

TRUST BOARD – 27 April 2021

AUDIT AND ASSURANCE COMMITTEE held 5 March 2021

HIGHLIGHT REPORT

The key headlines/issues and levels of assurance are set out below, and are graded as follows:

| Strength of Assurance | Colour to use in 'Strength of Assurance' column below |
|-----------------------|---|
| Low | Red - there are significant gaps in assurance and/or not properly assured as to the adequacy of action plans/controls |
| Medium | Amber - there is reasonable level of assurance but some issues identified to be addressed. |
| High | Green – there are no gaps in assurance and there are adequate action plans/controls |

| Report | Assurance level* | Committee escalation | ORR Risk Reference |
|-----------------------------------|------------------|--|--------------------|
| Internal Audit Progress Report | HIGH | Six reports had been issued since the last AAC including Head of Internal Audit Opinion. The follow up rate was now at 93%. The Committee noted the progress within the report and approved the cancellation Quality Impact Assessment and that it will appear on the plan for a decision by the Executives. | All |
| External Audit Progress Report | HIGH | The Committee received the External Audit Progress Report and noted the information that was contained. | All |
| Draft External Audit Plan 2020/21 | HIGH | The Committee received the draft External Audit Plan 2020/21 and noted the VFM risk assessment information would be received at June AAC. | All |
| Counter Fraud Progress Report | HIGH | The Committee received the Counter Fraud Progress Report and noted progress. | All |
| Draft 2021/22 Counter Fraud Plan | MEDIUM | The Committee noted the draft plan which, subject to further revision based on the firming up of the standards and benchmarking. The committee noted the potential confusion that could arise over reporting against the changed standards in May. It was agreed that care should be taken to ensure everybody understood the correct position, including mapping against the previous standards. | All |

| Report | Assurance level* | Committee escalation | ORR Risk Reference |
|---|---|--|--------------------|
| Risk Management Update and Organisational Risk Register | HIGH | Noted that there was good assurance over the system and process in place to provide effective risk management framework. | All |
| Legal and Regulatory Issues | HIGH | The Committee noted the legal and regulatory issues. | |
| Internal Audit actions | HIGH 360 Assurance element) | Assured on first follow up, with rate being maintained above 90%. The Committee agreed that further focus was required on internal audit subsequent follow ups and external audit recommendations. | All |
| | MEDIUM (internal subsequen t and external element) | | |
| Financial Waivers | HIGH | The Committee were assured on the Chief Executive Waivers but asked for a themed review on the increase of level of waivers to come back to the next meeting. | 48/54 |
| Accounting Policies/Year of End Update | HIGH | Committee noted end of year timetable. The accounting difficulties at UHL and ensuring any lessons learned by LPT were discussed at a number of points during the agenda. The following actions were agreed 1) KPMG confirmed that their audit of financial accounts would include consideration of this aspect. 2) The AAC's review of the financial accounts would include these considerations, including receiving an internal finance department review. 3) Internal Audit Annual plan for 2021/22 would include a placeholder for additional assurance work. | 48 |
| Chairs of QAC/FPC updates on key issues | HIGH | The committee was fully assured by updates provided by FPC and QAC chairs. | All |
| Draft AAC Workplan 2021/22 for approval | HIGH | The Committee approved the revised work plan subject to minor changes. | All |

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| Chair | Darren Hickman |
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