

Board of Directors Meeting in Public

Subject:	Report of the Audit and Assurance Committee	Date: 1 st July 2021		
Prepared By:	Shirley A Higginbotham, Director of Corporate Affairs			
Approved By:	Graham Ward, NED, Chair of Audit and Assurance Committee			
Presented By:	Graham Ward, NED, Chair of Audit and Assurance Committee			
Purpose				
The Audit and Assurance Committee met on 11 th June 2021. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:			Approval	
			Assurance	x
			Update	
			Consider	
Strategic Objectives				
To provide outstanding care	To promote and support health and wellbeing	To maximise the potential of our workforce	To continuously learn and improve	To achieve better value
x	x	x	x	x
Overall Level of Assurance				
	Significant	Sufficient	Limited	None
		x		
Risks/Issues				
Financial	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			
Patient Impact				
Staff Impact				
Services				
Reputational				
Committees/groups where this item has been presented before				
N/A				
Executive Summary				
<p>The Board of Directors is asked to accept the content of the Report and note the items highlighted below:</p> <ul style="list-style-type: none"> • Counter Fraud – Annual Report • Internal Audit – Annual Report and Head of Internal Audit Opinion • Year End Accounting statements and schedules • Going Concern Assessment • External Audit – Year end reports, Management letter of Representation • Annual Report including AGS - Approved • Quality Account - Approved • Register of Interests - Approved <p>The Audit and Assurance Committee met on 11th June 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.</p> <p>The following items were presented and discussed:</p>				

Counter Fraud – Annual Report

Counter Fraud presented their annual report detailing all activity undertaken during the year. This report detailed activity against the four key areas identified within the NHSCFA's outgoing *Standards for Providers*, as well as providing a detailed assessment of the Trust's current compliance with the incoming Functional Standard. The thirteen requirements in the new standard were rated overall Green for the Trust (8 Green, 3 Amber and 2 Red). As the components and requirements were new the return for 2021 represents a baseline benchmarking measurement.

The Trust will continue to work with Counter Fraud to move to full compliance with this new standard during 2021/22.

Internal Audit – Annual Report and HOIAO

360 Assurance presented their Annual Report including the Head of Internal Audit Opinion, which was rated as significant assurance. No high risk issues or common themes were reported as a result of the 2020/21 Audit programme.

Nineteen audits have been undertaken during the year, four of these related to 2019/20. Four limited assurance reports were received in the period and three audits remained on-going at the time of the report.

Audited Annual Accounts, Financial Statements and final key changes

The committee received an update regarding the preparation of the Annual Accounts and Financial Statements, noting the material and immaterial changes.

Going Concern Assessment

There is no presumption of going concern status and therefore Directors must decide each year whether or not it is appropriate for the organisation to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

The committee considered the report and recommended the assessment that the accounts should be prepared on a going concern basis and that existing service provision will continue to the Board for approval.

External Audit

External Audit presented External Audit Report and Opinion on the accounts (ISA260), the Management Representation Letter and the Annual Auditors Report. It was noted that this year, there was a requirement to publish the Annual Auditors Report on the Trusts Website alongside the Trusts Annual Report and Accounts.

KPMG highlighted the unadjusted errors in the Annual Accounts in regard to capital accruals included in the financial statements ahead of receipt of the asset totalling £0.9m noting they were in aggregate not material.

KPMG also confirmed that they had not identified any significant weaknesses to be included in their value for money report on the Trust, though there is a significant risk relating to financial sustainability within the system.

Final Annual Report (inc AGS)

The Committee received the final draft of the annual report which had been reviewed by KPMG and recommended to the Board for approval.

Final Quality Account

The Committee received the final draft of the annual report which had been reviewed by KPMG and recommended to the Board for approval.

Register of Interests

Committee received and noted the report, noting the number of non-compliant band 7+ at the time of reporting was 171 which was a significant improvement on the same time last year when the number non-compliant was 318. The focus during the year would be on Medics, particularly in Surgery as this is the largest and most consistent non-compliant group.

Committee also received a report highlighting any individuals that were non-compliant in previous years and agreed that these would all be followed up.

Single Tender Waivers

A significant number of single tender waivers were received for approval, it was noted many of these were within NHIS and it was agreed a schedule of potential single tender waivers would be developed to ensure committee were sighted well in advance.