BOARD OF DIRECTORS - PART 1 MEETING

Meeting Date: 25 January 2023

Agenda item: 7.3

Subject:	Key Issues and Assurance Report - Audit Committee Meeting held on: 12 January 2023
Presented by:	Stephen Mount, Chair of the Audit Committee

Background:	The reports received by the Committee at its meeting referred to above and the levels of assurance are summarised below.

	Substantial assurance received by the Committee
	Partial assurance received by the Committee, but assurance received that appropriate plans in place to address
	Limited assurance received by the Committee - significant gaps in assurance and/or not sufficiently assured as to the adequacy of action plans

Items rated Green		
Item	Rationale for rating	Actions/outcome
Internal Audit Report - IAO Management	Substantial assurance in relation to Design Opinion; Moderate assurance provided for Design Effectiveness.	One medium priority recommendation in relation to user access reviews and one low priority recommendation in relation to training. Actions and implementation timescales agreed.
Internal Audit Report - Estates Compliance – Poole	Substantial assurance in relation to Design Opinion; Moderate assurance provided for Design Effectiveness.	Two medium priority recommendations: Planet FM updates and training. One low priority recommendation in relation to safety group agendas and terms of reference. Actions and implementation timescales agreed.
Internal Audit Report - HFMA Financial Sustainability	Internal auditors reported that overall the Trust had been able to demonstrate a good level of compliance with the questions set out in the assessment, with 69 of the 72 questions where the Trust had scored itself at a 4 or 5 confirmed	Actions to be developed in relation to three questions.

	through testing and review of the evidence supplied.	
Q3 Clinical Audit Plan Report	Of the 72 national clinical audits reportable under the Quality Accounts return, at 30 December 2022 the Trust was confirmed as participating in 94% of eligible projects. At the end of Q3, 77% of audits on plan had been started or completed. It was reported to the Committee that a significant piece of quality improvement work was being undertaken in the Emergency Department relating to different workstreams such as flow and same day emergency care.	The Committee noted the Q3 Clinical Audit Report.
Cyber Security and Vulnerabilities Report	A report of recent highlights and status within four key aspects of cyber security: network, applications, information and operational was presented and considered by the Committee.	The Committee noted the Cyber Security and Vulnerabilities Report.

Items rated Amber		
Item	**Rationale for rating**	**Actions/outcome**
Information Governance Q3 Update	Data security and protection toolkit audit work for the 2022/23 submission was well underway. However, an increasing imperative to comply with the requirements was noted. Wider organization support was required to update IAO assurance work.	DSPT compliance to be discussed further with the Board.

Items rated Red		
Item	**Rationale for rating**	**Actions/outcome**
N/A		

Items not rated		
Item	**Comments**	**Actions/outcome**
External Audit Progress Report	External auditors reported that the planning and risk assessment for the 2022/23 audit had commenced. The audit plan had been drafted.	The value for money risk assessment would be presented at the next Committee meeting.
External Audit Plan	External auditors provided an overview of the audit strategy for 2022/23, including the key risks	The Committee noted the report.

	identified and planned approach to address them. Key audit risks for 2022/23 include: • Valuation of land and buildings; • Revenue recognition; • Expenditure recognition; and • Management override of controls.	
Internal Audit Progress Report	Internal auditors provided an update on progress made against the 2022/23 internal audit plan. Good support from Executives and management had been provided; there were no significant concerns to be raised.	Reports to be presented to the March 2023 Committee were KFS, Recruitment and DSP Toolkit.
Internal Audit Follow Up of Recommendations Report	Progress was reported against the implementation of recommendations arising from reports issued in 2021/22 and 2022/23. For 2022/23, 42% were not yet due, 30% were complete and 28% in progress. None were reported as overdue.	The Committee noted the report.
Counter Fraud Progress Report and Fraud, Bribery and Corruption Policy	The local counter fraud service (LCFS) reported upon key areas of proactive work undertaken against the counter fraud work plan. There was no movement in the Trust's fraud risk score. The report detailed allegations reported to LCFS and action taken as part of the investigation. Two new referrals had been received by LCFS since the last Committee meeting. The Fraud, Bribery and Corruption Policy was presented to the Committee for consultation, prior to presentation to the Board for approval.	The Committee noted the report. No comments were raised on the Fraud, Bribery and Corruption Policy.
Risk Register	The Committee discussed a deep dive being undertaken into certain risks. Members welcomed opportunities for triangulation (data, observing and listening).	The Committee noted the Risk Register.
Board Assurance Framework	It was noted that this would be discussed further at an upcoming Board Development Session.	The Committee noted the Board Assurance Framework.

Managing Conflicts of Interest Policy	Off cycle updates to the policy were presented to the Committee for consultation.	It was proposed that the introduction to the policy be revised to encourage collaboration and research, while recognising the importance of transparency and compliance. Subject to this, the Committee endorsed the policy for recommendation to the Board.
Audit of Non-Clinical Policies	In line with the Trust's Document Control Policy, a report on overdue policies was presented to the Committee.	It was agreed that the overdue policies would be further escalated with Executives.
Commercial Compliance Report	A report was presented to the Committee on the total number of Standing Financial Instruction waivers submitted, including those reviewed and found to be mitigated. The rationale for waiving SFIs was summarized against each within the report.	The Committee noted the report.

The Committee was also presented with certain contract award recommendations.

Impact on Board Assurance Framework