

**Council of Governors**

<b>Subject:</b>	Audit and Assurance Highlight Report	<b>Date:</b> 8 <sup>th</sup> February 2022								
<b>Prepared By:</b>	Shirley A Higginbotham, Director of Corporate Affairs									
<b>Approved By:</b>	Graham Ward, Audit Chair and Non-Executive Director									
<b>Presented By:</b>	Graham Ward, Audit Chair and Non-Executive Director									
<b>Purpose</b>										
The Audit and Assurance Committee met on 18 <sup>th</sup> January 2022. This paper informs members of the significant matters agreed by the Committee for reporting to the Council of Governors.		<table border="1"> <tr> <td><b>Approval</b></td> <td></td> </tr> <tr> <td><b>Assurance</b></td> <td><b>X</b></td> </tr> <tr> <td><b>Update</b></td> <td></td> </tr> <tr> <td><b>Consider</b></td> <td></td> </tr> </table>	<b>Approval</b>		<b>Assurance</b>	<b>X</b>	<b>Update</b>		<b>Consider</b>	
<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 Council of Governors is asked to accept the content to the report and note the items highlighted below:

- Internal Audit – progress report
- Limited internal audit reports
- Head of Internal Audit: Stage 2 Memo
- Outstanding Audit Recommendations
- External Audit Plan
- Board Assurance Framework Process Report
- Declarations of interest
- Non-Clinical Policies Report
- Cyber and Information Security Good Practice Guide

The Audit and Assurance Committee met on Tuesday 18<sup>th</sup> January 2022. The meeting was quorate, the minutes approved, and all outstanding actions are progressing, were covered on 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:

#### Internal Audit

360 Assurance updated on the progress against the 2021/22 Internal Audit plan. The Committee focused their discussion to understand the 47% implementation rate for follow ups which was at its lowest percentage ever. Assurance was sought as to how these would be addressed, and it was agreed there would be more oversight at the Executive Team to increase grip, and actions would be directly addressed with action owners to understand where there was a delay in responding. The Committee will receive a further update at its next meeting on the progress made to improve the implementation rate.

#### Internal Audit reports – limited assurance

The Committee received an updated management response to the limited assurance report in respect of Financial Improvement Plan and Programme Management Office'

The report was presented by the senior action owner who provided the Committee with assurance on what the audit had concluded and how the recommendations would be addressed and implemented within the dedicated timescales. It was noted the timescales for implementation had been delayed and these actions were therefore also recorded on the Outstanding Audit Recommendations Report. The Committee were assured by the progress and efforts made to date to address the recommendations and were satisfied these would be overseen by the Risk and Finance Committees, with further progress updates being received through this Committee too.

#### Head of Internal Audit: Stage 2 Memo

Internal audit presented the report which included three low risk actions. The report also included the outcome of the recent survey of the Board and Committee were disappointed to note only nine responses had been received, meaning conclusions were difficult to make. The report also stated the low implementation rate for recommendations.

#### Outstanding Audit Recommendations

The committee received the report which detailed those recommendations which are now overdue and those which are due up to the 31<sup>st</sup> March, committee noted the Trust was unable to achieve the 75% implementation rate by the 31<sup>st</sup> March but would endeavour to achieve the 69% which was the highest suggested by Internal Audit which could be achieved. A specific focus on these would be undertaken through the Executive Team Meetings and Risk Committee.

#### External Audit Plan

KPMG presented the Draft External Audit plan, noting timescales and deadlines had not yet been received. The report detailed the expectations of the Trust including the focus on the Value for Money Risk Assessment introduced in 2021.

#### Board Assurance Framework Process Report

The committee received the report noting the requirement for a refresh of the strategic risks as part of a review of the strategic objectives.

#### Declarations of interest

The Committee received and noted the report, noting the number of non-compliant band 7+ at the time of reporting was 62 which was a slight improvement from the last report which was 86. It was agreed at the Committee there would be a review of the non-compliant list to review those individuals who are in significant positions in the organisation, and have decision making powers around money, to target immediately to make their declarations. The Committee would continue to oversee and scrutinise the level of non-compliance.

Non Clinical Policies Report

The Committee received the report and noted the number of policies which were overdue, it was agreed the report would be submitted to the Executive Team and Risk Committee to ensure further scrutiny and action. The Committee noted the extension of the Equality and Diversity Policy and requested this be prioritised.

National Audit Office – Cyber and Information Security Good Practice Guide

The Committee received the report noting the Trust was compliant in all but two of the requirements and congratulated the team on their achievements.