

Agenda item 3.ii

Report to:	Board of Directors	Date: 4 February 2021
Report from:	Chair of the Audit Committee	
Principal Objective/ Strategy and Title	GOVERNANCE: To update the Board of Directors on discussions at the Audit Committee meeting on 21 January 2021	
Board Assurance Framework Entries	FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)	
Regulatory Requirement	Regulator licensing and Regulator requirements	
Equality Considerations	Equality has been considered but none believed to apply	
Key Risks	Non-compliance resulting in financial penalties	
For:	Information	

1. Significant issues of interest to the Board

The Audit Committee met on the 21 January 2021 for which the main focus was the approval of the Anti-Fraud and Bribery Policy, and the Internal Control Framework papers.

Progress reports were received from Local Counter Fraud and Internal Audit (RSM) as well as a report on single tender waiver benchmarking.

Diane Leacock, Associate Non-Executive Director was welcomed as a new member of the Committee Audit Committee as well as two new Governor observers, Doug Burns and Harvey Perkins, both of whom were Public Governors.

After a detailed discussion, the **Anti-Fraud and Bribery Policy was approved by the Audit Committee**. The main issue discussed was whether the Government Functional Standards (GFS) that is due to be implemented in February 2021 should be incorporated into the proposed policy which reflects the NHS Fraud Standards for Providers (2020) (NHS FS). As there is no clarity yet about the GFS, and the NHS FS are more stringent and hold to a higher standard it was decided to approve the policy with the NHS FS and revise the policy again when we have better clarity.

As we are in another wave of COVID surge, the **Internal Control Framework** which was introduced during the first wave of the pandemic was brought to the Committee for approval during this current wave. This would be effective until the 31 March 2021 when it will be reviewed again.

Draft Head of Internal Audit Opinion, as at this meeting's date, is that the Trust has an adequate and effective framework for risk management governance and internal control.

This is based on four positive substantial assurance audits and two partial assurance (negative) audits. There are some more audits that are due to be carried out in order to use up the days that have been freed up from the Data Security Protection Toolkit (DPST) audit. Due to PriceWaterhouseCoopers (PWC) carrying out an audit arranged by NHS Digital the days that RSM was going to use to carry out the DSPT audit is not longer required. The Director of Finance & Commercial to discuss alternative audits with the Chair of the Audit Committee.

The benchmarking report on Single Tender Waiver (STW) showed that Royal Papworth was not an outlier in the number of waiters and the level of expenditure. The summary of Best Practice guidance highlighted two areas that could be adopted by the Trust and will be explored. The two areas are: having an annual report on STWs and, a more stringent oversight on the reasons given.

The Committee was informed by External Audit that the deadline for submission of the Annual Accounts will be 15th June 2021. A slight extension to the usual deadline. As in 2020 there will be no Quality Accounts expected to be submitted for 2021.

There will be an extraordinary meeting of the Audit Committee on the 18 February 2021 to discuss the Internal Audit tenders and approve some annual reports.

2. Key decisions or actions taken by the Audit Committee

- Approval of the Anti-Fraud and Bribery Policy (DN605)
- Approval of the Internal Control Framework for the current surge in the COVID-19 pandemic.

3. Other items of note

None

4. Recommendation

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