

REPORT TO THE TRUST BOARD IN PUBLIC
26 May 2022

Title	Audit Committee 12 May 2022 – Chair of the Meeting Report
Chair of the meeting	Anit Chandarana, Non-Executive Director
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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 12 May 2022.

Key messages

Annual Report and Accounts 2021-2022: Assurance provided on the process of the Annual Report and Accounts which is progressing in line with the plan. The pre-audit planning meetings with the external auditors have been invaluable with regards to this.

Asset Valuation: This report had been prepared as a result of a recommendation from external audit last year to improve the assessment the Trust's assets that provided greater assurance.

Going Concern: Following review of the self-assessment, the Committee agreed the recommendation that the Trust is considered to be a going concern. This is based on the expectation that we will continue to provide services as an NHS Trust in both East London and Bedfordshire and Luton, and our capital and revenue plans extend beyond the next twelve months.

Internal Audit: A positive Internal Audit draft opinion received and actions underway to finalise the report.

IR35 Framework Application

- New national guidance identifies the need for the Trust to discontinue the blanket approach around IR35s; there are both financial and reputational damage implications for the Trust in inadvertently employing someone who is IR35
- The Committee agreed that a blanket approach should not be taken and sought further understanding on the risk as a consequence
- Internal audit will seek the learning from another London Trust they have been working with and will review this against the drafted assessment process.

Waivers and Breach

- A number of waiver requests received in February and March; however, none relate to an incorrect use of resources, rather that the process followed did not demonstrate good market competition or the best value for money
- This year's procurement plan will include frameworks to enable directorates to more easily access late releases of resources from NHS England.

Counter Fraud Annual Report

- The National Immunisation and Vaccine System (NIVS) fraud investigations had involved a huge amount of work, working collaboratively with NHS England and IT to address system weaknesses. Recommendations on system weaknesses are fed back centrally
- The functional return which assesses the Trust's compliance against 13 components, showing compliance against 12. The remaining component around conflicts of interest has an action plan in place, although it was noted that it is extremely difficult to be 100% compliant in this area, despite good processes.

Board Assurance Framework: Deep Dive Risk 7 – improved value

If the Trust's approach to value and financial sustainability are not embedded, this may impact on the achievement of the Trust's financial, service delivery and operational plans:

- Step change required to meet the increased financial viability (FV) target, with less reliance on income and overheads; 2022-2023 plan is redressing this balance and embedding a new approach to identify savings
- Management actions being taken around ensuring value and the setting of objectives, reinforcing links with IHI and other Trusts, more collaborative work with ICSs, reassessing the FV function resources, a more indepth look at benefits realisation and increased engagement of clinicians in the process
- A set of KPIs developed to be reported at each FBIC meeting
- A draft benefits framework has been developed for staff to understand the investment with checks and balances on outcomes
- Larger schemes to meet the target will require different thinking around the approach to resources; and some schemes rely on third parties contributions, necessitating a change to the timings of plans
- The Committee supported an element of over-planning on the FV target.

Board Assurance Framework

- The BAF dashboard (appendix 1) provides an overview of the risks and summarises the movement on the risk scores/progress on achieving the target scores for all risks; one risk score has been reduced:
 - Risk 2 *If the Trust does not build and sustain effective partnerships with other health, care, voluntary sector and other key organisations, this may impact adversely on our ability to deliver the Trust strategy:* the Integrated Care & Commissioning Committee agreed to reduce the current risk score from High 12 to **High 8** (impact being *major 4 x likelihood 2 unlikely*) to reflect the significant effort and commitment and capacity into working with partners to develop appropriate architecture that will support the Trust to continue to deliver its strategy. The new score meets the target risk score for this risk
- A summary report is also provided for each BAF risk (appendix 2) which includes a progress section that highlights what is going well including future opportunities, the current challenges including future risks, and how these challenges are being managed
- BAF risks for 2022-2023 are currently being reviewed by the Executives and will take account of the wider discussions by Board including the internal and external operating environments; the intention is to present the proposed risks at the Board Development Session in June 2022.

Previous Minutes: The approved minutes of the previous Audit Committee meeting are available on request by Board Directors from the Director of Corporate Governance.