

### CHAIR'S KEY ISSUES

#### ISSUES FOR REFERRING / ESCALATING TO BOARD / COMMITTEE / TASK & FINISH GROUP

<b>ORIGINATING BOARD / COMMITTEE / TASK &amp; FINISH GROUP:</b>	Audit and Risk Committee, 26 July 2023
<b>CHAIR:</b>	Mark Millar, Non-Executive Director
<b>LEAD EXECUTIVE DIRECTOR:</b>	Adrian Marr, Director of Finance

Agenda Item	Details of issue	Approval Escalation Alert Assurance Information
Committee effectiveness review	The feedback provided by participants was overwhelmingly positive. Key issues for Committee to consider were how to ensure that its decisions continue to enhance the quality of management's decision making going forward, the flow of information between itself and the Board and whether the frequency of reporting to the Board was appropriate, how to better utilise the expertise of external stakeholders as and when the need to engage them arises, the frequency of work programme review and if overall an adequate level of assurance was received on the key risks and issues discussed. Members reflected that there is always a direct link to Trust business and the Chair was credited for his leadership, supported by the Committee. Good engagement was felt to be in place with external partners, six monthly work plan review was felt appropriate with the annual cycle of the Committee prescribed and additional matters included as required. Risk management was previously one of the weaker areas and this is improving, whilst more could be done regarding the Board Assurance Framework. The Chair offered to have a conversation with any members in relation to their anonymous feedback to enable further improvement.	Assurance
Procedural Document Register Update	No significant movement since the last meeting with 93% of policies within their set review date. The Policy Review group is now in place and work continues at pace. Committee endorsement was sought for a set of principles which included cross-site policies wherever possible and policies in place only where there is a statutory, regulatory or mandatory requirement, with others being dealt with as appropriate. A Policy Officer has been recruited to ensure that up to date policies and guidelines are in place prior to implementation of the Electronic Patient Record. Executive Directors will follow up those that remained outstanding, and work is	Assurance

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	continuing to automate reminders for document authors. The Chair confirmed that he had met with the clinical director for Women's and Children's Division to thank them for the work they had done, a very helpful meeting. In response to a question regarding use of policy management software to enhance ease of management, this is being considered. The principles were <b>endorsed</b> .	
Self-Certification	The NHS provider licence forms part of the oversight arrangements for the NHS and was re-published in March 2023. On behalf of the Board, the Committee was asked to review the evidence provided against the statements assigned to it which come from the Board Self-Certification Report, to provide assurance to the Board on presentation in September. This would also be considered by the Quality and Patient Safety Committee and Performance and Finance Committee. It was confirmed that the shaded areas were yet to be completed, and except for some rewording at paragraph 20, the Committee <b>confirmed</b> that the review was comprehensive. There was no longer a requirement to submit, whilst there was the potential for NHS England spot checks.	Assurance
Board Committee work programmes 2023/24	Work programmes are received on an annual basis to support the Committee oversight role. These are dynamic documents which change to include new requirements and underpin agenda setting for each meeting.	Assurance
Internal Audit updates	<p>The final audits for 2022/23 have now been completed and reports issued. For 2023/24, work was progressing in accordance with the agreed schedule. Members questioned the outcome of the waiting list management audit and the importance of ensuring that the Trust learned lessons following failure to achieve the 78 weeks target at the end of March. Concern was expressed that the report had not yet been received for review in parallel with other elements such as the national checklist. A request was made for this to be expedited as soon as possible. For new members the four levels of assurance and the audit process were described. Three reviews had been finalised since the previous Committee meeting held in May and a summary was presented, whilst the full reports had not been included within the papers:</p> <ul style="list-style-type: none"> <li>• <b>Medical Devices Management</b> – partial assurance. Improvements in the design and effectiveness of controls were recognised following previous audits and core procedural documentation was in place. Areas of effective control design and compliance were also noted. However, control weaknesses were identified relating to the completion of Pre-Acquisition Questionnaires by suppliers prior to procurement of capital medical devices, accurate recording of general, financial, and technical properties of new devices on e-Quip, and completion of the MIA call off agreement and assessment of supplier's indemnity cover. Issues were also noted relating to the completion of PPMs and lack of processes in place to ensure that all staff receive the required training. Areas for improvement covered completeness of asset information on the e-Quip system, segregation of duties in decommissioning and disposal of assets, and the completion of regular commissioning audits to reconcile information recorded in the e-Quip system against information in the finance system integra to ensure that all capital asset purchases have been captured. There was also a</li> </ul>	Alert

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	<p>lack of action planning to clear the backlog of planned preventative maintenance tasks and no action plan in place to improve training compliance resulting in a risk that devices would not be used appropriately. Members noted the progress being made whilst this was deemed to be insufficient. Work would continue until reasonable assurance is gained.</p> <ul style="list-style-type: none"> <li>• <b>Data Security and Protection Toolkit</b> – moderate assurance, an NHS Digital assessment included in a standard audit template, judged to align to reasonable assurance. Performance had improved from an unsatisfactory rating in 2021/22 and available evidence was received and tested for all elements. Whilst there have been several control improvements, further work is required to strengthen some areas, resulting in the agreement of 29 management actions. The Chair advised of a detailed presentation at the previous meeting from the Director of Digital and Logistics, Committee acceptance of the direction of travel and quarterly reporting had been agreed. Overdue actions would be picked up through that report. There was discussion regarding the number of actions and what this meant in terms of risk and a description of the extent of the toolkit was provided. This reflects a level of tolerance.</li> <li>• <b>Discharge Planning</b> – reasonable assurance, with actions agreed.</li> </ul> <p>There was a full discussion on the open actions from previous audits undertaken in 2021/22 and 2022/23 and some concern that this information had not been updated. The Chief Executive would lead a full review of outstanding actions and how this was managed more effectively. The Committee expectation was repeated that if target dates were not achieved, individual Directors responsible for those services would be required to attend to provide an explanation.</p> <p>The final Annual Internal Audit Report and opinion 2022/23 was received, remaining as previously reported with the addition of the three reports discussed. The team was thanked for the timely production of their work.</p>	
Counter Fraud Progress Report	There was no update required to this meeting.	Information
External Audit planning report update 2022/23	A verbal update was provided by BDO on the difficulties in meeting the 30 June submission having been unable to resolve the resourcing challenges to meet that date or the rearranged Committee on 14 July. Regular meetings continue with the finance team to discuss progress and a revised timetable aimed for end of August achievement. The fieldwork has progressed well, some remains in progress primarily relating to income, payroll and expenditure, and the required reviews would be undertaken thereafter as in previous years. The Chair requested more detail with regard to the delay as this was the third occasion that deadlines had been missed principally due to BDO not delivering to the agreed timetable, confirmed as primarily due to BDO resourcing. BDO confirmed that the finance team had been very supportive. The position was interrogated further, and a full explanation was provided regarding management capacity and the coaching and support to	Escalation

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	<p>members of the BDO team which meant that the field work is not as far advanced as they would have hoped. Assurance was sought on achieving the dates for late August and September approvals, reflecting the very strong message from NHS England that late submission would impact the NHS laying of accounts. BDO advised that if the review process goes smoothly then the timeline is realistic, with the caveat that issues arising could potentially cause further delay. It was confirmed that BDO was taking this seriously at all levels. In response to a question regarding best- and worst-case scenarios, the review will go smoothly, or it will highlight further work that is required and which could take significant effort to resolve prior to the audit opinion being signed, which is the case for any review of an audit. Testing undertaken to date had not highlighted any material concerns. The Committee confirmed its disappointment at the lack of progress in the last two months and the Chair would escalate this to the highest level in BDO and NHS England due to its seriousness and the Trust being an outlier. Committee and Board dates would be retained to enable the Trust to meet the submission deadline of 8 September.</p>	
Trust Charity audit update	<p>A verbal update was provided by the Director of Finance. The financial audit field work is complete with no material concerns, awaiting partner review and the final annual report which is due on 1 August. The intention is for the draft completion report to be considered at the August Charitable Funds Committee with final completion at the 4 September Audit and Risk Committee and 7 September Board.</p>	Assurance
Board Assurance Framework (BAF)	<p>The revised BAF was presented as work in progress following meetings with each of the Executive Director risk owners. The new format was described with mechanisms and systems to control the risks rather than inclusion of individual actions. A new Board/Committee update has been included to be updated following Board and deep dive discussions. Linking partnership to the Performance and Finance Committee rather than Board was questioned, as this may change some of the Committee's work to manage that risk. This would be followed up. The format was welcomed and <b>approved</b>. Risk owners were encouraged to consider whether this really reflects the extent of controls and assurances as these will evolve over time.</p>	Assurance
Committee Terms of Reference	<p>All Board Committee Terms of Reference are now being reviewed on an annual basis rather than three yearly, as discussed at the previous meeting. Minor amendments only have been made as the role of the Committee has not changed. These were <b>approved</b>.</p>	Assurance
Reports by consent	<p>The quarter 1 tender waiver report and declarations of interest were received.</p>	Assurance