

Audit and Risk Assurance Committee Key Issues Report

Report Date: 25 th June 2020		Report of: Audit and Risk Assurance Committee
Date of last meeting: 25 th June 2020		Membership Numbers: 4 Quoracy met = 100% attendance including the Chair or Deputy Chair. Note the Trust Chair / CEO attended for part of the meeting
1	Agenda	<p>The Committee considered an agenda which included the following:</p> <ul style="list-style-type: none"> • Head of Internal Audit Opinion • Annual Accounts 2019/20, including ISA 260 Year End Report 2019/20 Going Concern Statement, Post Balance Sheet events review and Management Representation Letter • Draft Annual Report 2019/20 • Annual Governance Statement • Draft Internal Audit Plan 2020/21 • Anti-Fraud Plan 2020/21 • Recommendation Tracking • Losses and Special Payments • Board Assurance Framework • Risk Management Assessment Report
2a	Alert	<p>The Committee wish to alert members of the Board that:</p> <ul style="list-style-type: none"> • The committee were updated on the matters raised in its previous meeting with respect to procurement processes on specific Single source waivers for 2019/20 and were satisfied with the responses, with 2 items to make the trust board aware of: <ul style="list-style-type: none"> ○ Think on - a contract was entered into with this company who provide cultural change / productivity training and consultancy for £346k in May 2019 ○ A contract was entered into in Aug 2019 for £278k with FourEyes Insight in good faith on the basis of the previous diagnostic work undertaken with this company in order to address its theatre efficiency / productivity. The work was also subject to business case approval from f NHSE/I to use FourEyes. <p>These processes were initiated by prior CEO / FD's who decided that there were exceptional circumstances that meant formal tendering procedures would not be practicable. The committee noted a concern with the process for these two contracts and recommended that such processes should be avoided where possible and if absolutely necessary be shared with the board at the earliest opportunity.</p> • The committee had a significant number of requests (20) for extensions of deadlines for completion of prior audit recommendations and a further 8 that were overdue with no request received. Of these 8 were high priority items. A number of these were raised in our previous report to the board with the request that the exec considers the priority of these together with other pressing matters. The committee has a low level of assurance that these recommendations are being actively prioritised. Non delivery of audit recommendations in a timely manner is undermining to the assurance process.
2b	Assurance	The Committee wish to assure members of the Board that:

		<ul style="list-style-type: none"> The Committee received an unqualified external audit opinion on the 2019/20 SaTH Financial Statements and a qualified opinion on its Use of Resources (VFM) The committee reviewed drafts of the following reports for 2019/20 <ul style="list-style-type: none"> ISA 260 Year End report from KPMG Annual Accounts, Governance Statement and Management Representation letter. <p>On the basis of that review and assurances from the CEO / FD that any subsequent adjustments were not significant or material the committee authorized the signing of these documents in line with the delegated authority from the board, and these were subsequently submitted to NHSE/I by the 12 noon deadline on 25th June</p> The 2019/20 Head Of Internal Audit Opinion from Deloitte gave 'Limited' Assurance, which was disappointing but the committee recognised this reflects our current position. The basis for this is internal audit opinions during the year, the trusts financial position and its inadequate rating by the CQC / special measures status Deloitte submitted a report on Datix Clinical Incident Management (Limited Assurance) and Recruitment (Limited Assurance). Both of these reports highlighted the need for significant improvements in these key areas to achieve the necessary level of assurance. In particular there is a requirement to ensure we capture, prioritize and action any reported quality issues and this receives the required amount of focus. Additionally Deloitte submitted their annual report on the Board Assurance Framework, with assurance being downgraded from moderate in the prior year to limited for this financial year. The Trust Chair emphasised the need for clarity for Assurance committees on what was required from them - the DoG will provide this and report back to the committee. 		
2c	Advise	<p>The Committee wish to advise members of the Board that:</p> <ul style="list-style-type: none"> MIAA, the recently appointed Internal Audit and Local Counter Fraud service providers presented their risk based programmes for 2020/2021 which had previously been reviewed by the executive team. The committee accepted the proposals, acknowledging it was a dynamic document and can be adapted to circumstances during the year. MIAA also stated that they were very aware of the challenges COVID 19 has and will have on their processes but still believed they could deliver the agreed programme. The committee also confirmed agreement the MIAA Internal Audit Charter A presentation was submitted to the board on the BAF / risk management process within the trust by an external consultant, Kevin Street who has been engaged on a 12 month contract by the trust to identify and support improvements in this key area. The committee supported the proposed approach. 		
3	Actions to be considered by the Board	<ul style="list-style-type: none"> Report to be noted The board is asked to note the lack of assurance related to Internal audit recommendations and to ask that the executive team ensure actively considers these together with other trust priorities for action The board is asked to note the Head of Internal Audit Opinion is limited for the second year and seek assurance around plans to improve on this in the key areas - financials, quality and dealing with audit recommendations sustainably To obtain assurance that the key matters raised in the Datix Clinical Incident Management will be dealt with as a priority Endorse the recommendation noted in relation to single source waivers 		
4	Report compiled by	<i>Tony Bristlin</i> Chair of Committee	Minutes available from	<i>Amanda Young</i> Committee Support