

Extraordinary Audit & Assurance Committee Chair’s Highlight Report to Trust Board

Subject:	Audit & Assurance Committee (AAC) Report	Date: 19 th January 2023
Prepared By:	Graham Ward – AAC Chair	
Approved By:		
Presented By:	Graham Ward – AAC Chair	
Purpose		
	Assurance	

Matters of Concern or Key Risks to Escalate	Major Actions Commissioned / Work Underway
<ul style="list-style-type: none"> ▪ <u>Internal Audit</u> – Implementation of internal audit recommendations is improving – currently at 66% (up from 55% at last report) implemented by due date (needs to be >75% for Head of Internal Audit Opinion to be significant assurance). ▪ <u>Internal Audit Report with Limited Assurance</u> – the recommendations (4 medium and 2 low risks) and actions were presented. The Committee gained good assurance that the recommendation implementations were progressing well. ▪ <u>Governance Survey</u> – as this survey is confined to directors only (executive and non-executive) in future years it will not be done anonymously. ▪ <u>Register of Interests</u> – this is now down to an all time low of 32 who haven’t declared (out of 942 Grade 7+ staff). ▪ <u>Non-Clinical Policies</u> – The number of well overdue policies has now reduced to 10, for which plans are in place to update and approve. This is a significant improvement. 	<ul style="list-style-type: none"> ▪ <u>Internal Audit Programme</u> – This is currently under discussion for 2023/24 between SLT and 360 Assurance. The draft programme will be discussed at the next Audit Committee meeting, which will include detailed explanations of why the areas have been selected. ▪ <u>Maturity Matrix</u> – 360 Assurance presented a number of areas for discussion for areas of further improvement. Two actions were agreed: <ul style="list-style-type: none"> ○ A policy note be prepared to cover any potential conflicts of interest for the Chair of the Audit Committee; and ○ An additional standing item be added to the agenda for System related updates. ▪ <u>Procurement</u> – Requested that the single tender waiver report includes details on the percentage of payments where there is no purchase order as the next area of focus for improvement (this currently stands at 18%).

<ul style="list-style-type: none"> ▪ <u>HfMA Financial Sustainability Audit</u> – this has now been completed and assurance gained from the internal auditors that SFH’s responses, if anything, understated SFH’s position. The full set of responses will be reviewed by Finance Committee and implementation of improvements for those scored 3 or below (out of 5) will be monitored. ▪ <u>Single Tender Waivers</u> – This process is now well embedded and is helping deliver improved VFM and better planning for future procurements. 	
Positive Assurances to Provide	Decisions Made
<ul style="list-style-type: none"> ▪ <u>Internal Audit</u> – The Head of Internal Audit Opinion Stage 2 paper was presented, which with the exception of the recommendation implementation rate (66%, which represents moderate assurance) was very positive. ▪ <u>External Audit</u> – KPMG gave an update on the preliminary risk assessment for SFH. This included the proposed materiality for 2022/23 which has been increased from £9M to £11.5M, primarily due to a reduced risk assessment which changed the percentage of forecast revenue from 2% to 2.5%. 	<ul style="list-style-type: none"> ▪ <u>Internal Audit Programme</u> – Approval of proposed changes were agreed.
Comments on Effectiveness of the Meeting	
<ul style="list-style-type: none"> ▪ All papers were of a high quality and clear which helped the meeting run smoothly. 	