

REPORT TO THE TRUST BOARD IN PUBLIC
20 MAY 2021

Title	Audit Committee 4 May 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 meeting held on 20 May 2021.

Issues to be brought to Board’s attention

The Committee considered a range of items including the Board Assurance Framework (BAF) including a deep dive into risk 8, external auditors and internal audit progress reports, internal audit annual plan 2021/2022, internal audit annual report 2020/2021, internal audit health and social work apprenticeship, counter fraud annual report 2020/2021, counter fraud and bribery policy, annual report and accounts 2020/2021, going concern review, annual review of SFIs, waivers, and the Quality Assurance Committee minutes.

• **Deep Dive: Digital (Risk 8)**

Philippa Graves presented the deep dive review of risk 8: *If infrastructure plans are not well implemented and adopted, services will be impacted, waste and the Trust’s carbon footprint will not be reduced and in year financial benefits and service SLAs may not be delivered. This includes physical infrastructure, buildings and suitability of all the elements of digital infrastructure:*

- The presentation focused on actions being taking to mitigate the risk covering three areas: digital infrastructure, cyber security, and governance and benefits realisation
- Infrastructure: A full survey of the Trust’s sites is being undertaken with estates to review all elements of the digital provision. The aim of the review is to identify each site’s requirements, with the speed of provision based on operational requirements and clinical risk
- Cyber security: Established dedicated funded cyber remediation resources, recruiting a permanent expert team and purchasing tools in partnership with Gartner and NHSX (NHS Digital). A sustained approach to ongoing improvement is included in the digital strategy
- Governance and benefits realisation: To support becoming ‘Digital First’, plans in place to develop a governance infrastructure to oversee the strategy implementation, with a focus on achievements, benefits realisation and costs
- Anticipated that the current risk score will be reduced in July taking account of the remediation work being carried out at Trust sites and the strengthening of the management of cyber security
- Requested that future reports includes consideration of the actions being taken in respect of reducing the Trust’s carbon footprint
- Received assurance that the digital plan includes succession planning covering partnership working, apprenticeships and growing inhouse talent
- Received assurance that the Trust’s business continuity plans were tested during the pandemic via a desktop exercise and more substantial tests are planned in the future. The digital strategy includes plans for increasing the use of artificial intelligence tools and early warning systems.

• **Board Assurance Framework:**

- The Executive Team is reviewing the structure of the BAF report and template as well as the individual risks and risk scores. In future the Exec will also undertake a joint review of

individual risks to ensure alignment across risks and to facilitate an open discussion and challenge if required

- The Committee requested a two-fold exploration of the risks relating to population health in the light of the new Integrated Care Systems taking into account both the risk to the population served as well as the risk to the Trust as an organisation
- A summary of the changes to the BAF since March 2021 is attached at appendix 1.

- **Counter Fraud Annual Report 2020/2021:**

- There has been an increase in fraud risk due to the pandemic with a high number of referrals and 18 different sanctions including one criminal where fraud was substantiated; a programme of fraud awareness has been rolled out at the Trust
- An assessment against the new functional standards issued by NHS Counter Fraud Authority has been undertaken with the Trust being fully compliant in ten out of the thirteen standards; assurance provided that work is ongoing to achieve full compliance.

- **Counter Fraud and Bribery Policy:** The Committee approved the revised policy that had been amended to reflect current requirements, links to the NHS Counter Fraud Authority's new strategy and provides comprehensive information in respect to the Bribery Act.

- **Internal Audit:**

- Internal Audit Plan for 2021/2022 presented taking account of feedback from the Trust Board
- Internal Audit Annual Report for 2020/2021 includes a draft audit opinion of positive level 2 that is not expected to change. There are four levels of opinion from level 1 'green' to level 4 'negative'; however, there are limited expectations for any level 1s due to the impact of the pandemic. Trust's level 2 is testament to how well the Trust's management has operated within an extremely difficult environment during Covid
- Assurance was provided that follow up work is being undertaken in respect of the remote working audit to ensure managers have the appropriate resources to support staff's wellbeing when working from home; this will take into account the correlation with the negative response in the staff survey on musculo-skeletal issues
- Health and social work apprenticeships: Assurance was provided that work was ongoing to provide apprenticeship opportunities for local population including service users but it was recognised that more work is required across the ICSs to ensure a better utilisation of the levy.

- **Annual Report and Accounts 2020/2021:** The Committee received an update on the preparation, external audit and approval of the Trust's Annual Report and Accounts for 2020/2021.

- **Going Concern Statement:** The Committee was reminded that there is no presumption of 'going concern' status for NHS FTs. Each year Directors must decide whether or not it is appropriate for the FT to prepare its accounts on the 'going concern' basis. Based on current performance and no intention from the Trust's main commissioners to commission the Trust's service provision elsewhere, the Committee approved and supported the 'going concern' disclosure to be included in the Trust's Annual Report for 2020/2021.

- **Annual Review of Standing Financial Instructions (SFIs):** During the pandemic, the Trust reverted to emergency SFIs to ensure continuation of some services. The Trust's standard SFIs have been reviewed with key changes to the narrative to sign off budgets at the beginning of the financial year. Amendments associated with Brexit and the alignment to the WTO procurement thresholds have also been made. The Committee approved the revised SFIs.

Previous Minutes: The approved minutes of the Audit Committee meetings held on 9 March 2021 are available on request by Board Directors from the Director of Corporate Governance.