

## Board of Directors Meeting in Public

<b>Subject:</b>	Report of the Audit and Assurance Committee	<b>Date:</b> 2 <sup>nd</sup> April 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 19 <sup>th</sup> March 2020. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors. Committee also recommend a change to the Scheme of Delegation to the Board for Approval			<b>Approval</b>	<b>X</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>				
<p>The Audit and Assurance Committee met on 19<sup>th</sup> March 2020. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest. A number of the members of the committee joined electronically.</p> <p><b>The committee agreed to recommend to Board a temporary change to the Scheme of Delegation to allow the COO the same budgetary rights as the CEO and CFO, in order to reduce any potential delays in approving necessary and appropriate spend with regard to the current Covid-19 Incident.</b></p> <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"> <li>Internal Audit and Counter Fraud Plan</li> <li>Counter Fraud Progress Report</li> <li>Internal Audit Progress Report</li> <li>External Audit Progress Report</li> <li>Board Assurance Framework</li> <li>Data Security Protection Toolkit</li> </ul>				

Register of Interests Report  
Draft Annual Governance Statement  
Risk Committee Annual Report  
Audit and Assurance Committee Annual Report to Board

The following items were presented and discussed:

Internal Audit and Counter Fraud Plan – 2020/2021

Committee were assured of the robust process in developing the Internal Audit plan, noted the prioritisation of audits may need to be flexed to ensure those requiring clinical input were deferred to later in the year. Committee agreed any audits with regard to the ICS would be considered after the receipt of the ICS Governance Review.

**Committee Approved the Plan, but recognised that it would have to be revisited as required due to the Covid-19 Incident.**

Counter Fraud Progress Report

Committee were assured by the report and noted the revised policy and the significant uptake of the e-learning package. The Payroll review was also discussed and assurance received.

Internal Audit Progress Report

Committee were assured by the progress made that was noted in the report and were assured of the process being followed to ensure the delays to the final three audits were addressed.

Committee noted that there were still 1 high and 3 medium recommendations that were still ongoing with respect to the Mental Capacity Act and Deprivation of Liberty Safeguards follow up review, but were assured that the development, pilot and roll out of the key Audit Tool was progressing (though likely to be delayed from the planned 30 April 2020 implementation due to the Covid-19 Incident).

Pending the outcome of these audits the Head of Internal Audit Opinion is likely to be Significant Assurance which is a great achievement for the organisation and demonstrates all the hard work in the Trust to ensure compliant and robust systems, processes and controls.

External Audit Progress Report

Committee were informed there had been no change to the deadlines for submission of the Annual Report and Accounts, to date. PWC expected to deliver all aspects of the audit, however assessment of some of the Quality Report indicators which required being on site may be delayed.

Board Assurance Framework

Committee were assured by the process regarding the Board Assurance Framework (BAF) document and noted the development of the revised BAF through liaison with the executive leads and lead committees in identifying key threats, controls, gaps and mitigations.

### Register of Interest

Committee noted the excellent work of the Corporate Secretariat in reducing the number of non-compliant staff to 36 at the end of the year.

Committee were assured of the process to encourage earlier compliance for 2020/2021, noting the challenges of the current situation.

Committee asked for a thank you message to be sent to all who had completed to encourage completion of the 2020/21 declaration

This will remain a key focus of the committee in 2020/2021

### 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.

### Audit Recommendations

Committee received the report and noted the implementation of the Pentana on line monitoring systems which had resulted in a drop in compliance, this was expected. Audit recommendation action owners will continue to be invited to committee if deadlines are exceeded.

This will remain a key focus of the committee in 2020/2021

### Data Security Protection Toolkit

Committee received the report noting all standards had been met, including 95% of staff undertaking IG training, the Trust had not met this standard in previous years.

Committee also noted the significant assurance received from 360 Assurance in a pilot audit, funded by NHSD, with regard to the completion of the toolkit and congratulated the IG team for their achievement.

### **Committee approved submission of the report.**

### Risk Committee Annual Report

Committee received the report and noted the excellent work undertaken by the committee during the year. Committee asked for the compliance with risk management training to be added to the report and asked for consideration of a review of lower level risks to be undertaken to provide assurance these weren't highlighting a more significant risk when reviewed as a trust wide issue.

### Audit and Assurance Annual Report to Board

Committee reviewed the report and agreed the objectives for the committee for the next 12 months:

- Maintain the review and control processes currently in place, including ensuring that actions and process changes in response to internal and external audit recommendations have been implemented on a timely basis
- Implement the actions identified in the Committee's maturity assessment action plan, with a particular emphasis on working closely with the other sub-committees of board

- Undertake a peer review of the Audit & Assurance Committee process
- Maintain focus and review of the Register of Interests

**Committee approved the report for submission to the Board**

Internal Control issues – Board Committees

No issues were raised