

Audit and Risk Assurance Committee, Key Issues Report		
Report Date: 15 February 2021		Report of: Audit and Risk Assurance Committee
Date of last meeting: 15 February 2021		Membership Numbers: No member apologies received. Internal Audit and Counter Fraud (MIAA), External Audit (KPMG), Interim Director of Finance, and Director of Governance and Communications in attendance.
1	Agenda	<p>The Committee considered an agenda which included the following:</p> <ul style="list-style-type: none"> • Outcome of Committee Effectiveness Workshop (18 December 2020) • Quality Assurance of internal audit reports and management responses • Review of CNST assurance sources and sign-off • Losses and Special Payments • Competition Waiver Report • Internal Audit Progress report – IT procurement review • Anti-Fraud Progress Report • External Audit Plan 2020/21 • Internal Audit Recommendations, tracking report • Review of business and inter-relationships with board committees • NHS accounts timetable and year end arrangements • Board Assurance Framework 2020/21 – use of / responsibility for • Risk Management Update • MIAA NHS Monthly insight report • External quality assessment of conformance to the public sector internal audit standards • Cycle of Business
2a	Alert	<p>The Committee wishes to alert members of the board of directors that:</p> <ul style="list-style-type: none"> • The incidence of competition waivers (x10) and full SFI waivers (x7), totaling £3.543m for the last quarter, appeared slightly high. The IDoF advised that a number of the waivers continue to relate to COVID-19 requirements; • Due to the mid-year change in internal auditors, the internal audit program is heavily back-loaded, meaning that timely actions will be required from management to ensure that internal audits are completed by year end where possible; • Internal Audit recommendations are not always completed in a timely manner, and management is reminded to ensure that actions are taken within agreed timescales – however, it was noted that the position has significantly improved over recent months; • There was (continued) discussion as to the validity of ‘self-certified’ assurance statements.
2b	Assurance	<p>The Committee wishes to assure members of the board of directors that:</p> <ul style="list-style-type: none"> • A review of the effectiveness of the Committee facilitated by the Internal Auditors provided a number of minor recommendations which will be monitored and implemented. (There was nothing arising which warranted an alert to the Board); • Internal Auditors have recently been assessed against the Public Sector Internal Audit Standards (completed every 5 years), and reported their full compliance with the requirements;
2c	Advise	<p>The Committee wishes to advise members of the board of directors that:</p> <ul style="list-style-type: none"> • A Standard Operating Procedure has been produced to clarify the process and deadlines by which Internal Audit Reports / Management Responses / Recommendations should be completed by management. Minor amendments will be made to the document, before distribution;

		<ul style="list-style-type: none"> • It was noted that, following a Risk Management Committee meeting the previous month, the revised Risk Management Policy and Strategy are being further reviewed to ensure that they are less theory based and more user-friendly and easier to understand; • A guidance sheet, as to the roles associated with oversight and approval of risks appearing on the Board Assurance Framework risk register, was presented to the Committee (a copy of which is provided in the Governance Report on the Board of Directors' agenda). 		
3	Actions to be considered by the Board	None		
4	Report compiled by	<i>Anna Milanec, Director of Governance</i>	Minutes available from	<i>Alison Kerr-Gold, EA to Director of Governance</i>