

**REPORT TO THE TRUST BOARD: PUBLIC**  
**23 July 2020**

<b>Title</b>	Audit Committee 22 June and 7 July 2020 – Chair’s Report
<b>Committee Chair</b>	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 22 June and 7 July 2020.

**Issues to be brought to Board’s attention**

**22 June 2020 Meeting**

The focus of the meeting was to receive the Annual Report and Accounts for 2020-2021 prior to recommending approval at the Trust Board held in private on 24 June 2020. The Committee noted that at the time of the meeting the accounts had not been fully audited but the auditors expected to complete the task before submission deadline on 25 June 2020 at noon. The Committee therefore agreed to recommend to the Board that subject to no material changes, it delegate approval to the Audit Committee Chair, Deputy Chief Executive (in the absence of the CEO) and the Chief Finance Officer in order that the Annual Report and Accounts for 2020-2021 may be submitted on time

**7 July 2020**

The Committee considered a range of items including the Board Assurance Framework (BAF), Trust’s Annual Report and Accounts 2019-2020, NHS Provider Licence Self Certification, external auditors, internal audit progress report, counter fraud, waivers, and the Quality Assurance Committee minutes. The Committee wished to bring the following items to the Board’s attention:

- **Board Assurance Framework**

- Noted changes to the Board Assurance Framework (BAF) had been made in the light of COVID-19-generated risks; a summary of changes to BAF is attached at appendix 1
- During detailed discussion:
  - Risks 1 and 2 Population Health: recommended the inclusion of the role as an anchor institution in relation to addressing employment and noted there is a cross-over between workstreams (which have been established in phase 2 of managing the pandemic) to address inequalities
  - Risk 6: requested that the wording is reviewed to reflect how positive staff experience leads to better clinical decision making and care
  - Requested that the risks are reviewed to reflect the differences in system performance and opportunities in North East London and Bedfordshire and Luton.

- **Annual Report and Accounts 2019-2020**

- Confirmation was provided that the Annual Report and Accounts for 2020-2021 were submitted to NHS England/NHS Improvement on time and that they had also been submitted on for e-laying before Parliament
- The Committee commended staff their tenacity in ensuring on time submission as well as producing a high quality document particularly taking account of the challenges that were encountered
- External auditors’ recommendations as detailed in the audit report findings will be monitored by the Committee
- A briefing session on the auditor’s report to the Council of Governors is being arranged for Governors led by the Audit Committee Chair and the Chief Finance Officer.

- **NHS Provider Licence Self Certification**

- NHS Provider Licence Self-Certification was approved
- The Committee requested that further consideration is given to articulating the improvements in

governance arrangements that have taken place during the previous year and that consideration is given to the effectiveness of action taken in response to recommendations from previous well-led reviews.

- **External Audit**

- The procurement process for the appointment of external assessors was discussed following receipt from Grant Thornton of written notification of termination of the contract to provide external audit services
- The Committee discussed in detail the procurement options being particularly mindful of the usual timeframe for completing the procurement process and the necessity of having auditors in place at financial year end, as well as recent experience from other Trusts on the limited response from potential auditors
- The Committee agreed to the proposal that expressions of interest are sought initially from auditors on the national framework as this would provide an indication of auditors' propensity to respond and would determine whether there would be a need to go to open market immediately.

- **Counter Fraud**

- There had been 33 referrals since 1 April 2020 (compared to 41 received in the whole of 2019/2020) 11 of which COVID-19 related
- Further investigations including criminal investigations are taking place in respect of eight referrals which have been identified as unauthorised bookings of the Trust's taxi service provided by Green Tomato by individuals working at another Trust amounting to c£800k
- In discussion, the Committee sought assurance that every effort is being made to ensure that unauthorised bookings are not due to genuine error on the part of NHS staff making bookings for work purposes noting that a key consideration in any proceedings is one of 'intent'
- The Committee was assured that system changes have been implemented to the taxi booking service to minimise inappropriate use risk going forward
- The Committee discussed risks associated with extensive use of digital technology in clinical care, particularly in response to the COVID-19 pandemic and recommended that a report be presented to a future Board on benefits of increased use of digital technology for clinical care and risks that arise and systems for mitigation and monitoring.

- **Waivers:** The Committee noted work is in progress to prepare for future waves of COVID, or other pandemics, by establishing sources of PPE from British manufacturers, reducing reliance on a global market.

**Previous Minutes:** The approved minutes of the Audit Committee meetings held on 12 May 2020 are available on request by Board Directors from the Associate Director of Corporate Governance.

## Appendix 1: BAF Summary at July 2020

Potential Risk	Actions Overview	Risk Score (consequence x likelihood)		Exec Lead	Lead Committee
		Current	Target		
<b>Strategic Priority 1: Improved population health</b>					
<p><b>Risk 1:</b> If the Trust does not anticipate, and proactively respond to, external changes, including factors outside the Trust's control, then the Trust may fail to deliver in its strategy, including our population health, quality and value strategic objectives, and key associated transformation plans</p>	<ul style="list-style-type: none"> <li>Following discussions with the Audit Committee Chair, the Population Health Task and Finish Group supported the recommendation that further consideration be given as part of the wider horizon scanning discussions being undertaken by the Board including whether this is a broader risk about external change and the impact on the Trust rather than a focus on population health only</li> </ul>	<p><b>High</b> <b>12</b> Major 4 x Possible 3</p>	<p><b>High</b> <b>8</b> Major 4 x Unlikely 2</p>	Director of Integrated Care	Population Health T&F (to be reviewed)
<p><b>Risk 2:</b> If the Trust does not engage, influence and enthuse citizens, communities, partners in local health and care systems, and staff then the Trust may fail to deliver on its strategy, including our population health, quality and value strategic objectives, and key associated transformation plans</p>	<p>Following discussions with Audit Committee Chair, this risk will be reviewed to ensure to reflect the risks around non-engagement with communities and stakeholders, and will be cross referenced to risks 3, 5 and 7 (patient experience and staff experience) to minimise duplication</p>	<p><b>High</b> <b>12</b> Major 4 x Possible 3</p>	<p><b>High</b> <b>8</b> Major 4 x Unlikely 2</p>	Chief Medical Officer	Population Health T&F (to be reviewed)
<b>Strategic Priority 2: Improved patient experience</b>					
<p><b>Risk 3:</b> If the Trust does not effectively work with patients and local communities in the planning and delivery of care, services may not meet the needs of local communities</p>	<ul style="list-style-type: none"> <li>The People Participation Committee has recently been assigned as the lead Committee for this risk and has yet to review. A verbal update will be provided at the meeting following discussion with the Associate Director of People Participation</li> </ul>	<p><b>High</b> <b>12</b> Major 4 x Possible 3</p>	<p><b>High</b> <b>8</b> Major 4 x Unlikely 2</p>	Deputy CEO	People Participation Committee

Potential Risk	Actions Overview	Risk Score (consequence x likelihood)		Exec Lead	Lead Committee
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<b>Risk 4:</b> If essential standards of quality and safety are not maintained, this may result in the provision of sub-optimal care and increases the risk of harm	<p>Although there was no recommendation to change the risk score which had been increased in May 2020 from High 10 to Significant 25, following feedback from the Internal Auditor at the Quality Assurance Committee further consideration and review is being given to the controls identified as to whether the risk score should be reduced.</p> <ul style="list-style-type: none"> <li>NHSE published <i>infection prevention and control board assurance framework</i> to offer assurance to Trust Boards that their approach to the management of COVID-19 is in line with PHE infection prevention and control guidance and risks identified</li> <li>Workstreams have helped to guide the Trust's response to the delivery challenges of coronavirus Pandemic has moved to second phase: scale of immediate change has reduced – staff numbers of sick has reduced.</li> </ul>	<b>Significant</b> 20 Catastrophic 5 x Likely 4	<b>High</b> 12 Major 4 x Possible 3	Chief Nurse	Quality Assurance Committee
<b>Strategic Priority 3: Improved staff experience</b>					
<b>Risk 5:</b> If the Trust does not effectively attract, retain and look after staff wellbeing, there will be an impact on the Trust's ability to deliver the Trust's strategy	<ul style="list-style-type: none"> <li>Launched a Risk Assessment for vulnerable staff including BAME staff</li> <li>Trust wide Risk Assessment webinars have taken place attended by c200 people</li> <li>National data submissions for the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) has been reinstated</li> <li>Internal Audit by RSM focusing on remote working</li> <li>Remote Working Group established</li> <li>A new Organisational Development Offer has been launched to support managers</li> </ul>	<b>High</b> 12 Major 4 x Possible	<b>Moderate</b> 4 Major 4 x Rare 1	Director of People & Culture	Appointments & Remuneration Committee
<b>Risk 6:</b> If issues affecting staff experience and equalities are not addressed there may be issues around staff morale and engagement	<ul style="list-style-type: none"> <li>National data submissions for the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) has been reinstated</li> <li>Equality networks continue to liaise with network members virtually</li> <li>Over 1,000 staff swab tested</li> <li>Antibody tested 3,500 staff</li> <li>A massive effort with P&amp;C and Executive colleagues to run three webinars attend by c300 staff in the space of 1 week</li> </ul>	<b>Significant 16</b> Major 4 x Likely 4	<b>Moderate</b> 4 Major 4 x Rare 1	Director of People & Culture	Appointments & Remuneration Committee

Potential Risk	Actions Overview	Risk Score (consequence x likelihood)		Exec Lead	Lead Committee
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	<p>on Covid 19, Race and Privilege in response to the Race issues in America as part of Respect and Dignity at Work Plan</p> <ul style="list-style-type: none"> <li>A new Organisational Development Offer has been launched to support services</li> <li>People &amp; Culture are embedded in the Phase 2 workstreams: Coproduction, inequalities, the future of work, Services for the future and Leadership.</li> </ul>				
<b>Strategic Priority 4: Improved value</b>					
<p><b>Risk 7:</b> If behavioural and culture changes are not embedded, the new approach to value and financial sustainability may result in resorting to previous methods of delivering efficiency savings</p>	<ul style="list-style-type: none"> <li>COVID-19 has impacted on the delivery of financial viability schemes, both positively and negatively.</li> <li>The impact of NHS recovery planning as a mechanism for developing costed recovery plans</li> <li>The ongoing work on Shaping Our Future.</li> </ul>	<p><b>Significant 25</b> Catastrophic 5 x Almost Certain 5</p>	<p><b>High 9</b> Catastrophic 3 x Possible 3</p>	Deputy CEO	Finance, Business & Investment Committee
<p><b>Risk 8:</b> If infrastructure plans are not well implemented and adopted, waste will not be reduced and in year financial benefits may not be delivered. This includes infrastructure, people and directorate plans</p>	<ul style="list-style-type: none"> <li>COVID-19 has impacted on the delivery of financial viability schemes, both positively and negatively</li> <li>Chief Digital Officer joined the Trust on 1 July 2020.</li> </ul>	<p><b>Significant 25</b> Catastrophic 5 x Almost Certain 5</p>	<p><b>Moderate 6</b> Catastrophic 3 x Rare 2</p>	Deputy CEO	Finance, Business & Investment Committee