

**Agenda item 6.i**

<b>Report to:</b>	<b>Board of Directors Meeting</b>	<b>Date: 5 September 2024</b>
<b>Report from:</b>	<b>Chair of the Audit Committee</b>	
<b>Principal Objective/ Strategy and Title</b>	<b>GOVERNANCE: To update the Board of Directors on discussions at the Audit Committee meeting on 18 July 2024</b>	
<b>Board Assurance Framework Entries</b>	<b>FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)</b>	
<b>Regulatory Requirement</b>	<b>Regulator licensing and Regulator requirements</b>	
<b>Equality Considerations</b>	<b>Equality has been considered but none believed to apply</b>	
<b>Key Risks</b>	<b>Non-compliance resulting in financial penalties</b>	
<b>For:</b>	<b>Information</b>	

**1. Significant issues of interest to the Board**

Summary

A report on the annual review of “Raising Issues of Concern” was discussed in detail as well as receiving the Salary Overpayments update. The Committee was then updated on some issues that are emerging regarding medical staff pay where legal advice has been sought.

A paper was received on how to aid the Audit Committee in the role it could play in supporting sub-Board Committee Chairs in articulating levels of assurance in a consistent way. This was linked to the Objective Setting for the Audit Committee discussion that was had later on the agenda.

The EPR Governance was discussed and the risk to a delay in seeking a Board sign off.

Progress reports were received from BDO for Local Counter Fraud (LCFS) and Internal Audit as well as some useful briefing papers.

Raising Issues of Concern

The annual review of “Raising Issues of Concern” was an update to 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 Committee was pleased to see the various initiatives and avenues that the Trust had to ensure that staff could report any concerns about patient safety and quality if care as well as work-related issues. The challenge for the Trust is to evidence if these initiatives

are effective. It was also recognised that some staff felt that they could possibly suffer detriment to their careers and that was being further investigated.

#### Salary Overpayments

There is evidence of improvement but the concern is how sustainable are the improvements. Late notice of change to APAs is still a concern and work is ongoing with the Divisions to improve processes.

#### Other Medical Payment Issues

A verbal report was received from the Director of Workforce and Organisational Development about two emerging issues regarding medical pay.

The first is the query by British Medical Association (BMA) regarding the Trust's application of two pieces of legislation: Payment of annual leave for staff working variable hours and calculation of annual leave pay subject to the Flowers Review. Legal advice is being sought to facilitate discussions with the BMA.

The second is a national issue the BMA identified a few months ago regarding an error in the way the Allocate payment system does calculation of pay for junior doctors in training. This affects all Trusts using the Allocate system. The BMA are asking for underpayments to be rectified and overpayments to be written off. Following robust discussions with BMA, the Trust has advised that it will follow its usual process of paying underpayments and claiming back overpayments. The Audit Committee supports this position.

Both these issues will be taken to the Workforce Committee for further discussion and monitoring.

#### Assurance & Audit Committee Objectives

Whilst these were discussed as two separate agenda items they are interrelated and can be treated as one.

A helpful paper was produced by the Director of Finance on how the Audit Committee could support sub-Board Committees in articulating levels of assurance in a consistent way. This ties in with the objectives that the Audit Committee could set in order to establish evidence on how other Board sub-committees obtain assurances. This is to be discussed further with the Chair and fellow NEDs.

#### EPR Governance

The Audit Committee has asked for assurances around the governance of the EPR program and will leave the update on progress to the Strategic Projects Committee. The report that came to the Audit Committee indicates that good governance is still being followed. But there are emerging risks that may delay Board sign off. This will be discussed at Board.

#### LCFS Progress

There is one incident still under investigation regarding false documentation. Not a serious risk to the Trust.

The Public Sector Fraud Authority (PSIA), in conjunction with the Ongoing Competition and Markets Authority (CMA), has released a practice note into bid-rigging. This puts a spotlight onto procurement and is relevant as we go into an EPR tender.

### Internal Audit Progress

Private Patients internal audit report was presented to the Committee. The audit concluded a moderate assurance over both the design and operational effectiveness of the Trust's controls for private practice.

*For Design - Moderate means generally a sound system of internal control designed to achieve system objectives with some exceptions.*

*For Effectiveness – Moderate means evidence of non-compliance with some controls, that may put some of the system objectives at risk.*

The Committee felt that the opinion was a fair reflection and were not substantially different from what Management already suspected.

A particularly useful benchmarking was included in the report by BDO which showed that RPH was doing well against its peers in relation to best practices for private patients.

Among the national briefings that BDO provided, one was on Patient Safety Incident Reporting Framework. This was felt to be a great tool to assess where RPH is and the Committee recommended that this report be sent to the Q&R Committee for information.

## **2. Key decisions or actions taken by the Audit Committee**

- None

## **3. Recommendation**

The Board notes the key decisions and actions taken by the Committee.