

Meeting Title	Board of Directors		
Date	12.3.20	Agenda item	Bo.3.20.16

A report from the Audit and Assurance Committee

Presented by	Matthew Horner, Director of Finance		
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Lead Directors	Matthew Horner, Director of Finance		
Purpose of the paper	This paper is to provide the Board of Directors with an overview of the work of the Audit and Assurance Committee in February 2020		
Key control			
Action required	To note		
Background			
The purpose of the Audit and Assurance Committee is to provide an independent and objective view of internal control to Board of Directors and the Accountable Officer. The objective of the Committee is to provide assurance on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control, with a view to enabling the Board to assure itself of the effectiveness of the Trust's risk management system and procedures and its internal controls including business continuity and information technology.			
Key Matters Discussed			
			Level of assurance
1. External Audit			
1.1	Draft Audit Plan 2019/20		
	The Committee discussed the level of materiality and the reporting thresholds advised within the report and considered the two identified risks in terms of their appropriateness.		
2. Audit Yorkshire			
2.1	Internal Audit Progress Report		Level 3 Independent
	The Committee considered the following internal audit reports as described in the progress report: High Assurance -BH/22/2020 – Commissioning for Quality and Innovation (CQUIN). -BH/24/2020 – NICE Guidance. -BH/25/2020 – Duty of Candour. -BH/26/2020 – Central Alert System. Significant Assurance -BH/21/2020 – Procurement. There was one moderate recommendation for broader oversight of procurement processes beyond Finance. -BH/23/2020 – Salary Sacrifice Schemes. There was one moderate recommendation regarding the recovery of car parking permits. -BH/27/2020 – Quality Account. There was one moderate and one minor recommendation to review the tracking and tracing outstanding issues. -BH/28/2020 – Communication Strategy. There were two moderate and one minor recommendation. The communications strategy implementation plan needed to be reviewed and updated with enhanced reporting arrangements put in place. -BH/29/2020 – Patient Safety – Sepsis. There was one moderate and three minor recommendations. The Committee asked that the outcome of the audit was brought to the attention of the Quality Committee for further scrutiny. Limited Assurance -BH/30/2020 – Information Asset Register, with a Limited Assurance opinion and four moderate and		

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	two minor recommendations. The Committee reviewed this report in detail with a management lead present and were informed that the audit was undertaken at the request of the Executive lead to support the development of the register and aligned processes. The Committee requested that the outcome of this report to be included in the Annual Governance Statement	
2.2	Follow up reports	Level 3 Independent
	<p>The Committee noted that there were three outstanding issues from 2017 and 2018, and considered the high/major recommendations with more recently outstanding actions. The Committee requested that it receives formal justification for the delays in implementation from the Executive Leads.</p> <p>The Committee also considered, in detail, an update from the Business Continuity Planning Limited Assurance Report from 2018. The Committee discussed the risk based approach that is being taken and recognised the Trust-wide challenge.</p>	
2.3	Draft Plan 2020/21	
	The Committee reviewed the plan for 20/21 and requested further details of the rationale for the deferment and cancellation of audits not being undertaken as planned. The plan was provisionally approved on this basis	
2.4	Benchmarking report	
	<p>The Committee considered the following three benchmarking reports and requested a management response to each.</p> <ul style="list-style-type: none">- Phishing- Providers BAF- Use of Resources	
3. Counter fraud		
3.1	Progress report	Level 3 Independent
	The Committee noted the report and its recommendation in relation to the process used when patients are entitled to free taxi travel.	
4. Foundation Trust: Financial Governance and associated controls		
<p>The Committee received papers associated with Losses and Special Payments, Procurement Single Tender Waivers and Estate and Facilities Single Tender Waiver. There were no proposed changes to standing orders or suspensions of standing orders or standing financial instructions since the last meeting of the Committee in December.</p> <p>The Committee received the final draft of the revised Standing Financial Instructions and the Scheme of Delegation and recommended approval by the Board of Directors.</p> <p>The Committee received and noted a progress update in relation to the 20/19/20 Annual Accounts.</p>		
5. Foundation Trust: Specific Governance Control Functions		
<p>The Committee reviewed the Board Assurance Framework (BAF) and Strategic Risk Register. The Committee considered the extent to which the understanding and use of the risk appetite is embedded in Board Committees, use the Finance and Performance Committee as an example of good use and understanding of the BAF, the risk appetite and the risk register as a comparator. The Committee acknowledged the progress that has been made in the organisation, but recognised that there were opportunities for change and improvement.</p> <p>The Committee reviewed an oversight report of the Board Committees conduct and activity, alongside their confirmed minutes and the Board Assurance Framework. The Committee requested more information on the report in relation to Committee consideration and challenge of strategic risks. In addition the Committee</p>		

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received a summary of the process that every committee had gone through to complete reports and noted the assurance within them.

The Committee received, as requested a report describing the detail of the assurance in place to support the Trust's compliance with The EPRR (Emergency Preparedness, Resilience and Response) core standards.

6. Audit and Assurance Committee Governance

The Committee reviewed the current Terms of Reference and agreed that they and the work-plan were fit for purpose.

Recommendation

The Board of Directors is requested to note the work of the Audit and Assurance Committee in providing an independent scrutiny of the Foundation Trust's system of internal control.

Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients				g		
To deliver our financial plan and key performance targets			g	(g)		
To be in the top 20% of NHS employers				g		
To be a continually learning organisation				g		
To collaborate effectively with local and regional partners					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors						
Agreed General risk appetite (G)						

Benchmarking implications	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk Implications	Yes	No
Strategic Risk register and/or Board Assurance Framework Amendments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quality implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Resource implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Diversity and Inclusion implications	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Implications	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulation, Legislation and Compliance relevance

NHS Improvement: (please tick those that are relevant)

[illegible]