

Audit and Risk Assurance Committee Key Issues Report

Report Date: 8 th April 2020	Report of: Audit and Risk Assurance Committee ('ARAC')
Date of last meeting: 2 nd April 2020 (note this was held by conference call)	Membership Numbers: 4 Quoracy met =100% attendance including the Chair or Deputy Chair
1	<ul style="list-style-type: none"> • Agenda • The Committee considered an agenda which included the following: <ul style="list-style-type: none"> • IFRS 16 update • Losses and Special Payment • Single Source waivers • Internal Audit - CNST Submission Review Report • Internal Audit - Recruitment Review Report • Internal Audit - General IT Controls Report • Counter Fraud - Annual Report • Counter Fraud - Annual leave 2nd report • Counter Fraud - Self review tool • Internal Audit Recommendation tracking • Changes in Governance arrangements resulting from COVID 10 • Board Assurance Framework risks • Care Group High Risks • COVID 19 risks
2a	<p>Alert</p> <p>The Committee wish to alert members of the Board that:</p> <ul style="list-style-type: none"> • COVID 19 has impacted on internal audit work, report timeliness (CNST, Datix and FTSU) & delays in delivering recommendations (particularly CNST, Recruitment, WLI and Annual Leave). DoF advised that the executive team were actively considering impact and prioritising resources and would report back to the next committee. • The CNST Submission Review report for Yrs.1 and 2 highlighted concerns with the adequacy of governance at each stage of scrutiny and the adequacy and quality of evidence to support the submissions. The committee were disappointed that we were not able to set more robust timelines for completion of actions but accepted and understood this given COVID 19. It is recommended that Yr. 3 is not submitted until the audit recommendations are completed. Deloitte also commented that other similar processes involving approving other external submissions should be considered. The DoG confirmed this was within his remit and he would arrange independent compliance checks where appropriate. The committee expressed concern that an action was identified in the report to achieve full consultant anaesthetic cover by June 2019 had still not been delivered and therefore continues to be a risk which should urgently be addressed. • The Annual Leave Report 2 looked at annual leave patterns in W&C, Anaesthetics / critical care. Whilst leave patterns in W&C were similar to those reported in other areas, the report proposes consideration and remedial action is required within Anaesthetics with considerable opportunity for efficiencies. • It was noted as part of the risk assurance process that the executive performance review group (EPRG) conduct detailed reviews of 'High' risks on a rotational basis. This group has not met for 3 months

		meaning this scrutiny is not currently occurring. DoG agreed to take this to the exec as part of their resourcing review.		
2b	Assurance	<p>The Committee wish to assure members of the Board that:</p> <ul style="list-style-type: none"> • The Local Counter Fraud Specialist Annual Report, from Deloitte concluded that the Trust has achieved an overall rating of full compliance against each of the NHS Counter Fraud Authority ('NHS CFA') Standards in 19/20. The DoF and Audit Committee Chair intend to confirm compliance (to the NHS CFA) with these standards on the basis of this report. • The Internal audit recruitment review gave only limited assurance around these processes with 4 high and 15 medium recommendations. Implementation of these recommendations will improve assurance. • The General IT controls report gave moderate assurance to the ARAC. 		
2c	Advise	<p>The Committee wish to advise members of the Board that:</p> <ul style="list-style-type: none"> • Specific examples to be identified and further information requested prior to authorising all single source procurement waivers in 19/20. • KPMG reported that they were working towards the original external audit timeline, although the NHS have extended the reporting deadlines. They also noted that there may be a requirement (which is a national issue) for further details with respect to the going concern note in the statutory accounts as a result of the COVID 19 impact. The DoF will discuss the audit and annual report timetable with KPMG in light of the changes confirmed due to COVID 19 and make a recommendation to the Audit Committee and Trust Board on dates for signature of the Annual report and accounts. • The timetable for the implementation of IFRS 16 , a major accounting standards change, for which the Trust is well prepared has been extended by HMT by 12 months. • The DoG briefed the committee on NHS COVID 19 guidance (28/3) on reducing burden and releasing capacity and its effect on governance. The ARAC is complying with this. • The DoG briefed the committee on a new BAF risk related to COVID 19 which the exec are currently reviewing. 		
2d	Review of Risks	<p>The Audit and Risk Committee do not have any individual BAF risks assigned to it. They consider risk assurance in general and any comments are noted in the above section.</p>		
3	Actions to be considered by the Board	<ul style="list-style-type: none"> • Report to be noted. • Recognise the impact of COVID 19 on some aspects of the committee's work, including the lack of risk assurance as a result of EPRG not meeting • Endorsement of the recommendation that the Yr. 3 CNST submission is not made until board are satisfied that the recommendations in the review noted have been implemented. • Noted within the CNST report that a care group action targeted for June 2019 for full consultant anesthetic cover within maternity by June 2019 had still not been delivered • Support the DoG instigating independent compliance checks, where appropriate, on external submissions. • Note the full compliance with the NHS Counter Fraud Authority standards for 2019/20 (which were also achieved in the prior 4 years). 		
4	Report compiled by	<i>Tony Bristlin Chair of Committee</i>	Minutes available from	<i>Amanda Young Committee Support</i>