



## Audit Committee Chair's Report

Public Board  
31 March 2022

<b>Presented for:</b>	Information and Assurance
<b>Presented by:</b>	Suzanne Clark, Chair of Audit Committee
<b>Author:</b>	Suzanne Clark, Chair of Audit Committee
<b>List of meeting dates:</b>	3 March 2022

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		<b>Counter Fraud</b> 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		<b>Financial Reporting Risk</b> We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast	Minimal	↔ (same)
External Risk		<b>Legal &amp; Governance</b> We will operate the Trust in compliance with the law and UK Corporate Governance Code, where applicable	Averse	↔ (same)

<b>Key points</b>	
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 FROM 3 MARCH 2022 COMMITTEE MEETING

*Prior to the formal Committee meeting taking place it has been practice to hold a pre meeting for training and development, but in light of operational pressures a decision in January was taken to defer this.*

### **Matters Arising from the last meeting**

None.

### **Strategic Risks and Governance**

The level 1&2 risk categories, as set out in the Committee's work plan, to be reviewed for a deep dive by the Committee were;

**Physical Asset Risk** – *We will optimise patient and workforce experience through the effectiveness through the effective management of our buildings and estates.*

The report provided both internal and external assurance on the controls for the Estates & Facilities (E&F) risks highlighted on the Corporate Risk Register and locally on the E&F Risk Register Management Process, the defined local processes for reporting via their dashboard, reviewing risks and where appropriate escalation to the Risk Management Committee and Corporate Risk Register. The E&F Strategy defines six goals, addressing back log issues and assurance was provided in establishing priorities for the coming year. Additional assurance was reported via internal audit by PwC for Waste Management, Security, Estates Health and Safety & Risk Compliance. The Committee were assurance of process and systems in place for the management of risks associated with the physical assets of the Trust.

### **Information – Governance, Security and Technology Risks**

The three risks were deferred to the next meeting.

The Data Security & Protection Tool Kit Submission was reviewed and will be brought back to the next meeting to review alongside the three Information risks.

**Change Risk** – *We will deliver change aligned to the Trust's strategy on time and to budget with benefits achieved and no significant adverse impacts*

The report highlighted the control framework in place for the risk (noting three different types of change programme, strategic change projects; Building the Leeds Way, operational change for example planned care or out-patients; and waste reduction programmes) and the assurance process within the Trust through Committee structures and supporting groups.

The Committee noted the structured methodology of the Leeds Improvement Method, with a programme management approach from Project Management Office and Kaizen Project Office. This was underpinned by the external review of Well-led carried out by AQUA, reporting requirements to the CQC or NHSE and local internal audits by PwC. The Committee were assured of the management of change risk within the remit of the Director of Finance. The Committee noted the ongoing discussions to strengthen the governance arrangements for change activities outside of the Finance function and the completion of Quality Impact Assessments.

### **BAF and CRR Update**

Further work had been carried out to align the Board Assurance Framework (BAF) with the strategic goals of the Trust, and in preparation for sharing this with the Board timeout meeting on 10 March, assurance was explored with the Committee.

The Committee received CRR as Blue Box information.

### **External Audit Update**

The Trust's internal timetable for the approach to the yearend reporting was shared for assurance.

Mazar's provided a further updated the Committee on the proposed work plan for the yearend audit for 2021/22, noting the recent publication by NHSE/I for the submission of the accounts. Therefore, an extra ordinary Audit Committee meeting and Board meeting would be required for approval prior to submission, which had been agreed to be Teams meeting on 16 June 2022.

### **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 and an update was provided;

- Safe Staffing
- High-level Five Year Planning review
- Key Finance Systems
- Waste Reduction Plan
- National Pathology Imaging Co-operative (NPIC) programme
- Sustainability
- Medicines Management

The Committee received a report for information, reporting medium assurance on the recent internal audit of medicine management. The Committee are to explore with management the actions being taken in response.

There were five overdue actions within TrAction; The Committee supported the extensions to deadlines.

- BtLW Programme Design Hospital Review - Three low risk actions and one advisory action were due 31 January 2022 with a request for extension to 31 May 2022 as these were dependent on RIBS stage 2 which is due to complete at the end of May.
- Theatre Utilisation - One low risk action, noting the extension from December Audit Committee meeting to the end of January and was extended to 31 March 2022 as the external party was unable to complete the work due to pressure of Omicron.

The Committee reviewed the draft Internal Audit Strategic and Annual Plans for 2022-23, providing suggested areas for inclusion, noting this was required further discussions with management prior to approval at the next meeting.

### **Counter Fraud - Progress Report**

The Committee received the report which provided progress against the Counter Fraud Work Plan for 2021/22.

- An update on resourcing was reported with an interim support for Quarter 4 to be provided by AuditOne
- Update on the current position against the NHS Counter Fraud Standards
- NHS Finance Innovation Forum Submission
- Fraud Prevention Guidance Impact Assessment
- Fraud awareness survey 2021-22

- Counter fraud investigations

## **Corporate Governance Reports**

### **Single Site Valuation**

The Committee received a report and update from Cushman and Wakefield, the Trust valuers, for scrutiny and assurance from the Audit Committee, with a recommendation to be presented to the March Board meeting seeking re-confirmation of the principles of the site valuation.

### **Review of Process for Freedom to Speak Up**

The Freedom to Speak Up Guardian attended the meeting to provide assurance on the processes in place across the organisation. The Committee received for assurance an update on the actions being taken to achieve compliance with the national template produced by NHSE/I.

### **Work Plan and Calendar of Key Events for 2022/23**

The work plan was received and noted by the Committee.

### **Blue Box Item – Review of Policies**

The Committee received assurance of progress and the current position of the approvals of policies, as approved by the Executive Team, recommended by the Policy and Procedure Review Group. In preparing the agenda in January this six monthly report was deferred to the May meeting in light of operational pressures due to Omircon.

### **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**  
**March 2022**