



## TRUST BOARD

---

**Title:** KEY ISSUES AND ESCALATION POINTS  
**Name of Committee:** Audit Committee  
**Committee Chair:** Catherine Dugmore  
**Meeting Date:** 11<sup>th</sup> July 2022

---

### Summary of key messages:

The following key reports were covered at the last meeting:

- Local Counter Fraud Service (LCFS) progress report, and 2021/22 Annual Report
- Internal Audit 2021/22 Progress and Follow-up reports
- External Audit update – Value for Money (VfM) focus
- Updated Board Assurance Framework
- Waivers and Special payments
- Conflicts on interests and gifts and hospitality Annual Report
- Key issues from other Committees

The Committee had a matter arising regarding whether all possible actions were being taken by the Trust to look after staff and their wellbeing in response to the current cost of living crisis. It was agreed that the Audit Committee will monitor the overall risk to staff health and wellbeing but that the matters should be referred to the COBs to monitor actions being taken and Board for overall strategic response.

In addition, the Committee noted Risks 3164 and 3163, both of which refer to workforce, have been scored at 20 for the last year with no movement. The AC agreed to escalate these to the Board for discussion of the strategic actions the Board wants to take to start to move these risks down towards the target risk score.

The Internal Progress Report and Follow up report were discussed by the Committee. Internal audit has completed a review of the Trust's Incident Reporting which received a reasonable assurance. However, it was reported that Root cause analysis (RCAs) were not being completed within 45 days and had not been consistently signed off by the Deputy Chief Nurse in accordance with the Trust's policy. The risk is that lessons learnt may not be identified in a timely manner. The Committee requested that the report is circulated to QISCOM for information and for that Committee to follow up on the agreed actions. The Committee requested that a deep dive into the governance around incident reporting is brought to a future meeting.

The Committee were disappointed to note that there have been significant delays in finalising three internal audit reports, with delays up to 6 months at the date of this report and reasons for the delays were reported to the Committee. In addition, internal audit noted that there has been little progress made in the follow up and closure of previously reported internal audit recommendations, but updates and agreed revised milestones had been reported. The executive cited the effects of the pandemic and impact of mass vaccination for these delays. It was agreed that:

- Internal audit will work with the executive to finalise the outstanding audit reports from 21/22 and issue as quickly as possible to AC members with formal reporting to the next meeting of the AC
- Internal audit will work with the executive to ensure that similar delays do not reoccur in 22/23 and clear outstanding management actions
- Consideration will be given to inviting internal audit to and Executive Team meeting to refresh the process of finalising reports and clearing outstanding recommendations

The Committee noted that External Audit had not yet finalised their opinion for the year ended 31<sup>st</sup> March 2022 due to an outstanding matter on the cessation valuation of a pension liability arising in 2016. External Audit confirmed that this was now the only outstanding audit matter. The auditors were starting to work on the VfM audit which was required to be completed within 3 months of the audit opinion on the Annual Report being finalised.

The Committee expressed disappointment that for the second year in a row, the Trust had failed to submit its accounts within the national timeframe but were made aware the Trust was among a number of organisations in a similar position and NHSE / I have acknowledged the principle reason the accounts and final Opinion were still outstanding. Committee agreed that a lesson learnt review would be conducted to be reported to the next Audit Committee.

The Committee had a robust discussion around the BAF and made suggestions for further improvement. In addition, members raised the following matters to be considered by the Board when it reviews the BAF in July:

- a. Risks around international recruitment
- b. Risks around the impact of demand and waiting lists.

**Escalation Points:**

There were no points for escalation to the Board.

**Emerging Risks/Issues:**

None

**Examples of Outstanding Practice or Innovation:**

None

Author:	<b>Mark Robbins</b>
Job Title:	<b>Director of Finance and Resources</b>
Date:	<b>July 2022</b>