

## Council of Governors

<b>Subject:</b>	Report of the Audit and Assurance Committee	<b>Date:</b> 18th February 2020		
<b>Prepared By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee, 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 22 <sup>nd</sup> November 2019 16 <sup>th</sup> January 2020. This paper informs members of the significant matters agreed by the Committee for reporting to the Council of Governors. The Governor Observers will provide verbal feedback of the meeting.			<b>Approval</b>	
			<b>Assurance</b>	x
			<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>
x	x	x	x	x
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		x		
<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>				
Board of Directors 5 <sup>th</sup> December 2019 and 6 <sup>th</sup> February 2020				
<b>Executive Summary</b>				
<p>The Audit and Assurance Committee met on 22<sup>nd</sup> November 2019 and 16<sup>th</sup> January 2020. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>Governor observers were Kevin Stewart and Ian Holden, who will verbally feedback their views and comments to the Council of Governors</p> <p>The Council of Governors is asked to accept the content of the Report and note the items highlighted below:</p> <p style="margin-left: 40px;">Counter Fraud Progress Report Internal Audit Progress Report External Audit Plan Outstanding Audit Recommendations Register of Interests Report Draft Annual Governance Statement Final Accounts Timetable and Plan</p>				

Maturity Matrix Action plan  
Committee Effectiveness Self-Assessment  
Internal Control issues – Board Committees

The following items were presented and discussed:

#### Counter Fraud Progress Report

Committee received the report and update from the Counter Fraud Specialist. Committee were informed there had recently been a counter fraud awareness month; the key issues being raised were in regard to cyber security. The team were also working with the Communications team to develop a short counter fraud video for use at induction and/or on screens around the Trusts sites to raise awareness. Committee were informed the investigation noted in the report had been resolved and closed.

#### Internal Audit Progress Report

Five reports had been issued since the last meeting, including the Head of Internal Audit Opinion (HOIA) work plan. The implementation rate for first follow up actions is 95.7%, the highest of all 360 Assurance clients. The Internal Audit plan is 68% complete in line with the agreed timelines. The HOIA stage two, highlights two areas for consideration from the Board Assurance Framework (BAF) survey: Risk Appetite and Effective Risk Management, these were addressed through the Board Workshop on 23<sup>rd</sup> January 2020.

#### External Audit plan

External audit presented the audit plan timeline and noted the engagement team would be the same as last year which would help with consistency of approach. The de minimis limit was proposed to increase from £293,000 to £300,000, with materiality again set at 2% of forecast income (£6,539K) and these were approved by committee. The Higher Profile Client criteria was discussed, which may lead to increased costs, this will be confirmed through the Finance Committee.

#### Register of Interests Report

Committee received the report and noted the significant improvements in compliance, with 69 staff non-compliant compared to 107 staff non-compliant in November. The full register and list of non-compliant staff were shared with the committee. The clinical chair for the Surgery Division and the acting Divisional General Manager for the Medicine Division attended to update committee with proposed actions to improve compliance.

This has been an area of focus for the committee during the year and will continue to be so.

#### Draft Annual Governance Statement (AGS)

Committee were informed the guidance document from NHSi had now been received, with a slight change for the AGS, the draft was presented detailing the proposed sources of assurance for the completion of the report. It was agreed the committee would receive regular iterations of the document up to the final approval of the Annual Report and Accounts in May 2020. Internal Audit representatives suggested committee review the HFMA handbook with regard to Audit and Assurance Committee responsibilities with regard to the production of the AGS

#### Single Tender Waivers

Three single tender waivers have been presented for approval, committee complimented the procurement team on the process and achieving the savings.

#### Maturity Matrix Action Plan

Committee received the action plan which had been developed to address the areas of improvement identified at the development session lead by 360 Assurance in November 2019. The plan would be monitored through regular reporting to committee.

#### Internal Control issues – Board Committees

The committee discussed the implications of internal control issues in other committees and agreed to add on to the agenda as a standing item going forward. This would help inform the Annual Governance Statement which forms a key part of the Annual Report

The Chair of the Quality committee had previously raised an issue regarding Dementia Screening. It was noted that the Quality committee had subsequently received assurance the process was robust in the medium term and that an internal audit review would be included in the 360 Assurance work plan to hopefully provide further assurance. The chair of the committee raised a further concern regarding staff wellbeing in respect of hours worked, board receive regular reports regarding nurse, AHP and Junior Doctor staffing levels but nothing with regard to consultants and other associated medical staff. It was agreed by the Chair of the People, OD and Culture committee this issue would be reviewed and a report provided.

The Chair of the People, OD and Culture committee raised a concern regarding the focus on the equality and diversity agenda for patients; we have staff representation but no sight of patient issues. It was agreed this would be highlighted to the Director of OD and Service Improvement.

The Chair of the Finance committee informed committee of items discussed with regard to FIP delivery and progress.