



Audit Committee Chair's Report

Public Board

30 September 2021

Presented for:	Information and Assurance
Presented by:	Suzanne Clark, Chair of Audit Committee
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List of meeting dates:	9 September 2021

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	✓

Trust Risks (Type & Category)				
Level 1 Risk		Level 2 Risks	(Risk Appetite Scale)	Risk
Workforce Risk			Choose an item	Choose an item.
Operational Risk			Choose an item	Choose an item.
Clinical Risk				
Financial Risk		Counter Fraud We will adopt a zero-tolerance approach to workforce fraud through the maintenance of an anti-fraud culture, investigating all reported instances of fraud and following disciplinary and criminal proceedings	Averse	↔ (same)
Financial Risk		Financial Reporting Risk We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast	Minimal	↔ (same)
External Risk		Legal & Governance We will operate the Trust in compliance	Averse	↔ (same)

	with the law and UK Corporate Governance Code, where applicable		
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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 – 9 SEPTEMBER 2021

Prior to the formal Committee meeting taking place, an informal meeting was held with Internal Audit.

Matters Arising from the last meeting

None.

The Committee received an update report from the Chair reflecting on learning from observing the July Audit Committee meetings of Imperial Healthcare NHS Trust and Newcastle NHS Foundation Trust both peer sized organisations.

PwC Assurance Reports for Building the Leeds Way

As defined in the terms of reference for both the Audit Committee and the Building and Development Committees, the Audit Committee received for assurance and information the PwC Audit Reports; Digital Assurance Review, Pathology Centre Change Management Assurance review, and the Communication Assurance Review.

Strategic Risks and Governance

The recent work from the Risk Appetite and Tolerance Task & Finish Group, which was approved by the Board at the March timeout set, defined level 1&2 risk categories Therefore the deep dives by the Committee were;

Workforce Risk – Supply, Deployment, Retention & Performance Risks

Risk Appetite Statements;

Workforce Supply Risk – We will deliver safe and effective patient care through having adequate systems and processes in place to ensure the Trust has access to appropriate levels of workforce supply.

Workforce Deployment – We will deliver safe and effective patient care through the deployment of resources with the right skill and capacity to what is required.

Workforce Retention – We will deliver safe and effective patient care, through supporting the training, development and health and wellbeing of our staff to retain the appropriate levels of resource to continue to meet the patient demand for our clinical services.

Workforce Performance – We will deliver safe and effective patient care through having the right systems and processes in place to manage performance of our workforce.

The report set out the assurance controls to the Committee of the effectiveness of the processes in place by Human Resources, CSUs and Corporate functions along with the planning preparation and assurance or escalation reported to the Workforce Committee. It was agreed the Trust was operating within its defined risk tolerances, noting the considerable progress made over the last 18 months in understanding the gaps and challenges related to workforce planning, which was supporting deployment and retention issues. Chris Carvey, Deputy Director of Human Resources and Tom Keeney, NED /Chair of Workforce Committee were in attendance for this item.

Clinical Risks - Research & Innovation, Patient Safety & Outcomes, Infection Prevention & Control and Patient Experience;

Patient Safety & Outcomes

Risk Appetite Statement; we will provide high quality services to patients and manage risks that could limit the ability to achieve safe and effective care for our patients.

The report set out assurance on the processes in place for the management of clinical risks related to patient safety which outlined the devolved management process to CSUs, their governance meetings, the Perfect Ward process, CSU risk registers and escalation to the Corporate Risk Register and oversight through the Risk Management Committee. It was agreed the Trust was operating within its defined risk tolerances. Dr Phil Wood was in attendance for this item.

Research & Innovation

Risk Appetite Statement; Research Innovation & Development – We will deliver agreed minimum research and innovation priorities with health, social care, voluntary, education and private sector.

The report set out the assurance processes in place, highlighting the complexities of the accountability of many programmes both internally, with the University of Leeds and the National Institute for Health Research, noting the external assurance routes for reporting to different funding bodies for deliverables and quality metrics. The Committee commended the comprehensive and informative report and agreed that this should be shared with the Board for information as a Blue Box item (10.4ii). It was agreed the Trust was operating within its defined risk tolerances. Dr Phil Wood, Chief Medical Officer was in attendance for this item.

Infection Prevention & Control

Risk Appetite Statement; we will manage the risks related to infection prevention and control to reduce the transmission of infection in our hospitals.

The report provided assurance on the controls in place in relation to Infection Prevention and Control (ICP) risks and set out details of the gaps in controls and actions in place to address these. As a result of Covid-19 there was a requirement from Public Health England and NHSE/I to complete a BAF ICP self-assessment requirement. This defined ten criteria and action plans to address gaps which was used to provide assurance and mitigations by CSUs, further assurance was also provided by the Root Cause Analysis from learning from cases and incidents, and the internal governance structures in place from ward level monitoring through to Board reporting in the IQPR. It was agreed the Trust was operating within its defined risk tolerances. Gillian Hodgson, Deputy Director for Infection Prevention and Control was in attendance for this item.

Patient Experience

Risk Appetite Statement; we will comply with or exceed minimum patient experience targets.

The report set the information and processes in place across the Trust for the measures in place to capture feedback from patients and families. This was reported to the Patient Experience Sub-Committee, who reported assurances through Quality Assurance Committee. The report highlighted the Internal Audit review of the Friends and Family Test (FFT) and the external review of the complaints policy and processes. Areas were identified for further action to strengthen monitoring and assurance (which were; reporting average times for CSU contact following PALs, capturing and monitoring the number of complaint actions in DATIX, and benchmarking FFT response rate to national response rates). It was agreed the Trust was operating within its defined risk tolerances and note the further work to be addressed. Helen Christodoulides, Chief Nurse was in attendance for this item.

BAF and CRR Update

The Committee received these documents as Blue Box information.

External Audit Update

Mazar's updated the Committee on the publication of the Audit Completion Report (ISA 260) 2020/21 and value for money conclusion. This is supplied as a Blue Box item at 10.4(i). The Committee were delighted to receive the clean audit report with no escalations for 2020/21 and commended the work of the Finance team during the pandemic.

Internal Audit Updates

The Committee received an update on the progress report of the Internal Audit Plan for 2021/22. The following final reports had been issued;

- DSP Toolkit – Advisory
- Security Services – Low
- Pathology Change Management (Capital Projects) - Low

An update was provided on the above reports.

It was explained to the Committee some elements of the audit plan were delayed and some had asked for deferrals due to operational pressures of Covid, which were supported by the Committee.

The following changes to the audit plan had been requested by management and were supported by the Committee; replace the Stakeholder Engagement & Partnerships review with a sustainability review of the Trust Green Strategy Plan and to focus on safer staffing within the compliance with regulatory standards audit review.

There were eight overdue actions within TrAction;

The Committee supported the extensions for four medium and four low actions. The Committee also requested that the Chief Medical Officer reviewed the actions from the Theatre Utilisation audit with Internal Audit to ensure their ongoing validity.

Counter Fraud - Progress Report

The Committee received the report which provided progress against the Counter Fraud Work Plan for 2021/22. An overview of on-going communication was reported noting; quarterly meetings with key departments, publication of the newsletter, use of screen savers and information within payslips. It was reported that Counter Fraud were now a member of the Policy and Procedures Group. On-going work was taking place to cross match staff against the Cabinet Office National Fraud Initiative matches, training and development of Counter Fraud specialist for certification in Fraud Management through CIPFA, on-going involvement with NHSCFA Post Event Assurance exercises relating to the Covid-19 Pandemic. The Committee reviewed the SRT standards noting the RAG ratings for component 2 (Bribery and corruption strategy) currently rated red and component 6 (outcome based matrix) progressing to green and amber respectively, as the year progressed. It was agreed to explore possible benchmarking of these standards with peer size organisations moving forward.

Corporate Governance Reports

Annual Assurance on Clinical Audit Process

The Committee received and noted this report and agreed moving forward, that assurance via the Quality Assurance Committee was sufficient and this would be removed from the forward work plan.

Review of Policies – Six Month Update

The Committee received and noted the update report and the assurance it provided on internal management of policies and procedures. Moving forward the Committee would also receive assurance on the extension requests.

Assessment of the Committees Effectiveness

The Committee had recently issued a survey to members and attendees to seek feedback to review its effectiveness and the evaluation would be reported to the next meeting.

Assessment of Internal Audit

The Committee received a report.

Assessment of External Audit

The Committee received a report.

Update to Standing Financial Instructions

It was reported to the Committee the on-going work to review and report amendments to the next Audit Committee meeting, which will then report to January Board for approval.

Work Plan and Calendar of Key Events for 2021/22

The work plan was received and noted by the Committee.

Other issues for the Committee

The Committee, constituted as the Audit Panel, gave consideration to the process to commence appointment for the Internal Auditors.

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.

The information received within the meeting reported the Trust remained within its defined risk appetite.

**Suzanne Clark, Chair Audit Committee
September 2021**