

From the Acting Permanent Secretary
and HSC Acting Chief Executive
Dr Michael McBride



Department of
**Health, Social Services
and Public Safety**

www.dhsspsni.gov.uk

AN ROINN

**Sláinte, Seirbhísí Sóisialta
agus Sábháilteachta Poiblí**

MINISTRE O

**Poustic, Resydenter Heisin
an Fowk Siccar**

To:
Chairs & Chief Executives of all HSC Organisations
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Dear Colleague

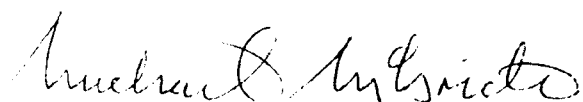
THE ASSURANCE FRAMEWORK

1. Last August, Andrew McCormick wrote to you about some measures that the Department intended to introduce to strengthen assurance within and between DHSSPS and its arm's length bodies. Foremost among them was revision of the guidance on an Assurance Framework, which had been commended to boards in January 2006 as being good governance practice.
2. I am now issuing the updated Framework guidance, this time for mandatory adoption, as of April 2009, by each of the Department's arm's length bodies. In doing so, I would like to remind you of the salient benefits of the Assurance Framework concept. I shall also highlight the main changes to the text of the guidance itself.
3. The job of an arm's length body's board is to exercise control over the activities of the organization and direct it towards the achievement of its approved objectives. In order to do that, boards must have an accurate and balanced view of progress towards those objectives, and of what is standing in the way of their being met. But the majority of board members are non-executive and, for all their abilities or expertise, cannot be expected to possess the detailed operational knowledge that informs the judgement of their executive peers.

4. Most board members therefore need to explicitly satisfy themselves that:
 - the monitoring and decision-making information placed before them is pertinent to the organization's essential business ie that it relates to its key objectives and obligations;
 - it is sufficiently far-reaching, in that it reports also on the adequacy of the controls designed to safeguard progress towards objectives, the validity of the assurances on that point, and that it proposes remedial action where evidence indicates a need for it; and
 - the information is demonstrably reliable – ideally, that it is provided or attested by a disinterested and authoritative source such as internal audit.
5. The Assurance Framework supplies those board requirements. As the name suggests, it provides a firm structure for assessing progress, and risks to progress, across the totality of the organization's corporate objectives. And, in doing so, it supports a Statement on Internal Control that carries even greater weight.
6. Many of you already appreciate that, since your organizations have been relying on the Framework for some time – a fact that we were able to draw on in revising the guidance. (And for those in the new HSC organizations, many of you, too, will be aware that the Assurance Framework is valuable in building board cohesion.) My Departmental colleagues and I would like to take this opportunity of thanking those in the wider HSC for the advice and contributions received in the course of what was a wholly collaborative revision exercise. We are especially grateful for the assistance received from the HSC regional governance network.
7. I have no doubt that you and others in your organization will make a thorough study of the guidance. You will find that its fundamentals remain unaltered, but I would draw your attention to three particular changes in the text:
 - paragraphs 2.5-2.12 describe how a board, and the senior executive team, might go about utilising the Assurance Framework in conjunction with the organization's risk register. The procedure described is not compulsory, but its underlying principles (making the most of managerial insight and experience without fettering the board's scope for decision) must be observed;
 - paragraphs 3.8-3.21 delineate the main fields of accountability to the Department, and set out the broad principles on which those accountabilities will operate. This part of the guidance will be reviewed in light of the Framework Document to be produced under section 5 of the Health & Social Care (Reform) Act (NI) 2009; and
 - Appendix 4 contains anonymized extracts from actual Assurance Frameworks (the original guidance had to content itself with imaginary instances). It will be apparent from the three examples shown that, while the logic of the Framework (objective: risk: control: assurance: report/action) remains intact, the precise format may vary to suit the needs or taste of the individual organization.

- 8 I trust that you, your board, and other interested members of your team will find the new guidance useful in applying the Assurance Framework from 2009-10 onwards. As well as issuing it to yourselves, and as a mark of the importance attached to their rôle, I am sending the guidance direct to each non-executive board member in the Department's arm's length bodies. A copy goes also to the three heads of HSC internal audit.
- 9 If you or other colleagues wish to comment on any aspect of the guidance or its application, either Dean Sullivan or John Allen would be happy to discuss.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael McBride". The signature is written in a cursive style with a large, stylized initial 'M'.

MICHAEL McBRIDE