

Board of Directors - Public

Subject:	Report of the Audit and Assurance Committee	Date: 30 th November 2017		
Prepared By:	Shirley A Higginbotham, Head of Corporate Affairs and Company Secretary			
Approved By:	Ray Dawson, NED, Chair of Audit and Assurance Committee			
Presented By:	Ray Dawson, NED, Chair of Audit and Assurance Committee			
Purpose				
The Audit and Assurance Committee met on 16 th November 2017. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:			Decision	
			Approval	
			Assurance	X
Strategic Objectives				
To provide outstanding care to our patients	To support each other to do a great job	To inspire excellence	To get the most from our resources	To play a leading role in transforming health and care services
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"> • Number of staff band 7 and above who are non-compliant with regard to conflict of interest declarations. • Recommend approval of the Standing Financial Instructions and Scheme of Delegation updates • Recommend approval of the Terms of Reference for the Audit and Assurance Committee <p>The Audit and Assurance Committee met on 16th November 2017. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest. The following items were presented and discussed:</p> <p><u>Whistleblowing Arrangements</u></p> <p>The report was received and considered, the Senior Independent Director provided committee with assurances with regard to the revised governance processes and the additional Freedom to Speak up Guardians and pointed to the next steps which would ensure alignment with the Trusts Maximising our Potential workforce strategy:</p>				

- Introduction of a dedicated portal where concerns can be raised 24/7 through a smart phone application
- Promotion of the raising concerns agenda through the smart phone application and revised promotional information by the end of 2017
- Increased engagement at Trust induction through pod cast and supporting information
- Revised poster campaign including new signage across all sites linked to “Dedicated to Outstanding”
- Hosting a regional Freedom to Speak up Guardian network meeting in December

Committee were assured by the report

Counter Fraud Progress Report

The report was presented by the Trusts local Counter Fraud Specialist, who reported progress against the 2017/18 counter fraud work plan and highlighted key areas of counter fraud work undertaken in the areas of strategic governance inform & involve and prevent & deter:

- 60% of the planned work for the year complete
- New fraud risk assessment process developed
- NHS Counter Fraud Authority replaced NHS Protect on 1st November 2017
- 2822 staff have completed counter fraud eLearning since April 2017
- November is Fraud Awareness Month at the Trust
- Mandate fraud exercise commenced
- 3 investigations and 2 information reports (initial allegations) are being actively progressed by the CFS
- A further 3 investigations and 2 information reports have been requested for formal closure since the last meeting
- 1 investigation has been closed since the last meeting

Committee were assured by the report

Internal Audit Progress Report

360 Assurance client manager presented the report and highlighted the following areas:

One final report has been issued in the period, Medical Devices, which was issued with a limited assurance opinion; this was discussed in detail in a later agenda item.

One follow up report has been issued in the period, Quality Account Indicators, one high risk action which relates to the Emergency Department 4 hour standard remains on-going, this was discussed in detail by the committee members and a further report, presented by the Chief Operating Officer was requested for the next meeting of the committee in January 2018.

The Trust's rate of implementation of audit recommendations stands at 86% which is a significant improvement of previous years. An online tracking system is being developed which will be in place before the next meeting of the committee

Stage two of the work with regard to the 2017-18 Head of Internal Audit Opinion has commenced and a survey has been distributed to all board members. The results will be reported at the next meeting.

Committee were informed 53% of the internal audit plan had been completed which is in line with expectations.

Terms of Reference have been agreed for the following reviews:

- Integrity of the General Ledger and Financial Reporting
- Budgetary Control
- Information Governance Toolkit Self-Assessment
- Delayed Transfers of Care
- Patient Safety Alert System

The reports will be brought to Committee as appropriate

The committee agreed to highlight the high risk action with regard to the ED 4 hour standard to the Board of Directors.

Audit Reports with Limited Assurance – Medical Devices

As previously agreed by committee only those audit reports with limited assurance would be reported directly to the committee.

360 Assurance presented the findings of the Medical Devices review and the Medical Director provided committee with an update regarding the actions identified. Five risks had been identified and 5 actions had been agreed, a follow up review would be undertaken during Q1 of 2018/19 to evaluate progress made in respect of the issues raised.

The Committee discussed and noted the report

Internal Audit Report to Board Committees

As previously noted only reports with limited assurance were reported directly to committee.

This report detailed those audit reports with either limited or significant assurance which were reported to other Board committees

The committee were assured by the report

Outstanding Audit Recommendations

The Chief Finance Officer presented the report which identified 15 recommendations remain on-going, 1 of which is rated high risk. 4 recommendations have no progress reported and are therefore shown as outstanding. Committee noted the significant improvements in implementing recommendations however committee also highlighted the high risk recommendation discussed earlier.

Information Governance Update

The Information Governance Manager presented the report which highlighted progress against the IG Toolkit, which stands at 62% although this is rated as unsatisfactory it is expected at this time of year as information is being updated and replaced.

A recent level 2 IG breach had been reported and was being investigated. There had been no correspondence from the ICO with regard to the incident to date; this was expected before the next committee meeting.

Themes from Freedom of Information requests reflects the issues of interest to the press and public and the trends and themes reported highlighted an increase in requests around sexual harassment

A combined action plan which includes the actions from the recent ICO audit, internal audits, GDPR implementation plan and the 10 Cyber Essentials has been developed and will form the IG improvement plan over the next 12 months. This action plan will be monitored by the IG Group and any risks identified will be reported to the Risk Committee. Progress reports will be presented to Committee for assurance.

The internal General Data Protection Regulation compliance group meets monthly to ensure the Trust is on track for the implementation of the new regulation in May 2018 and works collaboratively with NUH, Notts Healthcare and the local community to ensure consistency across the local health economy.

Conflicts of Interest

The committee received the report and noted the dashboard which highlighted the number of staff, band 7 and above who had declared an interest, 74, those who had made a nil return 413 and those who were still non-compliant 353, broken down by staff group. Committee noted the communications which had been issued and recorded their disappointment this had still not had the desired outcome. Committee agreed to highlight this issue to the Board of Directors. Committee were informed that in line with the guidance from NHS England the register would be published on the internet in December 2017 and annually thereafter.

Standing Financial Instructions and Scheme of Delegation updates

The committee approved the amendments to the Standing Financial Instructions and Scheme of Delegation which included:

- Provide a process for approving payments to partner organisations
- Include investments and disinvestments within the Business Case approval process

The committee agreed to recommend the amendments to the Board of Directors for ratification.

Single Tender Waivers

Committee received a report which noted all single tender waivers between 1st September and 31st October

Committee noted the improved report which now included a value for money column and were assured however committee asked for further detail regarding value for money in the next report

Losses and Special Payments

Committee received the report and noted the majority was a right off of bad debts where it was deemed uneconomical to pursue further.

Terms of Reference

Committee approved the revised Terms of Reference which had been updated to include receipt of the policy schedule twice a year.

Committee agreed to submit the Terms of Reference to the Board of Directors for Approval.