

REPORT TO THE TRUST BOARD: PUBLIC
3 DECEMBER 2020

Title	Audit Committee 9 November 2020 – 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 9 November 2020.

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 the population health risk, 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:

Deep Dive: Population Health Risk

- The deep dive review of risks 1 and 2 (1. *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* and 2. *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*) was presented by Richard Fradgley, Director of Integrated Care
- The risks are significant strategic risks dealing with the macro context in which the Trust works, the changing policy environment, the Trust's strategy and the impact of Covid-19
- The team's response to the Covid-19 pandemic and the range of actions being taken was commended
- The actions being taken to mitigate the risks could be strengthened further by the inclusion of examples of work that is being undertaken
- Further consideration be taken as to how the opportunities that have arisen are levered to accelerate the Trust's ambitions to improving population health
- Further consideration be given to the Board receiving the appropriate oversight of these risks and the triangulation with other BAF risks as part of the governance review
- The current risk scores should remain as currently reported and reviewed following progression of the recommendations above.

Board Assurance Framework (attached at appendix 1)

- A review of the Trust's BAF and RSM's (internal auditors) publication on *BAF: Benchmarking at NHS providers* has been undertaken with overall positive feedback; recommendations will be taken forward together as part of a wider review on the BAF and will include the actions identified from the risk management culture internal audit
- The Committee recommended that further consideration be given to current risk scoring to ensure it is not overly prudent in particular having clarity regarding consequence and impact.

Counter Fraud

- The data from the NHS Counter Fraud benchmarking exercise for 2019/20 where the Trust was rated first out of 480 providers and commissioners for the number of referrals recorded, the number of cases amount of money recovered, and joint eighth on number of sanctions reflects an environment where staff feel confident in reporting suspicions
- Assurance received that the number of sanctions, disciplinary cases and prosecutions are much lower in this Trust compared to nationally. The emphasis is on identifying cases earlier to avoid any detriment to individuals
- Highlighted that for each individual involved there is a potential personal tragedy in their lives
- Received assurance that issues around fraud are being managed sensitively and compassionately with staff particularly during the current challenging times.

Internal Audit

- Positive levels of assurance have been received following the financial controls internal audit; an action plan has been developed to take forward two recommendations
- A model for financial forecasting is being developed following the financial controls internal audit which demonstrates the value of the audit
- Although there have been improvements with the completion of actions, the number of outstanding actions is increasing and will be reviewed by the Executive team
- Internal Audit expressed thanks to management for their continued focus on the internal audit reviews during the pandemic and it is anticipated the plan will be delivered by March 2021

Waivers

- A new process for waivers has been implemented with a joint responsibility and accountability between finance and procurement
- There is an improved position on the number of approved waivers; further requests are now required to go through a more compliant route.

Previous Minutes: The approved minutes of the Audit Committee meetings held on 8 September 2020 are available on request by Board Directors from the Director of Corporate Governance.