

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>12.5.22</b>	<b>Agenda item</b>	<b>Bo.5.22.22</b>

## AUDIT COMMITTEE REPORT TO BOARD, 12 APRIL 2022

<b>Presented by</b>	Matthew Horner, Director of Finance		
<b>Author</b>	Barrie Senior – Non-Executive Director and Audit Committee Chairman		
<b>Lead Director</b>	Matthew Horner, Director of Finance		
<b>Purpose of the paper</b>	To provide an update regarding matters covered in the Audit Committee meeting on 12 April 2022		
<b>Key control</b>			
<b>Action required</b>	To note/for assurance		
<b>Previously discussed at/ informed by</b>			
<b>Previously approved at:</b>		<b>Date</b>	

### Key Options, Issues and Risks

See report attached

### Analysis

See report attached

### Recommendation

The Board is asked to note and derive assurance from this report

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

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			
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 (see section 4 for details)	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>

Risk Implications (see section 5 for details)	Yes	No
Corporate 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 type="checkbox"/>
Performance Implications	<input type="checkbox"/>	<input type="checkbox"/>

Regulation, Legislation and Compliance relevance
<b>NHS Improvement: (please tick those that are relevant)</b>
<input type="checkbox"/> Risk Assessment Framework <input type="checkbox"/> Quality Governance Framework <input type="checkbox"/> Code of Governance <input type="checkbox"/> Annual Reporting Manual
<b>Care Quality Commission Domain: Well Led</b>
<b>Care Quality Commission Fundamental Standard: Good Governance</b>
<b>NHS Improvement Effective Use of Resources:</b> Choose an item.
<b>Other (please state):</b>

Relevance to other Board of Director's academies: (please select all that apply)			
People	Quality	Finance & Performance	Other (please state)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>12.5.22</b>	<b>Agenda item</b>	<b>Bo.5.22.22</b>

## **1 PURPOSE/ AIM**

To provide an update regarding key matters covered in and relating to the Audit Committee meeting on 12 April 2022.

## **2 BACKGROUND/CONTEXT**

The agenda of the meeting held on 12 April was driven by the 2021/22 Audit Committee Annual Workplan.

The key matters discussed, considered and from which, where appropriate, assurance was gained were:

- Internal Audit Draft Plan 2022-2025
- Internal Audit Progress Report
- Counter Fraud Progress Report
- Board Assurance Framework and High Level Risk Register/Risk Management Strategy Update
- Quality Management System Update
- Policies and procedures for ensuring acceptable data quality for all key Trust data
- Cyber security
- Update on delivery of the Emergency Preparedness, Resilience and Response (EPRR) 21/22 workplan and NHSE core standards
- Audit Committee terms of reference
- Audit Committee Workplan 2022/23

## **3 RECOMMENDATIONS**

The Board is asked to note and derive assurance from this report.

## **4 Appendices**

Report included overleaf.

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

## Audit Committee Report to the Board, 12 May 2022

### 1. Introduction

The purpose of this paper is to inform the Board of Directors of the key matters discussed and considered during and in relation to the Audit Committee meeting held on 12 April 2022.

### 2. Key Matters discussed

#### • Internal Audit Draft Plan 2022-2025

The Committee sought further insight into how the Plan had been developed by Internal Audit and agreed with executive management both as to content and prioritisation/timing across the three year period. The Committee noted that the Internal Audit audit universe, the Trust Strategic Risk Register, the Trust Board Assurance Framework and national publications had been fundamental inputs into the planning process.

The Committee was assured by the thorough planning process and approved the Plan.

#### • Internal Audit Progress Report

Internal Audit reported further good progress being made in the completion of the 2021/22 Internal Audit Plan:

- A further eleven audits had been completed since the February Audit Committee meeting
- Four further audit reports were in draft and with management for comment
- The Head of Internal Audit anticipated completion of the annual plan within deadline and the issue of a clean Head of Internal Audit Opinion for 2021/22.

The Progress Report highlighted the completion of a further 11 audit reports, two delivering High Assurance (H) and the remaining nine Significant Assurance (S). The Committee recognised yet another string of commendable audit results. The 11 audits were:

#### ○ **Care Quality Commission Compliance; Maternity (S)**

The objective of this audit was to provide assurance regarding progress made in implementing the Maternity Services actions outlined in the CQC Inspection Report issued in April 2020.

The audit confirmed that the Trust has a robust plan to ensure that all actions arising from the CQC visit in November 2019 are reviewed and monitored, and that the Trust has robust reporting arrangements to provide assurance to the Quality and Patient Safety Academy and to the Board.

#### ○ **Asset Management; Stock, Stores and Inventories (Follow Up of previous Limited Assurance report (S))**

The objective of this audit was to provide assurance that the recommendations made in the original audit have now been implemented and/or have been sufficiently progressed

The report revealed that progress has been made in implementing audit recommendations, but has been restricted by Covid pressures.

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

○ ***Patient Level Information and Costing System (PLICS) (H)***

The objective of this audit was to ensure that the PLICS system enables the Trust to allocate income and costs to each patient effectively and accurately, and enables the assessment of the accuracy of subsequent allocations.

The audit confirmed that the Trust has appropriate systems and procedures in place. No audit recommendations were made.

○ ***Statutory Regulation Identification and Compliance Management – Health and Safety and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) (S)***

The objective of this audit was to provide assurance that appropriate health and safety arrangements, including those relating to RIDDOR, are in place within the Trust.

The audit confirmed that the Trust has appropriate health and safety policies and procedures in place. However, the audit revealed that investigations into incidents are not being fully completed in a timely manner, and that the Trust is only 80% compliant with the 15 day timescale for reporting RIDDOR incidents.

All of the audit recommendations are targeted for completion by September 2022.

○ ***Effective Procurement (H)***

The objective of this audit was to provide assurance that Trust procurement decisions are in accordance with Trust Standing Orders and Standing Financial Instructions alongside providing value for money and fitness for purpose.

The audit confirmed that there are effective controls in place surrounding procurement processes and only gave rise to one minor audit recommendation.

○ ***Centralised Patient Booking Service (S)***

The objective of this audit was to provide assurance that adequate controls are in place to ensure compliance with the access policy and that referral management procedures are adhered to.

The audit revealed that effective controls and processes are in place to confirm that staff working in the Centralised Patient Booking Service are following referral management procedures, and that monitoring of patient bookings is undertaken to ensure they are treated in line with NHS national prioritisation waiting time guidelines.

○ ***Board Assurance Framework (BAF) (S)***

The objective of this audit was to provide assurance that the Board Assurance Framework is fit for purpose, regularly reviewed and updated, and is being utilised effectively by the Trust Board.

The audit confirmed that the Trust's BAF and the supporting risk management processes provide adequate assurance to the Board and to the Executive Team Meeting that key risks to the achievement of the Trust's strategic objectives are effectively managed and controlled.

The audit report acknowledged the work in progress to improve the accuracy and functionality of the BAF, with a new BAF template to be approved and implemented in 2022/23.

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

The audit generated two moderate and six minor audit recommendations which are to be incorporated into the revision of the Trust's risk management strategy and BAF.

○ **Financial Transactions (S)**

The objective of this audit was to provide assurance regarding the operation of the Trust's financial transaction systems.

The audit confirmed that the Trust has generally satisfactory controls in place around its financial transaction systems. However minor weaknesses were identified that gave rise to three minor audit recommendations.

○ **Medical Education (S)**

The objective of this audit was to provide assurance regarding the Trust's arrangements for medical education in ensuring the delivery of the Education Plan 2019-2024.

Internal Audit has confirmed that the Trust has a robust process in place to ensure the delivery and achievement of the 2019/24 Plan. However, audit recommendations have been generated and agreed to strengthen the governance arrangements around the monitoring, review and delivery of the Education Plan.

○ **Nursing assessments and Care Plans Follow Up (S)**

The objective of this audit was to provide assurance that the recommendations made as a result of the audit of this area in 2020 have now been fully implemented and/or are sufficiently progressed.

The auditors noted that significant progress has been made but that some further work is required to ensure that nursing assessments and care plans are routinely completed in a timely manner and are appropriately recorded on EPR.

○ **Recovery of Cancer Services (S)**

The objective of this audit was to review how the Trust uses cancer information tools to drive service improvements to meet agreed cancer service levels as well as to provide high level independent validation on key cancer treatment statistics and to review actions taken to prioritise patients and communication with those waiting for treatment.

The audit noted the measures taken to address the significant increase in the backlog of patients waiting for diagnostic and treatment services caused by the Covid-19 pandemic. It noted performance is gradually improving but that the Trust is still falling short against the 62-day target.

Internal Audit sought:

- approval to defer the planned IT systems and software management audit in view of the work now in progress utilising an external contractor as report to the Committee in its February meeting
- approval to cancel the Covid Vaccination Hub audit, given that the Hub is no longer in operation.

The Committee gave its approval to both.

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

- **Counter Fraud Progress Report**

The Committee noted and was reassured by the overview of work undertaken by Counter Fraud in quarters 3 and 4 of 2021/22.

The Committee noted the low level of response to the Fraud Awareness Survey 2021/22 and felt that further efforts should be made to improve the level of participation.

The Committee sought and obtained assurance that Internal Audit's work annually on financial systems includes consideration of prevent and detect controls against fraud risks.

- **Board Assurance Framework and High Level Risk Register/Risk Management Strategy Update**

The Committee noted that the High Level Risk Register (HLRR) and Board Assurance Framework (BAF) are subject to regular review and discussion by executive management and executive and non-executive directors, supporting the achievement of the Trust's Strategic Objectives.

The Committee received an update regarding proposed amendments to the Trust's Risk Management Strategy. The Committee received a further update regarding the development of a 'new BAF' to provide a simpler format and more readily demonstrate assurances relating to the achievement of the Trust's strategic objectives.

The Committee noted the Significant Assurance finding of a recently completed internal audit of the 'old BAF' (see above), and that the audit findings would factor into the formatting, content and use of the 'new BAF'.

The Committee, whilst fully supporting the developments taking place, agreed that it was not yet in a position to recommend Board approval of the new Risk Management Strategy, HLRR and BAF. It was felt that of particular importance was clarification of the flow and assessment of risk management assurance from executive management via academies and to Board. Discussions would continue outwith the Committee meetings and the Committee would revisit the matter in its 24 May meeting.

- **Quality Management System Update**

The Trust's Associate Director of Quality joined the meeting to provide an update regarding the Trust's Quality Oversight System. The Committee noted the developments.

- **Policies and procedures for ensuring acceptable data quality for all key Trust data**

The Committee received and noted the Trust's Data Quality Policy and Data Quality Framework. The Trust's Chief Digital and Information Officer explained that additional staff are to be recruited to assist in implementing the Policy and Framework and thereby increase assurance regarding data quality, with a primary focus on data within the EPR (Electronic Patient Record) system. Fundamental to ensuring EPR data quality is ensuring effective and widespread training on data input and value of getting data input right first time.

The Committee noted that an internal audit of data quality is planned for 2022/23. Given its interest in data quality, the Committee requested advance sight of the planned audit scope.

Meeting Title	Board of Directors		
Date	12.5.22	Agenda item	Bo.5.22.22

- **Cyber security**

The Trust's Chief Digital & Information Officer (CDIO) provided an update regarding the development and maintenance of cyber security measures within the Trust. He reassured the Committee that the Trust continues to be hypervigilant with regard to cyber threats.

The CDIO pointed out that the Trust does not have a dedicated specialist resource focused on cyber security and that this was under consideration.

A formal report on cyber security will be provided to the May Audit Committee meeting.

- **Update on delivery of the Emergency Preparedness, Resilience and Response (EPRR) 21/22 workplan and NHSE core standards**

The Trust's Chief Operating Officer (COO) joined the meeting to provide an update on the Trust's compliance with EPRR Core Standards. He confirmed that the Trust is Substantially Compliant, with full compliance against 46 out of 48 National Core Standards. The two partially compliant areas are:

- Shelter and Evacuation in relation to a whole site evacuation. The COO confirmed that work is on-going with other WYATT trusts to achieve stronger compliance.
- Staff Training for Chemical, Biological, Radiation or Nuclear (CBRN) incident decontamination. The COO confirmed that training had been suspended due to Covid pressures but had now been reintroduced.

The COO noted the recent internal audit Significant Assurance rating regarding EPRR.

- **Audit Committee terms of reference**

The Committee reviewed and approved a change to its terms of reference to introduce Committee responsibility for monitoring policy compliance within the Trust. The Associate Director of Corporate Governance/Board Secretary confirmed that the corporate governance team will undertake annual compliance audits looking at samples of policies.

- **Audit Committee Workplan 2022/23**

The Committee considered, amended and approved the draft workplan

### 3. Other matters

#### 3.1 Matters raised in the meeting to escalate to Corporate Risk Register

None.

#### 3.2 Other matters to escalate to the Board of Directors

None.

### 4 Recommendation

The Board of Directors is asked to note this report and the reassurance and assurance that it provides.

Barrie Senior  
Audit Committee Chairman

29 April 2022