

REPORT TO THE TRUST BOARD IN PUBLIC
23 September 2021

Title	Audit Committee 7 September 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 7 September 2021.

Key messages

7 September 2021

The Committee considered a range of items including a deep dive into risk 9, external auditors and internal audit update reports, annual report and accounts including letter of representation, counter fraud progress report, cyber security, cash management, modern day slavery statement, waivers and breaches, and the Quality Assurance Committee minutes.

The Committee wished to draw the Board's attention to:

• **Modern Day Slavery Statement**

- Assurance was provided on the steps the Trust has taken to ensure slavery and human trafficking is not taking place in the Trust's business or supply chain, and that mandatory checks will be undertaken on suppliers going forward to ensure they are compliant throughout the life of a contract
- The Committee approved the Modern Day Slavery Statement attached at appendix 1.

• **External Audit and Annual Report and Accounts**

- The continued challenges with being able to sign off the annual report and accounts
- The assurance letter on the Local Government Pension Scheme (LGPS) had still not been received from their auditors impacting on the ability of the Trust's auditors to issue their final audit report and audit certificate, and work was still ongoing on other queries raised by the external auditor
- The impact of this delay is on the Trust being able to meet the submission deadlines as set out by NHSEI and for laying before Parliament
- An extraordinary Audit Committee meeting will therefore be required to sign off the annual report and accounts, and options will be considered
- Assurance was provided that NHSEI have been advised of this issue and further guidance was awaited.

• **Board Assurance Framework Deep Dive: Commissioning Responsibilities**

- Risk 9: *'If the Trust does not effectively manage its commissioning responsibilities and associated risks as a lead provider or lead commissioner, this will impact on the quality and experience of care for service users and patients.'*
- The achievements to date include the delivery of the financial balance for CAMHS, improved CQC rating for one of our partners, service users becoming more intrinsic to the commissioning process, and improvement in relationships within the system, and a reduction in out of area placements from 42% to 37%
- The recommendation at this stage for the risk score to remain high at Significant 16 (impact of risk occurring is major 4 and the likelihood is likely 4) due to the new role for the Trust as a commissioner of services

- Assurance provided on the actions being taken to mitigate the risk including embedding the value of clinical leadership and coproduction with partners, as well as a focus on culture and sustainability
- Further consideration will be given to disaggregating the risks between those associated with the Trust and those for the wider system.
- **Counter Fraud:**
 - Fraud guidance for GP surgeries has been drafted and will be cascaded through the primary care network
 - Counter fraud videos continue to be well received, and have been retweeted by NHSE to a nationwide audience.
- **Cyber Security**
 - The substantial spike in malicious activity detected during the pandemic by NHS Digital and NHS England
 - The requirement on the Trust to act on NHS Digital alerts and to improve the Trust's cyber security status
 - Good progress has been made in respect of the cyber remediation plan which has been in place since September 2020 based on the recommendations of penetration test findings. However, the pace has been hindered by the growth in malicious cyber activity and constant platform changes by Microsoft and other vendors linked to this threat
 - Although the Trust does not yet have in place a dedicated skilled cyber team, assurance was provided that support continues to be provided by NHS Digital and the Gartner Cyber expert teams
 - Assurance was provided that the scale of investment within the Digital Strategy provides for a dedicated cyber team to ensure scalability and agility in the Trust's response to cyber attacks and includes provision for isolation software to mitigate the risk of infected hardware spreading vulnerabilities throughout the system.
- **Operating Cash Management Policy**
 - The policy is designed as a framework to cover the Treasury management activities of the Trust establishing the aims and identifying the parameters within which the Trust will manage the risks associated with managing its cash
 - Assurance was provided that the policy remains consistent with NHSEI rules and guidance, and controls are in place in managing the Trust's Treasury options
 - The Committee approved the policy noting its continued appropriateness and relevance.

Previous Minutes: The approved minutes of the Audit Committee meetings held on 24 June 2021 and 6 July 2021 are available on request by Board Directors from the Director of Corporate Governance.