

<b>Audit and Risk Assurance Committee, Key Issues Report</b>		
<b>Report Date:</b> 4 March 2024		<b>Report of:</b> Audit and Risk Assurance Committee
<b>Date of meeting:</b> 19 February 2024		All NED members present. Director of Governance, Director of Finance, with representatives from the Trust's Internal Auditors MIAA, External Auditors KPMG, and NHS Counter Fraud, also in attendance for the meeting, together with several Trust officers.
1	<b>Agenda</b>	The Committee considered the following: <ul style="list-style-type: none"> <li>• Internal Audit – Progress Report</li> <li>• Internal Audit – Key Financial Controls</li> <li>• Internal Audit – Staff Wellbeing and Engagement</li> <li>• Internal Audit – Estates Procurement</li> <li>• Internal Audit – Infection Prevention and Control</li> <li>• Internal Audit – Draft 2024/25 Internal Audit Plan</li> <li>• Internal Audit Recommendations Tracker report</li> <li>• External Audit – Draft 2023/24 Audit Plan</li> <li>• MIAA Anti-Fraud Progress Report</li> <li>• Losses and Special Payments Report</li> <li>• Procurement Waiver Report</li> <li>• End of year Matters</li> <li>• Recovery Support Programme Funding 2023/24</li> <li>• Board Assurance Framework report Q3 2023/24</li> <li>• Quarterly Risk Management report</li> <li>• Anti-fraud, Bribery and Corruption Policy</li> <li>• Emergency Planning, Resilience and Response (EPRR) post challenge</li> </ul>
2a	<b>Alert</b>  <i>Matters of concern, gaps in assurance or key risks to escalate to the Board.</i>	<ul style="list-style-type: none"> <li>• A total of 18 audit recommendations appeared on the internal audit tracker at the time of the meeting – of these, 5 were rated as high priority, 10 as medium priority and 3 with no given risk priority by the auditors (National Data Guardian Standards 4, 7, and 9 as part of DPST review).</li> </ul> <p>In addition, 3 recommendations had been de-scoped because of external factors being required to enable completion.</p> <p>The 5 high priority recommendations relate to Medical Rota Review (x2), Risk Management (x1) (descoped), Medical Devices Review (x1), Complex Discharge Process (x1).</p> <p>It was noted that the Internal Auditors would carry out follow ups to the audits and would carry out a review of the outstanding audit recommendations and their status, the results of which would be included as part of the Internal Auditor's year-end reporting.</p> <ul style="list-style-type: none"> <li>• A report was provided regarding the Trust's compliance with the core standards for Emergency Preparedness, Resilience and Response following feedback from NHSE during a check and challenge process in October 2023. It was found that 29 fully compliant and 33 partially compliant</li> </ul>

		<p>standards had been met, compared with the Trust's self-assessment of 52 fully compliant and 9 partially compliant standards. However, several areas of good practice had been found and identified by NHSE.</p> <p>An action plan had been put in place to improve the Trust's position and the Committee will seek assurance on a quarterly basis via presentation of an updated report to the Committee, and a bi-annual report will be presented at Board.</p>
2c	<p><b>Assurance</b></p> <p><i>Positive assurances and highlights of note for the Board</i></p>	<ul style="list-style-type: none"> <li>• The Committee was assured to receive 4 completed internal audit reports, with each achieving Substantial Assurance. <ul style="list-style-type: none"> <li>• Internal Audit - Key Financial Controls</li> <li>• Internal Audit - Staff Wellbeing and Engagement</li> <li>• Internal Audit - Estates Procurement</li> <li>• Internal Audit - Infection Prevention and Control</li> </ul> </li> </ul> <p>In addition, each of the reports produced minimal actions / recommendations with only x4 medium risk, 1x medium risk, 2x medium risk (one already completed), and 2x medium plus 3x low risk, respectively.</p> <ul style="list-style-type: none"> <li>• The Committee noted that during the last quarter, there had been some progress in the recovery of sums relating to payment of overseas patient debt.</li> <li>• A newly developed quarterly risk management report, incorporating both corporate and operational risks, was presented to the meeting. A review of the work having been undertaken over the last six months was provided with an updated position on the risks currently on the risk registers.</li> <li>• The Committee received the Anti-Fraud, Bribery, and Corruption Policy which had been updated, and recommended its approval to the Board.</li> </ul>
	<p><b>Advise</b></p> <p><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"> <li>• The following internal audits were noted as ongoing for completion prior to production of the Head of Internal Audit Opinion: <ul style="list-style-type: none"> <li>• Charitable Funds Governance (in draft)</li> <li>• Mortality Governance (in draft)</li> <li>• Pressure Ulcers (fieldwork)</li> <li>• Technical Review of Medical Devices (fieldwork)</li> <li>• Quality Spot Checks (fieldwork)</li> <li>• Waiting List Management (fieldwork)</li> <li>• DSPT, stage 1 (fieldwork)</li> <li>• Assurance Framework and Risk Core Controls Review (fieldwork)</li> </ul> </li> <li>• The draft internal audit plan 2024/25, and the draft external audit plan 2023/24, were both presented to the Committee.</li> <li>• The Losses and Special Payment Report indicated that the amounts of both 'Pharmacy – Expired Stock', and 'Pharmacy – Expired Stock, Patient Treatment Stopped' had continued to increase over the last three months (November 2023 – January 2024).</li> <li>• The Waiver Report (Nov 2023 – January 2024) indicated 23 waivers in the total amount of +£11million had been enacted during the period, 19 as Competition Waivers and 4 as full breach waivers.</li> <li>• The Conflict of Interests compliance rate stood at 73% at the time of the meeting. To comply, the annual Counter Fraud Functional Standard Return</li> </ul>

		<p>needs to show 80% compliance by the end of March 2024. It was noted that another ‘push’ was taking place across the organisation – it was noted that front-line staff, and lower grade doctors, were being particularly targeted. At the time of writing, the compliance rate had risen to 75.5%.</p> <ul style="list-style-type: none"> <li>• The Committee received details of the Recovery Support Funding from NHSE that had been received by the Trust for 2023/24, non-recurrently. Presentation to the Committee was part of NHSE requirements relating to the funding.</li> <li>• The 2023/24 Q3 BAF was presented to the Committee, after having been first presented to three Board Assurance Committees for review. After scrutiny and discussion, the Committee recommended its presentation to the Board for further scrutiny and approval.</li> </ul>		
2d	<p><b>Actions</b></p> <p><i>Significant follow-up actions</i></p>	<ul style="list-style-type: none"> <li>• <b>Outstanding audit recommendations to be distributed to the appropriate board assurance committees for additional oversight.</b></li> <li>• Work to continue with reducing the number of outstanding internal audit recommendations in place, particularly the high priority items.</li> <li>• Work to continue reviewing the number of risks on the Operational Risk Register.</li> <li>• SMART action plan to improve the position against EPRR compliance to be submitted to the ARAC on a quarterly basis, with 6 monthly report to Board.</li> </ul>		
	<p><b>Report compiled by:</b></p>	<p>Anna Milanec, Director of Governance Approved by Prof. Trevor Purt, ARAC Chair</p>	<p><b>Minutes available from:</b></p>	<p>Mrs Beverley Barnes, Board Coordinator</p>