

Audit and Risk Assurance Committee, Key Issues Report	
Report Date:	Report of: Audit and Risk Assurance Committee
Date of last meeting: 6 September 2021	Membership Numbers: No member apologies received. Internal Audit and Counter Fraud (MIAA), External Audit (KPMG), Director of Governance and Communications, and Deputy Director of Finance in attendance. Apologies received from Director of Finance.
1	<p>Agenda</p> <p>The Committee considered an extensive agenda which included the following:</p> <ul style="list-style-type: none"> • Internal Audit Progress Report • Internal Audit: Medical Devices final report • Internal Audit: Medical Rota draft review • External Audit: Progress Report • MIAA Anti-Fraud Progress Report • Losses and Special Payments Report • Procurement Waiver Review • Approval Limits • Management Progress with Internal Audit Recommendations • Summary Risk Register (with risks scoring ≥ 15) • Board Assurance Framework 2021/22 • Emergency Planning, Resilience, and Response Annual Report • Draft Freedom to Speak Up Strategy • Assurance Board Committees Review – progress report • Project Plan Progress – Committee Effectiveness Review • Cycle of Business
2a	<p>Alert</p> <ul style="list-style-type: none"> • The Committee was concerned by the lack of progress against completion of internal audit recommendations, with 53 outstanding actions. The matter has been discussed with the Chief Executive. The Committee members were concerned that this number would increase by circa 40 once recommendations from completed audits had been added to the tracker; • It was further noted that the majority of deadlines for high and medium risk rated internal audit recommendations (Medical Devices) being cited as August 2022 and suggested that these be further considered/reviewed to address with more expediency; • Previously the number of waivers being presented to ARAC has been highlighted. On this occasion, the Committee raised an issue with the monetary value of some of the waivers presented, with 8 amounting to over £50K each, and two being in excess of £100K.
2b	<p>Assurance</p> <ul style="list-style-type: none"> • The two executive directors with the highest number of overdue audit recommendations at that time will be asked to attend the next Committee meeting in December; a hold has already been put into all executive diaries to ensure executives are able to attend. • The ARAC received the Emergency Planning, Resilience and Response Annual Report and was pleased to note the extensive work that had been carried out that enabled the Committee to draw assurance from the report; • Whilst noting that further work was required, the Committee members

		<p>were pleased with the proposed new format of the BAF document which had been made clearer and easier to follow, including details of risk appetite, linked strategic pillars, etc.</p> <ul style="list-style-type: none"> • In recognising the requirements of the Committee's duty in ensuring that whistle-blowing processes are sound, the members were pleased to note the first draft of a FTSU Strategy provided by the FTSU Guardian. Again, it was acknowledged that more work and some engagement would be required, before approval, but the basis of the document was welcomed. 		
2c	Advise	<ul style="list-style-type: none"> • Internal Audit highlighted a requested delay for the Quality Spot Checks Review (scheduled for Q2/Q3) to be moved to mid Q3. The Committee rejected the request and look forward to receiving details of the outcome at its next meeting; • The Committee members were asked to recommend to the Board a minor change to the Trust's delegation approval limits, increasing the revenue expenditure approval limit from £50,000 to £100,000 for 'executive directors and other directors as designated by the chief executive'. Committee members will seek further information relating to this matter before recommending the change to the Board. • The Committee members considered the outcome of the CNST year 3 submission, and its relationship to the internal audit recommendations which had arisen from previous years' submissions. In order to seek assurance on the reporting process and to provide the Trust with a firm foundation to progress to year 4 submission, it was agreed that the internal auditors be asked to undertake an advisory review of processes in order to provide assurance prior to closing down outstanding internal audit recommendations. 		
3	Actions to be considered by the Board	<ul style="list-style-type: none"> • It was suggested that the FPAC receive copies of the External Auditors' Sector and Technical Updates for information – details of the following, inter alia, having been noted from the said document: • The Board should be aware of the introduction of special severance payments and revised guidance for losses and special payments – noting that SFI's need to indicate the role of ARAC in reviewing and approving losses and special payments; • New reporting requirements in future annual reports regarding climate change were highlighted by the External Auditors, suggesting that the Trust ensures that the processes for the necessary reporting are already in place. 		
4	Report compiled by	<i>Anna Milanec, Director of Governance and Communications</i>	Minutes available from	<i>Jo Wells, Executive Support Supervisor and Committee Secretary</i>