

REPORT TO THE TRUST BOARD IN PUBLIC
22 July 2021

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| Title | Audit Committee 24 June and 6 July 2021 – Chair’s Report |
| Committee Chair | Anit Chandarana, Non-Executive Director and Chair of Audit Committee |
| Author | Cathy Lilley, Director of Corporate Governance |

Purpose of the report

To bring to the Board’s attention key issues and assurances discussed at the Audit Committee meetings held on 24 June 2021 and 6 July 2021.

Issues to be brought to Board’s attention

6 July 2021

The Committee considered a range of items including the Board Assurance Framework (BAF) for 2021-2022 including a deep dive into risk 3, external auditors and internal audit update reports, NHSI self-certification, counter fraud progress report, Audit Committee annual review, revised petty cash policy, waivers and breaches, and the Quality Assurance Committee minutes.

• **NHS England/NHS Improvement (NHSE/I) Self-Certification:**

- NHSE/I requires providers to self-certify on three licence conditions after the financial year end. The aim of self-certification is for providers to carry out assurance that they are compliant with:
 - o Condition G6: The provider has taken all precautions necessary to comply with the Licence, NHS Acts and NHS Constitution
 - o Condition FT4: Corporate governance statement, i.e. the provider has complied with required governance arrangements
 - o Condition CoS7: If providing commissioner requested services (CRS), the provider has a reasonable expectation that required resources will be available to deliver the designated services for the 12 months from the date of the statement.
- Trusts are not required to submit the self-certification statements to NHSE/I but must ensure that they are signed off by the Board of Directors and published on their websites
- A detailed self-assessment has been undertaken by the Director of Corporate Governance in respect of the Trust’s compliance with the licence conditions G6, FT4 and CoS7
- In addition, the Council of Governors Nominations & Conduct Committee have reviewed the licence condition in respect of Governors training and development
- The Trust’s governance development plan is being reviewed and strengthened to bring together a range of actions that are in place or are identified as being required to support/enhance the systems and processes to ensure effective governance arrangements
- Following detailed review and confirmation of relevant evidence of compliance with the licence conditions G6, FT4, CoS7 and Governors training and development, the Committee **agreed to recommend approval** of the declarations to the Board
- The declaration is attached at appendix 1.

• **Fit and Proper Persons Regulations (FPPR)**

- The Committee noted the actions being taken to strengthen the process and procedures underpinning the FPPR, and to ensure there are checks and balances to minimise potential errors and provide additional assurance.
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• **Deep Dive: Digital (Risk 3)**

Paul Calaminus and Paul Binfield presented the deep dive review of risk 3: *If the Trust does not work effectively with patients and local communities in the planning and delivery of care,*

services may not meet the needs of local communities, highlighting the strengths and challenges:

- ELFT's people participation is recognised as a leader in this field and is an area of strength
- Peer support work is progressing well and the Trust's training is the only one accredited in the country. This is attracting attention across the Integrated Care Systems and other Trusts are looking to replicate
- Approach to coproduction has been revised to ensure patient and community voices are represented in new ways of working
- Board members have been included in discussions on and supported the people participation priorities
- Work is ongoing to drive culture change and attitude in some services with regards to peer support and how those with lived experience can use their skills to drive change
- A more structured use of patient experience data is needed
- There is a need to engage with communities in the wake of the pandemic
- Approach to working with carers is being strengthened.

• **Board Assurance Framework*:** The Committee:

- Supported the revised risk wordings and inclusion of an additional risk (risk 9) which reflected the discussions at the Board development session on 24 June 2021
- Requested more clarity is articulated around the actions being taken to mitigate the risks
- Noted the intention to bring independent oversight to provide consistency to the scoring

**To be covered as a separate agenda item at July 2021 Board in public*

• **Internal Audit:**

- The Committee noted the good progress with the internal audit plan during what was a difficult and challenging period, and commended the embedding of risk management in the business of the Trust
- In addition to the internal audit progress report, briefings on integrated care systems and future of work: hybrid working were received.

• **Counter Fraud:** The Committee:

- Noted the work being undertaken to identify ways to improve the service; the team is working with People & Culture on a feedback process following an investigation that will provide the opportunity for all participants to comment on the process including experience and communications
- Requested that future reports include oversight of the time taken for completing investigations
- Noted there have been recent incidents across the NHS of senior executives being paid overtime during the pandemic and received assurance that controls are in place within the Trust. An internal audit will undertake some sample testing and update report will be provided to both the Audit and Appointments & Remuneration Committees.

24 June 2021

The Committee considered the annual accounts 2020-2021, annual report 2020-2021 and external audit. This meeting was immediately followed by an extraordinary meeting of the Trust Board held in private with the purpose of receiving the annual report and accounts for 2020-2021 and the external audit opinion. At this meeting the Audit Committee brought to the Board's attention:

- Local Government Pension Scheme assurance shortfall issue and the resulting delay in the provision of a BDO final opinion on the annual accounts
- The qualification which will accompany the Remuneration Report
- The final auditor's annual report and audit certificate is expected to be presented to the Audit Committee at its meeting on 7 September.

Previous Minutes: The approved minutes of the Audit Committee meetings held on 4 May 2021 are available on request by Board Directors from the Director of Corporate Governance.