

**Audit Committee  
Held on 15 July 2021  
1000-1200hrs, Via MS Teams**

[Chair: Cynthia Conquest, Non-executive Director]

**UNCONFIRMED**

**MINUTES**

<b>Present</b>		
Mrs C Conquest (Chair)	CC	Non-executive Director
Mr M Blastland	MB	Non-executive Director
Mrs D Leacock	DL	Associate Non-executive Director
<b>In attendance</b>		
Mr D Burns	DB	Public Governor
Mrs A Colling	AC	Executive Assistant ( <i>Minutes</i> )
Mr T Glenn	TG	Chief Finance & Commercial Officer
Dr R Hall	RH	Medical Director
Mrs S Harrison	SH	Deputy Chief Finance Officer
Mrs A Jarvis	AJ	Trust Secretary
Mrs O Monkhouse	OM	Director of Workforce & Organisation Dev
Dr H Perkins	HP	Public Governor
Mr A Rayne	AR	Director of Digital (& Chief Information Officer)
Mr G Rubins	GR	BDO, Internal Auditors
Mr J Shortall	JS	Local Counter Fraud, BDO
<b>Apologies</b>		
Mr I Graham	IG	Deputy Chief Nurse
Mrs A Mason-Bell	AMB	BDO, Internal Auditors
Mrs E Midlane	EM	Chief Operating Officer

The minutes are noted as per order of discussion, which may differ from Agenda order.

Agenda Item		Action by Whom	Date by When
<b>1</b>	<b>WELCOME, APOLOGIES AND OPENING REMARKS</b>		
21/86	The Chair opened the meeting and apologies were noted as above.		
<b>2</b>	<b>DECLARATIONS OF INTEREST</b>		
21/87	There is a requirement that Board members raise any specific declarations if these arise during discussions. No specific conflicts were identified in relation to matters on the agenda.  A summary of standing declarations of interests are appended to these minutes.		
<b>3</b>	<b>MINUTES OF MEETING held on 3 June 2021</b>		
21/88	There was one amendment noted on to page 4 where the valuation date was stated as 2020/21; KPMG confirmed this should be 2021/22 and this has been amended accordingly in the minutes and on the External Auditor's Annual Report.		

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	<b>Approved:</b> The Audit Committee approved the Minutes, as amended above, of the meeting held on 3 June 2021 and authorised these for signature by the Chair as a true record.	Chair	15.7.21
<b>4</b>	<b>ACTION CHECKLIST</b>		
21/89	The Committee reviewed the Action Checklist and updates were noted.		
<b>4.1</b>	<b>2019/20 ABPI Audit Return</b>		
21/90	Noted: The Audit Committee noted the update provided.		
<b>5</b>	<b>LOCAL COUNTER FRAUD – BDO</b>		
<b>5.1</b>	<b>Progress Report</b>		
21/91	<p>JS presented this report. He confirmed that he had held online Fraud Awareness sessions for Finance and HR staff and will be having specific follow-up sessions.</p> <p>He referred to the Fraud Prevention Notices which related to mandate fraud; explaining to the Committee how this scam works along with precautions the Trust can be mindful of. This advice has been included in the Fraud Awareness sessions.</p> <p>JS referred to the NHSCFA reporting graph which is based on data from all Trusts.</p> <p>During discussion, the following queries/comments were raised:</p> <p>AR referred to fraud on emails and others which might be digital related; he suggested JS attend the Trust's Information Governance meeting to link in with work the Digital team are doing; this will ensure all advice is consistent. JS confirmed that he would be happy to join the meeting and AR will arrange the invite.</p> <p>DL was pleased to hear of the Fraud Awareness sessions for Finance and HR staff and asked if this would be offered to other parts of the Trust. She noted that there were no fraud referrals in the reporting period and whether this meant that fraud awareness training should be increased. JS added that bespoke workshop sessions had been held for Payroll and Procurement staff. JS referred to training in general which had been very difficult in the last year due to COVID-19 pandemic and restrictions. The Trust's Induction training had been adjusted which included a very small section on fraud awareness within the mandatory training for new starters. He is keen to raise awareness of how to report fraud and that its ok to flag things, but also would not be expecting a huge flurry of referrals. The work with Digital will also help to raise awareness too.</p> <p>CC asked if annual fraud awareness training was mandatory and, if not, should it be made mandatory. TG will double check this and ensure it is included as mandatory, if not already.</p> <p><b>Noted:</b> The Audit Committed noted the Local Counter Fraud Progress Report.</p>	AR	15.7.21
<b>5.2</b>	<b>Annual Counter Fraud Return</b>		
21/92	JS advised that the annual return was completed and submitted by RSM		

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	<p>and showed the Trust as having an overall rating of Green. As this included some areas that were red and amber rated, part of the LCFS work plan this year will be to look at those areas requiring improvement.</p> <p>The Chair referred to the one area of the return rated red and wanted to ensure this was under review so that any issues could be addressed before the next return</p> <p>JS explained that the new standards were issued in April with submission required in May. This gave Trusts very little time to move over to the new standards. He advised that the red rating was not due to an absolute failure of the standard but more to the lack of time to complete it. He advised that this will be a focus for remedial action for the rest of year and gave assurance to Committee on his ability to do this; he can give a timeline to TG on progress of this. On the ambers, some will remain amber despite best efforts, due to lack of clarity in the guidelines on how to achieve green; JS gave detail on this and advised that he will liaise with the Trust to achieve our best compliance.</p> <p>MB noted that several areas rated amber had staff fraud awareness stated as one of the failures. If this was ticked off, would it resolve this? JS said that here and at many other Trusts; where the measure of awareness is via the staff survey there needs to be a significant number of staff completing these to achieve compliance; generally, the staff survey does not receive a high enough response. CFA have acknowledged this and are looking for a better way to show compliance.</p> <p>MB noted that the Trust has previously issued a test email to check fraud awareness response on this from staff. JS felt this may not tick the box on CFA requirements. AR explained how this test email is issued and happy to feedback on staff awareness when this is next issued.</p> <p><b>Noted:</b> The Audit Committee noted the update on the Annual Counter Fraud Return.</p>		
<b>5.3</b>	<b>Counter Fraud Strategy &amp; Annual Plan 2021/22</b>		
21/93	<p>JS advised that this had been presented to the June meeting and approved. It covers the NHS requirements to meet the cabinet office governance functional standard for counter fraud (GS13). JS explained the changes on this from previous reporting requirements. JS offered to bring small sections back as they are evolved throughout the year.</p> <p>The Chair thanked JS for this clear and excellent report.</p> <p><b>Noted:</b> The Audit Committee noted the content of the report.</p>		
<b>6</b>	<b>INTERNAL AUDIT - BDO</b>		
<b>6.1</b>	<b>Progress Report</b>		
21/94	<p>GR advised that the Internal Audit Plan 2021/22 had been updated as requested, with changes on internal audits.</p> <p>BDO are starting to scope audits for Q2 and will bring regular updates to the Committee.</p> <p>Within the sector update, GR referred particularly to the King's Fund update; the link to view this was contained in the report.</p>		

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	<p>The KPIs were listed on page 6 of the report. GR asked that the Trust review these to ensure they are correct, as these are what BDO will be reporting against. Any queries to be referred to BDO.</p> <p>MB was pleased to see the Annual Plan had been updated as requested. GR noted that he would be happy to share scopes with NEDs as these are worked up.</p> <p>MB referred to the programme of work for internal audit overall where he would find it useful to see a map to show different quality improvement and checking functions within the Trust. He would value a clearer understanding of how internal audit fits with quality assessment such as CQC requirements.</p> <p>GR offered to provide an assurance map, which has been done at other Trusts. He suggested this can be used as part of quality governance report and liaise with Trust on this.</p> <p>MB asked what co-ordination BDO has with various quality areas of trust? GR advised that they were new to the Trust, but would not typically liaise with all these areas, but work with areas on internal audits. He was interested to know how this could be considered going forward.</p> <p>AJ added that some internal audit work has looked at assurance mapping in some areas in previous years. There are separate lines of reporting on clinical assurance and unsure how this should link to internal audit. TG said the question would be, does the Trust have assurance that risks flagged are being managed; this is what internal audit should be looking at and explained how this is instructed by BDO with the Trust, but acknowledged it might be clearer if this was noted on paper. MB understood the rationales explained by TG and that some audit/quality improvement programmes are similar in process. TG agreed this is an area worth considering.</p> <p>The Chair suggested a separate workshop to tease out the issues and that getting the process down on paper would make things clearer.</p> <p><b>Noted:</b> The Audit Committee noted the BDO Progress Report.</p>	ALL	July 21
<b>6.2</b>	<b>Internal Audit Annual Report 2021/22</b>		
21/95	<p>The Chair thanked BDO for amending the report with suggestions made at the 3 June meeting.</p> <p><b>Approved:</b> The Audit Committee approved the Internal Audit Annual report 2021/22.</p>		
<b>7</b>	<b>EXTERNAL AUDIT</b>		
<b>7.1</b>	<b>Tender for External Audit Services</b>		
21/96	<p>TG introduced this item, where the procurement timeline had meant this was presented to the Council of Governors (CoG) meeting in June, and prior to it coming to this Audit Committee.</p> <p>The paper advised that the current external auditor contract with KMPG has now expired and the paper outlines the process, timescales and framework for the tender along with evaluation panel members, with HP</p>		

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	<p>included as Governor representative.</p> <p>During discussion, the following was note/considered:</p> <ul style="list-style-type: none"> <li>It was confirmed that BDO will not be able to bid for the tender.</li> <li>The Chair referred to timelines where the dates look out of sync with dates to go to Board/Audit etc. SH advised that CoG is the appointing body and this is why the process works to those dates. The timeline suggests it goes to Board before Audit. TG also confirmed that the CoG is the appointing body and it comes to Audit and Board for information, but as a courtesy it could come to Audit before Board. The Chair thanked TG/SH for the explanation and was happy to proceed as planned on the timelines, as long the Board concurred with this.</li> <li>The Chair asked that if the CoG were the appointing body, should there be a 2<sup>nd</sup> Governor on the evaluation panel. TG/AJ agreed with this. CC suggested DB join the panel and he agreed he would be happy to do this.</li> </ul> <p><b>Noted:</b> The Audit Committee noted the update on the Tender for External Audit Services.</p>		
<b>8</b>	<b>BOARD ASSURANCE FRAMEWORK (BAF)</b>		
<b>8.1</b>	<b>BAF Update</b>		
	<p>AJ presented the update which was taken as read. She advised that there were a few changes and reviews since last presented to the Audit Committee. AJ gave a brief summary of the way BAF Board and Committee reporting has been agreed going forward, following review by a working group of NEDs and Executive Directors.</p> <p>DL referred to Risk 2532 COVID Pandemic and was concerned to see that this was currently below risk appetite; given the current rise in COVID cases and hospitalisation rates, she asked that this is examined at the next Q&amp;R Committee meeting. AJ agreed to pick this one up for review at Q&amp;R.</p> <p>DL thanked AJ for linking BAF to strategic priorities. AJ confirmed that CRR referred to Corporate Risk Register. CC asked if this could be written out fully rather than abbreviated.</p> <p>CC thanked AJ for this great report. The changes are very clear and she feels more assured on BAF reporting and how other Committees are handling risk and BAF.</p> <p><b>Noted:</b> The Audit Committee noted the update on BAF.</p>	<p>AJ/Q&amp;R</p> <p>AJ</p>	<p>July 21</p> <p>14.10.21</p>
<b>9</b>	<b>GOVERNANCE ASSURANCE OVERVIEW – Chairs’ Reports</b>		
21/98	<p>9.1 Quality &amp; Risk Committee 9.2 Performance Committee 9.3 Strategic Projects Committee 9.4 Charitable Funds Committee</p> <p>Noted: The Audit Committee noted the Chairs’ Reports as submitted.</p>		
<b>10</b>	<b>BAD DEBT WRITE-OFFS</b>		
21/99			

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	<b>Noted:</b> The Audit Committee noted that there were no bad debt write-offs in the current financial year.		
<b>11</b>	<b>LOSSES AND SPECIAL PAYMENTS</b>		
21/100	<p>It was confirmed that the Risk Team have reviewed the one incident reported.</p> <p>DL asked if future reports could include a comparative figure for losses to show comparison year-on-year.</p> <p><b>Noted:</b> The Audit Committee noted the update on losses and special payments.</p>	TG	14.10.21
	OM and RH arrived 1105hrs		
<b>12</b>	<b>WAIVERS TO STANDING FINANCIAL INSTRUCTIONS</b>		
21/101	<p>TG introduced this report and gave a brief summary of activity on Waivers for Quarter 1 2021/22.</p> <p>CC queried Waiver 702 and whether this was a sole supplier or continuity of supply. TG confirmed that it is a combination of both.</p> <p>CC referred to the rejected Waiver and whether there would be a consequence for the Trust. TG felt there were other suppliers who could be approached; Estates will go through SFI process to see which other companies could provide a quote.</p> <p><b>Noted:</b> The Audit Committee noted the update on Waiver to Standing Financial Instructions Report for Q1 2021/22.</p>		
<b>13</b>	<b>ANNUAL REPORTS: RAISING ISSUES OF CONCERN</b>		
21/102	<p>OM introduced the report which detailed mechanisms put in place by the Trust for staff awareness and how to report concerns.</p> <p>DL referred to the Freedom to Speak Up Guardian (FTSUG) and champions where it was good to see that the team was established. On her early conversations with the FTSUG, it was felt that the time allocated for the role might not be enough. How much time is allocated and is it enough to address concerns of staff?</p> <p>OM advised that the time for the role has increased to 0.6 WTE. This is in proportion and balanced with Trust size and the FTSUG substantive role.</p> <p>DL referred to the guardian for safe working where the report states that this should resume reporting. Is the guardian able to make sure that Doctors are working the right number of hours etc.</p> <p>OM referred to last year where, with disruptive working, it will have been difficult to monitor. The Trust does have an active junior doctors' forum where concerns are raised and followed up. This group of staff seem more likely to raise issues in a forum of this type than by individual reporting.</p> <p>RH commented that there are advantages at RPH in that we are a small organisation where it can be difficult to disguise bad processes. We have good forums to bring problems to light. Where concerns about the cycle of reporting have been raised, this is being looked into.</p>		

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	<p>MB added that the data does look to show that process/reporting has positively changed which is a good achievement.</p> <p>CC referred to the FTSUG being moved up to 0.6twe – is this funded? OM advised that FTSUG’s substantive role sits in the Education Team and funding is reallocated from other areas to fund the FTSUG. This is funded up to the end of March 2022 when it will be reviewed.</p> <p>CC referred to Senior Consultants who might informally acting as FTSUG for their peers; how does this formally feed into the FTSU role. OM advised that this work is not done in silo and is filtered through the FTSUG.</p> <p>CC thanked OM for this well written report which gives assurance to the Audit Committee that processes are in place.</p> <p>Noted: The Audit Committee noted the contents of the report and discussions.</p> <p>[1118hrs OM left the meeting].</p>		
<b>14</b>	<b>ANY OTHER BUSINESS</b>		
21/103	No other items were raised.		
<b>15</b>	<b>FORWARD PLANNER AND MEETING REVIEW</b>		
<b>15.1</b>	<b>Audit Committee Forward Planner</b>		
21/104	<p>CC had requested a change for the forward planner to work on a rolling month-by-month basis; showing the current month and then onwards from there. She would like the committee to test the new format and if there are any issues, report them back to her.</p> <p>DL was concerned that some of the Agendas do look heavy and there were some EO meetings last year. CC advised that the EO meetings last year were due to Internal Audit tender and not knowing the Annual Account submission date. The EO meeting scheduled for June 2022 is a back-up date for sign-off of Annual Report &amp; Accounts.</p> <p>AJ referred to the debrief on Annual Accounts and process with finance and asked if it was possible to create a week between dates to give a clear period between Audit Committee and final Board sign-off. CC agreed for this to be worked into the timeline.</p>	SH/AC	14.10.21
<b>15.2</b>	<b>Review of meeting agenda and objectives</b>		
21/105	The Committee agreed that the Agenda had followed the topics and met its objectives.		
<b>15.3</b>	<b>Any other items for next meeting</b>		
21/106	No items raised were raised.		
	<b>FUTURE MEETING DATES</b>		
	14 October 2021, 1000-1200hrs via MS Teams.		

The meeting finished at 11.22 hrs

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Signed

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Date

**Royal Papworth Hospital NHS Foundation Trust**  
**Audit Committee meeting**  
Meeting held on 15 July 2021

DRAFT