

REPORT TO THE TRUST BOARD IN PUBLIC
25 November 2021

Title	Audit Committee 17 September and 11 November 2021 – Chair's Report
Committee Chair	Anit Chandarana, Non-Executive Director and Chair of Audit Committee
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Purpose of the report

To bring to the Board's attention key issues and assurances discussed at the Audit Committee meetings held on 17 September 2021 and 11 November 2021.

Key messages

11 November 2021

The Committee considered a range of items including external audit report 2020-2021, external audit review of annual report and accounts process, internal audit, single tender waiver benchmarking report, counter fraud, deep dive into population health (risks 1 and 2), board assurance framework, waivers and breach process, fit and proper persons test and quality assurance committee minutes.

- **External Audit Report 2020-2021:** Recommendations included in the report will be developed into an action plan which will be tracked through the Audit Committee and will take account of good practice.
- **External Audit: Review of Annual Report and Accounts Process**
 - An improvement plan has been developed by BDO and ELFT taking account of the experience of producing and auditing the Trust's Annual Report and Accounts for 2020-2021 in order to minimise the challenges experienced this year and to ensure timely submission
 - The improvement plan focuses on three areas: timescales, resource and capacity, and engagement
 - BDO is reviewing through its technical network the options for alternative assurance arrangements for the audit of the Local Government Pension Scheme
 - The Committee requested a few enhancements to the plan including contingency arrangements, and where possible a degree of creativity to overcome any obstacles. In addition to the transactional improvement, action on the value-based and cultural fit and leadership element of the audit would be beneficial
 - The Committee also requested a critical path action plan and timeline is developed with regular updates to be provided to the Committee.
- **Board Assurance Framework: Deep Dive Risks 1 and 2 - improve population health**
Richard Fradgley presented the deep dive review:
 - Risk 1: *If the Trust does not build and sustain the right organisational capability and capacity to support integrated care, this may impact adversely on our ability to deliver our strategic objective to improve population health*
 - Trust has made significant progress in developing integrated models of care, both within Trust services, and across other partners, including primary care, social care, acute trusts and the voluntary sector
 - To properly move to the next stage of improving population health outcomes the Trust needs to go further in ensuring that internal capability and capacity is developed to support transformation
 - Trust strategy has been refreshed and launched

- Emerging risks include the delivery of social care
- Actions being taken to mitigate risks include strategy execution plan to be presented to the next Integrated Care & Commissioning Committee; developing the Aging Well vision; the consideration of future organisation of the community mental health transformation programme including coproduction and collaboration
- Risk 2: *If the Trust does not build and sustain effective partnerships with other health, care, voluntary sector and other key organisations, this may impact adversely on our ability to deliver the Trust strategy*
 - Trust continues to work purposefully and proactively to be a trusted system partner in our ICSs and place-based partnerships; good joint work with NELFT to design future ways of working
 - Current challenges include the delegation and governance arrangements within the ICS, particularly in relation to the complexities around provider collaborative (provider-led commissioning) place-based delegation and governance arrangements
 - Unlikely there will be any movement in risk score until legislation is passed and the structure and delegation becomes clearer
 - The Committee recognised this risk is having to take account of a fluid situation particularly around legislation and there may be a requirement to recast the description or include an additional risk.
- **Board Assurance Framework (appendix 1 and 2)**
 - The BAF dashboard (appendix 1) provides an overview of the risks and summarises the movement on the risk scores/progress on achieving the target scores for all risks
 - A summary report is also provided for each BAF risk (appendix 2) which includes a progress section that highlights what is going well including future opportunities, the current challenges including future risks, and how these challenges are being managed – changes are in **blue font** for ease of reference
 - There are no changes to the BAF risk scores since the last review, and no new risks added
 - The lead Board committees continue to review their assigned risks at each meeting
 - The Committee:
 - Agreed that appropriate controls are in place and operating effectively
 - Commended the improved clarity of the BAF report format and overall provides more assurance around actions being taken to mitigate risks
 - Suggested that the BAF focuses on those actions which address the gaps in control and strengthen our mitigation rather than a list of all actions being taken
 - Requested that a review of the risk scores is undertaken by the Executives to ensure the scoring reflects the impact of the mitigations put in place, and that there is a common understanding and approach.
- **Counter Fraud**
 - There are a number of allegations in relation to Covid (vaccinations/passports) that are being investigated across the country
 - There has been an anonymous allegation that a vaccinator is selling fake Covid passports; in line with the advice of the NHS Counter Fraud Authority, this falls under the Covid Vaccine Information Cell (CoVIC) and has been referred to the police to investigate; the Trust is assisting with the investigation.
- **Waivers and Breach Report**
 - Three waivers were approved in September and October 2021; and one breach in October
 - All submitted waivers are investigated by the procurement team.
- **Fit and Proper Persons Regulations (FPPR)**
 - Good progress has been made with the action plan to enhance the application and internal practice relating to FPPR; all actions are either in progress within timeframe or have been completed

- Assurance provided that following annual performance reviews, due diligence checks and review of personal folders, all Board Directors have confirmed they remain fit and proper to undertake their role

17 September 2021

The Committee held an extraordinary meeting to approve the Annual Report and Accounts 2020-2021 including External Auditor's Audit Completion Report 2020-2021. Verbal feedback from this meeting was provided at the Trust Board meeting on 23 September 2021 when the approved Annual Report and Accounts for 2020-2021 were presented to the Board.

Previous Minutes: The approved minutes of the Audit Committee meetings held on 7 September 2021 are available on request by Board Directors from the Director of Corporate Governance.