



Audit Committee Chair's Report

Public Board

30 July 2020

Presented for:	Information and Assurance
Presented by:	Suzanne Clark, Chair of Audit Committee
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List of meeting dates:	20 May and 24 June 2020

Trust Goals	
The best for patient safety, quality and experience	✓
The best place to work	✓
A centre for excellence for research, education and innovation	✓
Seamless integrated care across organisational boundaries	✓
Financial sustainability	✓

Key points	
This summary provides an overview of significant issues of interest to the Board, highlights key risks discussed, key decisions taken, and key actions agreed.	For information and assurance

ISSUES OF INTEREST TO THE BOARD - 20 MAY 2020

Matters Arising from the last meeting

No items to report.

Strategic Risks and Governance

As defined by the work plan, the Committee were anticipating a review of the risks associated with Nurse Staffing recorded within the Corporate Risk Register (CRR) and Board Assurance Framework (BAF) with the attendance of the Chief Nurse, Lisa Grant. However due to Covid-19 pandemic this has been deferred to the September Committee meeting.

External Audit Update

Mazars updated the Committee on the work in hand in preparation for the yearend 2019/20 review. It was noted the national revision to the submission dates and process, noting the required date was now 25 June 2020, and the removal of the requirement for an opinion by External Audit on the Quality Account; noting this deadline had been deferred until mid-December.

The national issue of valuation of assets relating to Plant, Property and Equipment was explored, noting Mazars opinion would be informed by national guidance. But this was an issue for all trusts in light of the Covid-19 pandemic due to the volatility of the market.

Mazars explored if any other provisions were required and noted national advice relating to the HR tribunal for the Flowers case.

The Committee noted the progress was on track and would welcome the opportunity for final review of the accounts at their next meeting on 24 June 2020, with a recommendation to the Board the following day.

Internal Audit Updates

The Committee received an update on the progress report of the Internal Audit Plan for 2019/20.

- Information Governance - DSP Toolkit (Final report)
- Risk Management (Final Report)
- CSU Compliance - Theatres and Anaesthetics and Oncology (Final report)
- Research Data (Draft report)
- Pharmacy and Prescribing (Draft report)
- IT General Controls (Draft report)
- Key Financial Systems (Fieldwork complete - delayed due to Covid-19)
- Compliance with Regulatory Standards (CQC) (Fieldwork complete - delayed due to Covid-19)

It was reported that three reviews had been deferred (by Internal Audit) to the 2020/21 year due to the impact of Covid-19 and availability of staff and resources:

- Workforce Planning
- Data Quality/ Business Intelligence

- IT Project Assurance

The 25 outstanding actions from the Internal Audit recommendations, set out in TrAction were discussed noting that 17 of these related to DIT recommendations (and would be addressed separately within the agenda of the meeting). Where extension dates for completion had been requested, these were supported by the Committee.

Paul Jones, Chief Digital Information Office attended the meeting and explained the detailed review that he had carried out of the recommendations from the three Internal Audits. He reported that many were either closed or redundant, however explained that the DIT Committee would provide assurance on delivery of the remaining actions and he would report back to the September Audit Committee meeting.

The Committee received the draft Annual Report for 2019/20 which set out the Head of Internal Audit's draft opinion.

It was reported that 22 Internal Audits were agreed in the Annual Plan, with 13 completed and final reports issued, three reports were in draft format and would be issued at the end of May, three reviews had been deferred to 2020/21 (Workforce Planning, Business Intelligence & Data Quality and IT Project Assurance) and a separate approach was agreed to Capital Projects review.

The Committee received, discussed and noted the draft plan for Internal Audits for 2020/21 reflecting on the on-going limitations placed by Covid-19.

Governance - Yearend Annual Governance Report

The Committee reviewed the draft Annual Governance Statement exploring this in more detail with the attendance of Julian Hartley.

Annual Report

The Committee were assured on the process and content of the requirement for the publication of the Annual report.

Quality Account

It was noted the Quality Account was progressing and had been shared with the Non-Executive Directors of the Quality Assurance Committee as a 'shielded' member of staff was continuing to work on this.

Counter Fraud - Annual Report 2019/20

The report provided an overview of the Trusts compliance to the NHS Standards set in relation to counter fraud, bribery and corruption during 2019/20. This summarised the Self-Review Tool, compliance with the required declaration, the days used to deliver counter fraud, bribery and corruption work along with the associated costs. The RAG rating for the Trust was Green which was explored in more detail by the Committee.

Counter Fraud - Work Plan 2020/21

The Committee approved the proposed work plan for the coming year.

Audit Committee Draft Annual Report

The Committee review the draft Annual Report, noting this would flow to the public Board meeting the following day. The Committee could assure the Board they had acted in accordance with its obligations as set out in its Terms of Reference and delivered against its work plan.

Board Assurance Framework (BAF)

The BAF was reviewed for assurance that the controls were operating effectively during the Covid-19 pandemic.

Standing Agenda Items

There were no new issues to escalate to the CRR, no issues required legal advice, or escalated to NHS England/Improvement, CQC or to the Board.

ISSUES OF INTEREST TO THE BOARD - 24 JUNE 2020

The focus of the meeting was the yearend and the recommendation to the Board the following day for approval of the annual accounts for 2019/20.

Annual Accounts and Financial Statements

The Committee reviewed the accounts and supported the recommendation to the Board.

Annual Report

The Committee reviewed the annual report recommended approval by the Board.

AGS

The Committee reviewed the AGS and recommended to the Board for sign off by the Chief executive.

External Audit Completion (ISA 260) Financial Statements 2019/20 and Value for Money Conclusion

Mazars explained they anticipated issuing an 'Unqualified Opinion without modification on the financial statement'. Drew attention to the 'Emphasis of Matter' relating to Plant, Property and Equipment, noting this was a sector wide issue. There were no areas considered likely to result in 'Material Adjustment or Change to Disclosures' within the financial statement and confirmed there were no 'Adjusted or Unadjusted misstatements to report, and no matters to escalate regarding the Value for Money conclusion.

Internal Audit

Progress Report 2019/20, it was reported that there were two outstanding Internal Audits to report; Pharmacy and Prescribing along with IT General Controls.

The final Internal Audit Annual Report 2019/20 was presented to the Committee.

**Suzanne Clark, Chair Audit Committee
10 July 2020**