

Meeting Title	Board of Directors		
Date	22.9.22	Agenda item	Bo.9.22.22

AUDIT COMMITTEE REPORT TO BOARD, 22 SEPTEMBER 2022

Presented by	Matthew Horner, Director of Finance		
Author	Barrie Senior – Non-Executive Director and Audit Committee Chairman		
Lead Director	Matthew Horner, Director of Finance		
Purpose of the paper	To provide an update regarding matters covered in the Audit Committee meeting on 26 July 2022		
Key control			
Action required	To note		
Previously discussed at/ informed by			
Previously approved at:		Date	

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

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Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for patients, delivered with kindness			g			
To deliver our financial plan and key performance targets			g			
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion					g	
To be a continually learning organisation and recognised as leaders in research, education and innovation				g		
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals					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
NHS Improvement: (please tick those that are relevant)
<input type="checkbox"/> Risk Assessment Framework <input type="checkbox"/> Quality Governance Framework <input type="checkbox"/> Code of Governance <input type="checkbox"/> Annual Reporting Manual
Care Quality Commission Domain: Well Led
Care Quality Commission Fundamental Standard: Good Governance
NHS Improvement Effective Use of Resources: Choose an item.
Other (please state):

Relevance to other Board of Director's academies: (please select all that apply)

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People	Quality	Finance & Performance	Other (please state)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1 PURPOSE/ AIM

To provide an update regarding key matters covered in and relating to the Audit Committee meeting on 26 July 2022.

2 BACKGROUND/CONTEXT

The agenda of the meeting held on 26 July was driven by the 2022/23 Audit Committee Annual Workplan.

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

- Annual External Audit performance review
- Internal Audit progress report
- Follow up of Internal Audit recommendations
- Counter Fraud progress report
- Counter Fraud annual report 2021/22
- Position Statement: Risk Management
- Data quality assurance / Assurance regarding key IT systems

3 RECOMMENDATIONS

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

4 Appendices

Report included overleaf.

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Audit Committee Report to the Board, 22 September 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 26 July 2022.

2. Key Matters discussed

- Annual External Audit performance review**
 The Committee was informed that meetings between senior Finance personnel and External Audit to discuss and learn from the 2022 external audit process have commenced. A final report will be considered at the October Audit Committee meeting.
- Internal Audit progress report**
 Internal Audit reported that no audits per the 2022/23 Internal Audit Plan had yet been finalised. 12 audits were in progress, with a further 9 being planned.
 Internal Audit reported that Executive Management had requested that three audits original planned for Q1 of 2022/23 be deferred until later in the year. The Audit Committee considered each of these (Capital Assets and Charges; Clinical Coding; Clinical Audit) and approved the proposed deferrals to Q3.
- Follow up of Internal Audit recommendations**
 The Committee noted that there were 17 internal audit recommendations outstanding beyond the agreed target date and a further 17 outstanding beyond agreed revised target dates. Whilst recognising the pressures faced by executive management, the Committee is keen to see agreed target dates being met, and the follow up report fully populated. The Director of Finance agreed to progress both matters with management colleagues.
- Counter Fraud progress report**
 The Committee noted latest progress in preventing, detecting and dealing with cases of suspected and actual fraud within the Trust.
 Committee members enquired further regarding two current cases. It was noted that internal investigations are in progress.
- Counter Fraud annual report 2021/22**
 The Committee noted the report which summarises Counter Fraud activity, previously highlighted in progress reports to the Committee, during the past year. The Committee approved the report.
- Position Statement: Risk management**
 The Committee received and considered a report from the Associate Director of Corporate Governance/Board Secretary summarising the current arrangements, following recent changes, for risk management within the Trust. The Committee noted the Trust's Risk Management Strategy, the latest version of the Board Assurance Framework and the Risk Appetite Statement to which the Committee had provided previous comments and all of which had been approved by the Board on 14 July.

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The Committee considered, approved and agreed to recommend for Board approval revised terms of reference for the Committee so as to be consistent with the Risk Management Strategy and, in particular, the revised risk management assurance role of the Academies.

- Data quality assurance / Assurance regarding key IT systems

The Chief Digital & Information Officer (CD&IO) reported on-going progress in seeking to deliver additional assurance as to the quality of key Trust data and the reliability of the Trust's key IT systems. The CD&IO undertook to continue to liaise with the Committee Chairman, and to provide additional assurance at the Committee's meeting on October 11.

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

13 September 2022