risk profile of client's BAFs was compared – with the largest containing 66 risk entries and the smallest only 1. The range of these are shown below. Excluding the 5 highest and 5 lowest outliers the vast majority (over 88%) of organisations are recording between 6 and 23 risks on their BAF.

The overall average number of entries being monitored by NHS organisations through their BAFs is 13 – with the level of these risks being assessed as “High/15+” for 6.1 (47%) risks, whilst 4.7 (36%) were assessed as “Medium/10-15” and 2.2 (17%) are assessed as being “Low/<10” risk.

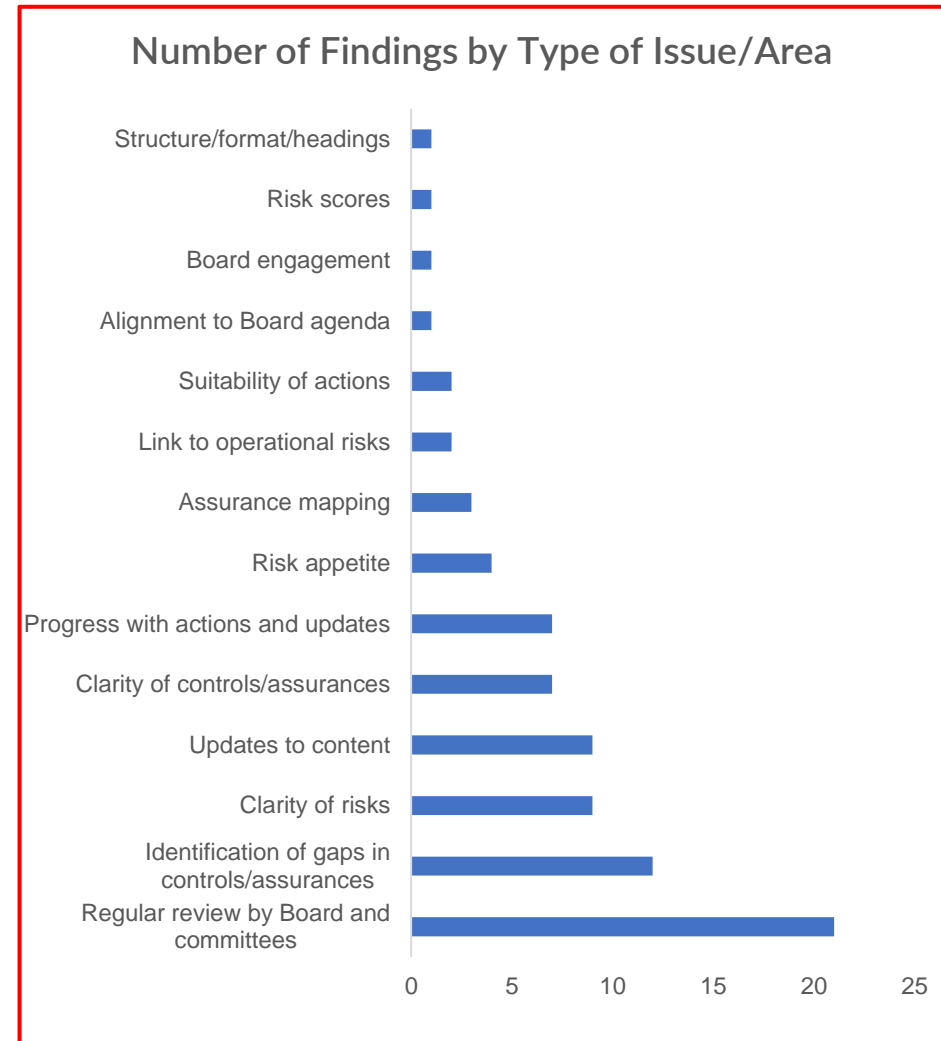
Comparing ICB and Provider BAFs shows that ICBs tend to contain slightly fewer risks on average – 10.92 compared to 13.55.




5. Areas for Improvement

As part of the benchmarking, details of the number and type of audit findings regarding the BAF were obtained and analysed. A total of 219 specific audit findings were identified, with 80 being reported as ‘High’ or ‘Medium’ priority. These 80 findings were made across the areas summarised in Figure 1, with the most common issues relating to:

- The need to undertake (and better evidence) regular review of BAFs by the Board and relevant key Committees;
- Improvements required in the identification of gaps in controls and assurances;
- Lack of clarity over risks and also regarding controls and assurances; and
- Weakness in updating content and issues regarding progress being made to address planned actions.





Find us at: 

Get in touch: To find out more, or if you have feedback on any areas covered in this benchmarking report, please contact your local TIAN team: **Leanne Hawkes, Director of 360 Assurance | M: 07545423040 | E: leanne.hawkes@nhs.net | www.360assurance.co.uk | @360Assurance**