

Audit and Risk Assurance Committee Key Issues Report

Report Date: 11 th Sept 2020		Report of: Audit and Risk Assurance Committee (ARAC)
Date of last meeting: 10 th September 2020		Membership Numbers: 4 Quoracy met = 100% attendance including the Chair or Deputy Chair.
1	Agenda	<p>The Committee considered an agenda which included the following:</p> <ul style="list-style-type: none"> • Annual Audit Letter • External Audit Report • Internal Audit Plan and Counter Fraud Progress Report 2020/21 • Recommendation Tracking • Losses and Special Payments • Single Waiver reporting Q1 • Annual Security Report • Board Assurance Framework • Risk Management Modernisation Progress Report
2a	Alert	<p>The Committee wish to alert members of the Board that:</p> <ul style="list-style-type: none"> • The committee reviewed the status of Internal Audit / Counter fraud recommendations made in relation to issued reports. There remained a high (24) number open points that were past their due date. These were reviewed, including a discussion with the workforce director and detailed feedback on the remaining points. The extensions requested were approved. Whilst recognising some improvement in the work to complete the open actions from prior months there is still work required including further executive team focus on closing all open points, improved reporting to the committee and ensuring the relevant executive 'signs off' prior to issue of future audit reports. • The Annual Audit Letter 2019/20 was received and noted. In response to a matter raised by Brian Newman, Assoc NED, KPMG confirmed they consider external reviews such as the Independent Maternity Review when considering their Value for Money opinion because of the mandated criteria they are required to consider. This is an open review which will lead to recommendations, which will form part of the general view of the organisation
2b	Assurance	<p>The Committee wish to assure members of the Board that:</p> <ul style="list-style-type: none"> • MIAA, our internal audit service providers, confirmed they had commenced their agreed risk based internal audit programme for the year and their current view is they will deliver the agreed plan. They also confirmed the Local Counter Fraud work, mandated by the NHS, is on track. The committee agreed to add a review of data quality into this years plan and to reschedule the Medical Devices review into the 21/22 financial year. It was also agreed that the FTSU review, would now be scheduled for early in 21/22 given there is a new lead for this team due to commence shortly. • The committee reviewed the single waiver reports for items not covered by the procurement process, and acknowledged that in certain instances the Covid situation required some urgent purchases, which were noted. • The Annual Audit Committee Report for 19/20 was reviewed and approved subject to some minor amendments and will be included in the next public board papers

		<ul style="list-style-type: none"> • The Chief pharmacist attended the committee and explained controls around medicine stocks and why write offs occur, to the satisfaction of the committee • The committee took assurance from the annual security report for 2019/20 produced by the Trusts Security Manager, and recommended that this be shared with the main Trust Board as it impacts widely across many areas of the Trust. 		
2c	Advise	<p>The Committee wish to advise members of the Board that:</p> <ul style="list-style-type: none"> • It was noted that the NHS is in the process of aligning its counter fraud standards to adopt the Cabinet Office Counter Fraud Standards. It is unclear at this stage what impact this could have on the Trusts self-assessment rating for 20/21 and this will be monitored during the year. • KPMG advised that the process for providing assurance over Value for Money for the 20/21 financial year is changing based on updated requirements set out by the National Audit Office. The committee proposed that once the details of this were clear that KPMG provide some Board development to the Trust on this. • The ARAC reviewed a proposed new BAF reporting format to significantly improve the current process and reporting and address some issues raised in the recent internal audit report and matters raised by the CQC. The committee were supportive of the proposed framework whilst acknowledging that further work was required to populate the document and review / approve the content. The committee also reviewed the 10 point Risk Management Modernisation Progress Report and acknowledged the good progress made to date on this. 		
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 further work by the executive team related to Internal audit recommendations in order to reduce the number of open items going forward. • To consider a future board development session on the Value for Money reviews conducted by KPMG as part of their external audit work 		
4	Report compiled by	<i>Tony Bristlin</i> <i>Chair of Committee</i>	Minutes available from	<i>Amanda Young</i> <i>Committee Support</i>