

Audit & Risk Assurance Committee, Key Issues Report		
Report Date: 4 October 2023		Report of: Audit & Risk Assurance Committee
Date of meeting: 4 October 2023		NED attendance from Prof Trevor Purt (Chair) and Richard Miner, with apologies received from Teresa Boughey. The meeting was quorate. Exec/other attendance from Director of Governance, Director of Finance, with representatives from the Trust's Internal Auditors MIAA, and External Auditors KPMG also in attendance for the meeting, together with several Trust officers.
1	Agenda	<p>The Committee considered the following:</p> <ul style="list-style-type: none"> • Internal Audit Progress Report • Internal Audit Report – <i>Data Security & Protection Toolkit (DSPT) (Substantial & Moderate Assurance)</i> • Internal Audit Report – <i>Cost Improvement Programme (CIP) Follow-Up Review (Substantial Assurance)</i> • Internal Audit Committee Insight Report 23/24: <i>Losses and Waivers Benchmarking</i> • Internal Audit Recommendations Tracker • External Audit Progress Report and sector update • Anti-Fraud – Fraud Referral Investigations Report • Recovery Support Programme Funding Oversight • Valuation of Land and Buildings • Salary Overpayments • Losses and Special Payments • Competition Waiver Report • Quarterly Contract Award Report • Update on Conflicts of Interest and Register of Interests • Risk Report • Draft Risk Management Policy • Draft Risk Management Strategy • Draft Risk Management Assessment Form • Draft Risk Management Group Terms of Reference • Annual Security Report 2022-23 • Emergency Preparedness Resilience & Response (EPRR) Report 2022-23 • Annual Review of ARAC Terms of Reference
2a	Alert <i>Matters of concerns, gaps in assurance or key risks to escalate to the Board</i>	<ul style="list-style-type: none"> • The Committee was concerned to note that the current compliance rate for declarations of interest by decision making staff was 39.5%, against the Counter Fraud Authority recommended compliance standard of 80%. Concern was expressed around the non-compliance recorded for members of the Trust leadership (although it was noted that there had been manual entries made in those cases), and other particularly relevant areas, such as Procurement.
2b	Assurance <i>Positive assurances and highlights of note for the Board</i>	<ul style="list-style-type: none"> • Reports of the local internal audit reviews received at the meeting provided substantial assurance (with the DSPT review providing substantial assurance against the veracity of the self-assessment, and modest assurance against the National Data Guardian Standards (three amber areas out of ten). • The updated Managing Conflicts of Interest Policy was reviewed by the Committee, and was recommended to the Board for approval. • The Committee received the EPRR Annual Report 2022-23 for review, and recommended approval to the Board (subject to comments from David Brown at the Board meeting, as Lead NED) • The Committee received a number of documents illustrating the work that had been undertaken since the new Head of Risk had joined the

		<p>organisation in June 2023.</p> <ul style="list-style-type: none"> The Committee received the ARAC Terms of Reference for annual review, and recommended approval to the Board. 		
2c	<p>Advise <i>Areas that continue to be reported on and/or where some assurance has been noted/further assurance sought.</i></p>	<ul style="list-style-type: none"> The Committee received a report detailing the award to the Trust of £790k of funding to support with the delivery of actions required to exit from National Oversight Framework (NOF) 4. The report set out the requirement from NHSE for the Trust to provide a year-end statement to ARAC, before 30 April 2024, on the extent to which the funding had generated SMART outcomes for the benefit of patients and the organisation. Whilst noting this requirement for the Committee planner, the Chair felt it appropriate for the report and requirements to also be shared with FPAC. Having provided an advisory note on the requirements of the new Fit and Proper Test regime, the Chair asked for views as to whether the committee should undertake a review of the current structure and processes. It was noted that a report went to the Remuneration Committee on a bi-monthly basis, and had done for some time, and that much work had been undertaken in order to comply with the new requirements. It was further noted that internal audit were required to undertake an audit of the Trust's processes within three years, but it was agreed that this would not be added to the internal audit plan at this stage. 		
2d	<p>Actions <i>Significant follow up actions</i></p>			
3	<p>Report compiled by</p>	<p>Anna Milanec, Director of Governance, approved by Prof Trevor Purt, ARAC Chair</p>	<p>Minutes available from</p>	<p>Beverley Barnes Board Coordinator</p>