

## Cover Sheet

Trust Board Meeting in Public: Wednesday 10 May 2023

TB2023.53

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**Title:**           **Audit Committee Chair's Report**

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**Status:**       **For Information**

**History:**      **This is a regular report to the Board**

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**Board Lead:**   **Committee Chair**

**Author:**       **Laura Lauer, Deputy Head of Corporate Governance**

**Confidential:**   **No**

**Key Purpose:**   **Assurance**

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## Audit Committee Chair's Report

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### 1. Purpose

- 1.1. As a Committee of the Trust Board, the Audit Committee provides a regular report to the Board on the main issues raised and discussed at its meetings.
- 1.2. Since the last report to the Board held in public, the Audit Committee had met on 26 April 2023.
- 1.3. Under its terms of reference, the Committee is responsible for providing assurance to the Trust Board on the Trust's system of internal control by means of independent and objective review of financial and corporate governance and risk management arrangements, including compliance with law, guidance, and regulations governing the NHS.

### 2. Audit and Counter Fraud

#### Internal Audit

- 2.1. The Committee considered the draft Internal Audit Report and Head of Internal Audit Opinion.
- 2.2. The Committee reviewed the Internal Audit plan for 2023/24 and requested that any changes to the Internal Audit Charter be made explicit as part of the documentation. Approval of the plan was deferred to the June 2023 meeting.
- 2.3. BDO presented three final internal audit reports.
  - 2.3.1. Divisional Governance (Design: Moderate Assurance; Effectiveness: Moderate Assurance)
  - 2.3.2. Consultant Job Planning (Design: Moderate Assurance; Effectiveness: Moderate Assurance)
  - 2.3.3. Key Financial Systems (Design Substantial Assurance; Effectiveness: Substantial Assurance)
- 2.4. The Committee received an update on the single overdue internal audit recommendation and was assured that this would be completed before the next meeting of the Committee.

#### External Audit

- 2.5. The Trust's external auditors, EY, reported on the progress of the external audit, including the Value for Money assessment.
- 2.6. The Committee heard that the external auditors had met with management and mutually agreed the nature of the evidence relating to key material estimates.

- 2.7. The Committee noted initial draft responses to the letters sent by EY to the Chair of the Committee and Chief Finance Officer as part of Auditing Standards (ISA 240) requirements to formally update external audit's understanding of management processes and arrangements.

#### **Counter Fraud**

- 2.8. The Trust's Counter Fraud Specialist Advisors, TIAA, presented their regular update report, which included a summary of work undertaken to support compliance with the Government Functional Standard 013 Counter Fraud.
- 2.9. The Committee **approved** the Counter Fraud Annual Plan 2023/24.

### **3. Annual Accounts**

- 3.1. The Committee continued its preparations for review of the Trust's Annual Accounts by considering:
  - 3.1.1. The Trust's Draft Financial Performance 2022/23;
  - 3.1.2. Analysis of the Trust as a going concern, including the relevant accounting policy and additional work undertaken to provide assurance on the cash position;
  - 3.1.3. A draft of the Annual Governance Statement 2022/23, with a focus on the local impact of industrial action and description of the Care Quality Commission's interactions with the Trust;
  - 3.1.4. Updates to judgements and material estimates for the 2022/23 annual accounts;
  - 3.1.5. Register of Interests and the Register of Gifts, Hospitality and Sponsorship for members of the Trust Board.

### **4. Risk, Assurance, Governance and Regulation**

#### **Clinical Audit Plan**

- 4.1. The Committee discussed the Clinical Audit Plan for 2023/24 and sought additional information on the escalation process and the monitoring of significant recommendations.

#### **Corporate Risk Register (CRR) and Board Assurance Framework (BAF)**

- 4.2. The Committee reviewed the Trust's Strategic risks and queried an identified gap in controls in relation to delivery of a sustainable workforce. Management agreed to review this.
- 4.3. Members considered an analysis of the coverage of strategic themes across the 2022/23 year and the categories of assurance identified to support the

three strategic themes.

## 5. Financial Governance

- 5.1. The Committee received a report that provided a summary of losses and special payments.

## 6. Other Updates on Existing Areas of Focus for the Committee

### Digital/Information Governance

- 6.1. The Information Governance Annual Review was presented. This report demonstrated the assurance mechanisms which supported the Information Governance section of the Annual Governance Statement.
- 6.2. The Chief Digital and Partnership Officer confirmed that no reportable incidents to the Information Commissioner's Office had occurred in year which were caused by a material failure in controls.

## 7. Key Actions Agreed

- 7.1. The Committee would review and approve the responses to EY's letters relating to management processes and arrangements by circulation.

## 8. Recommendations

- 8.1. The Trust Board is asked to **note** the contents of this report.