

Agenda item 3.iv

Report to:	Board of Directors	Date: 7 September 2023
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 17 July 2023	
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

Summary

The Board Assurance Framework (BAF) was discussed in detail with the focus on those risks that had “limited assurance” and the reports on those risks with a rating of 20.

Progress reports were received from BDO for Local Counter Fraud (LCFS) and Internal Audit. The positive and early start of three Internal Audits and the terms of reference being agreed for the fourth has given the Committee some assurance that the timetable for reports to the Committee will be achievable in 2023/24.

The Committee reviewed the Waiting List audit which was a carryover from the 2022/23 work plan. An overall moderate assurance was given with two main recommendations. The Audit Committee has asked that the Quality & Risk (Q&R) Committee oversees one of the recommendations.

The Committee received the annual report on Waivers to Standing Financial Instructions which has shown a vast improvement in the reduction in the number of waivers given.

The Better Payments Practice Code (BPPC) update and the annual report on Raising Issues of Concerns were also discussed in detail.

BAF

The Audit Committee had asked that Committees review any BAF risks with a score of 20 or higher and report back to the Audit Committee what was being done and the timescales to reduce the risks. The four BAF risks that were reviewed were:

<i>BAF 678</i>	<i>Waiting Lists</i>	<i>RRR 20</i>	<i>TRR 8</i>	<i>Risk appetite 8</i>
<i>BAF 1853</i>	<i>Staff Turnover</i>	<i>RRR 20</i>	<i>TRR 9</i>	<i>Risk appetite 6</i>
<i>BAF 1929</i>	<i>Staff engagement</i>	<i>RRR 20</i>	<i>TRR 8</i>	<i>Risk appetite 6</i>
<i>BAF 3261</i>	<i>Industrial Action</i>	<i>RRR 20</i>	<i>TRR 12</i>	<i>Risk appetite 6</i>

These risks were reviewed by the Executives and discussed at Performance Committee, Quality & Risk Committee and Workforce Committee as appropriate. It was concluded that that these risks were being actively assessed and that the plans to control the risks were being constantly monitored. However, the Audit Committee felt that the timescales of the plans needed to be clearer.

The Audit Committee noted that there were three BAF risks with ratings of 16 which had “limited assurance”. These were:

- 675 - Failure to protect patient from harm from hospital acquired infections (Q&R)*
- 858 - Electronic Patient Record System (SPC)*
- 3223 - Activity recovery and productivity (Perf)*

The Committees are being asked to look at these and see what needs to happen to get full assurance.

BDO Local Counter Fraud Service (LCFS)

The main report from LCFS was the work that was being done on the National Fraud Initiative (NFI) in regards Payroll matches and Companies House matches.

The NFI is a sophisticated data matching exercise run by the Cabinet Office which matches electronic data within and between participating bodies to prevent and detect fraudulent and erroneous payments from the public purse.

So far, there have been no areas of concern. Eight matches were being followed up to see if any overlap in employment exists with other organisations and five were being followed up for declaration of interests. It is expected that all these follow ups will be completed by 31 July 2023. The deadline for submission of the NFI report is end of September 2023.

BDO Internal Audit Service (IA)

The planned IA reports for 2022/23 were not all completed in the timescales set. One audit (Waiting List audit) had to be carried over into 2023/24. However, the Committee has noted that the work for 2023/24 has commenced much earlier than in the past with three of the audits at field work stage and a fourth audit at the terms of reference stage.

The Waiting List audit was given a moderate assessment overall with two medium recommendations. The recommendation regarding the timeliness of completion of harm reviews was discussed at length by the Committee as the management response did not give the full assurance required. From the discussion, the Committee was assured that this recommendation was being taken seriously and that work had already commenced on addressing the concerns. It was agreed that this would be given to the Q&R to follow-up and report back to Audit Committee on progress.

The other recommendation was the need to improve the system used to book follow-ups for patients on the non-RTT pathway. The Audit Committee felt that the management response was adequate.

Waivers to Standing Financial Instructions

The Committee was presented with the Annual Waivers report for 2022/23 which showed that in the past financial year there has been a 56% drop in waiver requests and a 29% drop in overall value of waiver requests. Since monitoring began in 2018/2019 there has

been a 90% drop in the number of waiver requests and a 79% drop in overall value of waivers. The Committee noted this vast improvement and thanked the team for their hard work in achieving this.

Better Payments Practice Code (BPPC)

The BPPC is to pay 95% of undisputed invoices within the supplier payment terms. The 2023/24 year to date performance against the BPPC target overall is, in terms of numbers 96% and in terms of value 98%. Based on information shared by the NHSI/E Regional Team, the Trust's performance is amongst the highest of all organisations across the East of England.

Given this performance, it was agreed that this report will not need to come to the Audit Committee in future and will remain with the Performance Committee unless it becomes a concern again for the Trust.

Raising issues of Concerns – Annual Report

The purpose of the report was to update the Audit Committee on actions taken over the last year to ensure that the Trust's discharges its responsibilities to ensure that staff can raise concerns in line with regulatory requirements and good practice.

The role of the Audit Committee in regards this report is to get assurance that there is a good mechanism for raising concerns and that staff are able to do so. This was demonstrated in the report. There was a question regarding the support that Junior Doctors would be getting to speak up with their Guardian having recently stepped down. The Medical Director explained that the Director of Medical Education was covering the role until a successor is appointed. It is hoped that there will be a permanent appointment by the end of July 2023.

The FTSU - Raising Concerns Policy has been reviewed by various groups and personnel and is going through the various stages of approval. This will come back to the Audit Committee for sign off.

2. Key decisions or actions taken by the Audit Committee

None

3. Recommendation

The Board is asked to note the report.