

## Board of Directors Meeting in Public

<b>Subject:</b>	Report of the Audit and Assurance Committee	<b>Date:</b> 4 <sup>th</sup> February 2021		
<b>Prepared By:</b>	Shirley A Higginbotham, Director of Corporate Affairs			
<b>Approved By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee			
<b>Presented By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee			
<b>Purpose</b>				
The Audit and Assurance Committee met on 19 <sup>th</sup> January 2021. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:			<b>Approval</b>	
			<b>Assurance</b>	<b>x</b>
			<b>Update</b>	
			<b>Consider</b>	
<b>Strategic Objectives</b>				
<b>To provide outstanding care</b>	<b>To promote and support health and wellbeing</b>	<b>To maximise the potential of our workforce</b>	<b>To continuously learn and improve</b>	<b>To achieve better value</b>
<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		<b>x</b>		
<b>Risks/Issues</b>				
<b>Financial</b>	The Audit and Assurance Committee is responsible for ensuring the system of internal control is robust and effective in order to provide high quality, value for money services to patients and provide a safe environment for staff. Safeguarding the reputation of the Trust			
<b>Patient Impact</b>				
<b>Staff Impact</b>				
<b>Services</b>				
<b>Reputational</b>				
<b>Committees/groups where this item has been presented before</b>				
N/A				
<b>Executive Summary</b>				
The Board of Directors is asked to accept the content of the Report and note the items highlighted below:				
<ul style="list-style-type: none"> <li>• Internal Audit</li> <li>• External Audit</li> <li>• Register of Interests</li> <li>• Speaking up Arrangements</li> <li>• Scheme of Delegation and SFI's - approved</li> <li>• Committee Effectiveness Self-Assessment</li> </ul>				
The Audit and Assurance Committee met on 19 <sup>th</sup> January 2021. The meeting was quorate, the Minutes approved, and all outstanding actions are progressing, were covered by the agenda or agreed as closed. There were no declarations of interest pertaining to any items on the agenda.				
The following items were presented and discussed:				
<u>Internal Audit</u>				
An update was provided on the remaining audits from the 2019/20 noting that the FIP PMO review will commence later in the year, in order to take account of the impact of the 2020/21 financial regime on the functioning of the PMO and Trust FIP requirement going forwards.				

An update regarding progress against the 2020/21 plan highlighted that there were 13 pieces of audit work still to be completed for 2020/21, which is challenging especially given the current pressures created by the Covid-19 pandemic. However, good progress was being made and only one audit has not yet commenced, being the Data Quality Framework. It was noted the Trusts implementation of actions at first follow up had increased to 88%.

It was noted that there were still 1 high risk and 3 medium risks that were still outstanding from the Deprivation of Liberty Safeguards/Mental Health Capacity Act internal audit report and that these were being followed up by the Quality Committee. It was agreed that Audit Committee would follow up further if required.

Committee also received the final stage two Head of Internal Audit Opinion, one low risk action was noted on the report, the actions to address this are already in train and the action will be completed in line with the time-line of end of February.

### External Audit

Committee received the report from KPMG, the external auditors and were informed of the Trust materiality level for this year of £6.2M, the misstatements threshold of £300K and the following significant areas of risk, which are common issues for NHS Trusts of the size of SFHFT.

- Valuation of Land and Buildings
- Completeness of Expenditure
- Completeness of Revenue
- Management override controls (presumed risk as required by the ISAs)
- Going Concern (with new requirements due to an update to ISA 570)

Value for Money, the initial self-assessment regarding this element of the work has been completed by the Trust and shared with KPMG. The outcome of KPMG's risk assessment will be reported to a future Audit and Assurance Committee.

KPMG informed committee, that for the first time, the Value For Money conclusion will be reported in public along with the annual report and annual accounts.

### Register of Interests

Committee received and noted the report, noting the number of non-compliant band 7+ has reduced from 79 in November to 61 at the end of December 2020.

Committee also received a report highlighting any individuals that were non-compliant in previous years and this year. Committee agreed, due to the current situation with regard to the pandemic and pressure within the hospitals, that although the usual reminder emails would be issued, individuals who had not declared would not be invited to committee. However, in April there would be a proactive focus on those individuals who had not declared over more than one year.

### Freedom to Speak up Arrangements

Committee were assured by the report from the Freedom to Speak up Guardian of the current process and the plans to develop the speaking up culture across the Trust. Committee thanked the guardian for all her work and maintaining the process in the current challenging circumstances.

### Scheme of Delegations and SFIs

The Scheme of Delegation and SFI's had been updated to reflect appropriate changes, mainly to job titles. Both documents were approved by committee.

Committee Health check

The Committee had undertaken a self-assessment of its governance arrangements using the Trust's committee health check tool.

All assessment criteria had been fully met and no new actions for improvement were identified.

The Audit Committee Maturity Matrix Action plan was reviewed and 3 actions were noted as open, the expected completion dates are end of March 2021.

Next year the committee agreed to assess itself against the HFMA Audit Committee Handbook Self-assessment which is comprised of 86 questions.