

Cover Sheet

Trust Board Meeting in Public: Wednesday 13 November 2024

TB2024.103

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

Status: **For Information**

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

Board Lead: **Committee Chair**

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

Confidential: **No**

Key Purpose: **Assurance**

Audit Committee Chair's Report

1. Purpose

- 1.1. As a Committee of the Trust Board, the Audit Committee provides a regular report to the Board on the key issues raised and discussed at its meetings.
- 1.2. Since the last report to the Board held in public, the Audit Committee has met on 30 October 2024.
- 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 Trust's internal auditors, BDO, presented five reports:
 - 2.1.1. Research and Development (unrated Advisory Report);
 - 2.1.2. Cash Management (unrated Advisory Report);
 - 2.1.3. CQC Well Led Preparedness (unrated Advisory Report);
 - 2.1.4. CIP Temporary Staffing reduction Programme (Design: Moderate; Effectiveness: Moderate); and
 - 2.1.5. Salary Overpayments (Design: Moderate; Effectiveness: Limited).
- 2.2. The Committee noted the recommendations associated with each report. In the case of the Salary Overpayments report, where there was limited assurance on its effectiveness, members noted the intersection with other financial governance initiatives. It was agreed that enhanced progress reporting would be put in place to allow the Committee to monitor the impact of the recommendations. The Chief Finance Officer and Chief People Officer would revert to the Committee Chair with a proposal to achieve this.
- 2.3. A verbal update was received on the overdue recommendations from the Environmental Sustainability Maturity Audit. Satisfactory progress had been made and it was expected that all recommendations would be completed by the next meeting of the Committee.

External Audit

- 2.4. The Committee formally noted the 2023/24 Audit Completion Certificate issued by the Trust's external auditors, EY.

- 2.5. EY confirmed that planning for the 2024/25 audit had commenced and key dates agreed with the Finance team.
- 2.6. The Committee received an update from management on progress made against external audit recommendations. It was noted that the implementation of three actions as drafted had proved problematic; the Trust would work with EY to establish an agreed methodology to allow these to be closed.

Counter Fraud

- 2.7. The Trust's Local Counter Fraud Specialist (LCFS) Advisors, TIAA, summarised activities undertaken across the Trust.
- 2.8. The Committee received an update from management on progress made against LCFS recommendations. Five actions were noted to be overdue, with plans in place to address these before the next meeting of the Committee.

3. Risk, Assurance, Governance and Regulation

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

- 3.1. The Committee reviewed the Board Assurance Framework and Corporate Risk Register, with a focus on ensuring its relevance across the Trust.

Clinical Audit Plan – six month update

- 3.2. The Committee received a verbal update on the processes supporting the Clinical Audit Plan. It was agreed that these processes would be documented for the next meeting of the Committee.

4. Standing Financial Instructions and Scheme of Reservation and Delegation

- 4.1. Following a light touch review in 2023, the Committee considered a proposal for a review of the Standing Financial Instructions and Limits of Delegation Policy based on stakeholder feedback and benchmarking against other Trusts.
- 4.2. Four priority areas had been identified to make the documents reflect current Trust and sector practices, improve understanding of key financial roles and responsibilities and streamline and simplify guidance.
- 4.3. The Committee approved the proposal; the output of the review was expected to be presented to the Committee at its April 2025 meeting.

5. Financial Governance

- 5.1. The Committee reviewed a proposal to enhance formal financial training for clinical and operational staff. This was positively received.

- 5.2. The Committee received reports that provided analysis of approved single tender waiver applications (inclusive of retrospective waivers) and a summary of losses and special payments.

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

Preparation for Review of Annual Report and Accounts

- 6.1. The Committee received a report which provided a mid-year review of judgements and estimates.

Cash Improvement and Cash Forecasting

- 6.2. The Committee was updated on the cash management structures in place.
- 6.3. The revised cash forecasting tool was reported to be in use; EY would assess its appropriateness for assessing Going Concern as part of the interim audit.
- 6.4. The Committee expressed its strong preference that, as the cash forecasting tool was developed, any manual elements were phased out.
- 6.5. Discussion focused on transitioning the assurance currently provided by monthly review by a small group of Non-Executive Directors to the Integrated Assurance Committee.

7. Recommendations

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