

Board of Directors Meeting in Public

Subject:	Report of the Audit and Assurance Committee	Date: 2 nd July 2020		
Prepared By:	Graham Ward, NED, Chair of Audit and Assurance Committee, Shirley A Higginbotham Director of Corporate Affairs			
Approved By:	Graham Ward, NED, Chair of Audit and Assurance Committee			
Presented By:	Graham Ward, NED, Chair of Audit and Assurance Committee			
Purpose				
The Audit and Assurance Committee met on 22 nd June 2020. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:		Approval		
		Assurance	x	
		Update		
		Consider		
Strategic Objectives				
To provide outstanding care	To promote and support health and wellbeing	To maximise the potential of our workforce	To continuously learn and improve	To achieve better value
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"> • Counter Fraud Annual Report • Internal Audit Progress Report • Internal Audit Annual Report (inc HIAO) • External Audit reports • Going Concern Assessment • Final Annual Report (inc AGS) • Conflicts of Interest <p>The Audit and Assurance Committee met on 22nd June 2020. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>The following items were presented and discussed:</p> <p><u>Counter Fraud Annual Report</u></p> <p>The Trust has maintained compliance with NHSCFA Standards throughout the course of the year through the delivery of proactive and reactive work undertaken in accordance with the approved annual work plan.</p>				

An annual Self Review Tool (SRT) submission to the NHSCFA, confirming the Trust's compliance with the Standards, was agreed and authorised by the Chief Financial Officer and Audit Committee Chair prior to submission.

Standard 1.4, which is a new standard was rated as red due to the new assessment criteria, this did not impact on the overall compliance. The Trust will continue to work with Counter Fraud to improve compliance with this standard.

Internal Audit Progress Report

Fifteen reviews have been completed during the year, including two from the 2018/19 Internal audit plan, three reviews are in the final draft reporting stage, two reviews are in progress and one review is in the planning stage.

All actions from follow up reports have been implemented.

Internal Audit Annual Report (inc HIOA)

The Head of Internal Audit Opinion, provides an opinion of **significant assurance** overall and in relation to each of the three areas which form the basis of the opinion, namely:

- the design and operation of your Board Assurance Framework and strategic risk management arrangements
- the outcome of individual assignments reported within 2019/20 Internal Audit Plan
- the extent to which you have responded to audit recommendations.

Audited Annual Accounts, Financial Statements and final key changes

The committee received an update regarding the preparation of the Annual Accounts and Financial Statements, noting the material and immaterial changes.

External Audit reports

External Audit PWC, presented the following reports:

- External Audit Report to those charged with Governance (ISA260)
- Management Representation Letter

PWC highlighted the unadjusted errors in the Annual Accounts noting they were in aggregate below the materiality level and that NHSI had confirmed that even if they were adjusted for at this stage no change would be made to the Provider Sustainability Fund payments.

Going Concern Assessment

There is no presumption of going concern status and therefore Directors must decide each year whether or not it is appropriate for the organisation to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

The committee considered the report and recommended the assessment to the Board for approval

Final Annual Report (inc AGS)

The Committee received the final draft of the annual report which had been reviewed by PWC and recommended to the Board for approval.

No internal control issues were reported from the chairs of the Board Committees.

Conflicts of Interests

Committee received the report noting 319 staff are non-compliant (500 at this stage in 2019). The reminder process had been paused due to the impact of the COVID 19 pandemic, however this has now been re-instated and therefore compliance should increase.

The Committee approved by circulation after the meeting the changes to the Terms of Reference and noted the report of the Risk Committee.

The Audit committee approved the committees annual report to Board in March 2020, this is attached for consideration.