

TRUST BOARD – 21 December 2021**AUDIT AND ASSURANCE COMMITTEE held 3 December 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 Ref
Internal Audit Progress Report	High	The committee was assured on the progress being made on the 2021/22 plan. The follow up rate was now at 89% for 2020/21 which is an increase since the last meeting.	62,70 & 71*
External Audit Progress Report	High	Since the last Committee meeting, external audit have had meetings with the finance team to discuss what went well with the 2020/21 audit and what could be done to improve the process. A plan for the 2021/22 external audit planning will be presented the next AAC.	62,70 & 71*
Counter Fraud Progress Report	High	The Committee received the progress report and noted progress.	62,70 & 71*
Counter Fraud, Bribery and Corruption Policy	High	The Committee received and approved the policy.	62*
Risk Management Arrangements	High	The Committee received an update on risk management arrangements which included; <ul style="list-style-type: none"> • The ORR has been refreshed • The risk appetite has been refreshed based on the updated matrix provided by the Governance Institute. • Tolerance levels have been introduced to support risks. • A new module has been introduced within Ulysses to support component 3 of the counter fraud risk assessment. 	62*

Report	Assurance level*	Committee escalation	ORR Risk Ref
Risk Management Policy	High	The Committee received and approved the Risk Management Policy	62*
Legal and Regulatory Issues	High	The Committee noted two legal and regulatory issues which were; <ul style="list-style-type: none"> • Risk around being prepared around the national public enquiry for the Covid pandemic. • The CQC Community Survey for 2021 giving a low assurance on the way LPT is performing. 	62*
Internal and External Audit Actions	High	The first follow up implementation rate for internal audit is currently 89%, which shows an increase. It was noted that only two outstanding actions were now O/s from first follow up. For external audit actions, the ISA 260 report for 2020/21 made seven recommendations; of these four have been implemented and three are ongoing. The committee was assured on the progress being made on the internal and external audit actions.	62,70 & 71*
Freedom to Speak Update	High	Annual assurance review of the freedom to speak up process. The Committee was assured that freedom to speak up is embedded, working and fully supported within the Trust.	62*
Financial Waivers	High	The Committee was assured with the position of financial waivers.	62,70 & 71*
CE Waiver Process Proposed Changes	High	It is proposed that certain areas of spend that do not necessarily require a CE waiver are covered by a shorter, less onerous form to ensure that the spend is still recorded and monitored by the procurement team and ultimately the Trust. The Committee approved the proposed changes.	62,70 & 71*
Annual Financial Accounts Timetable	High	The Committee was asked for approval on three key areas where changes have been made or a different approach has been proposed. The first recommendation was for the Committee to agree to the proposed 2021/22 land and buildings revaluation exercise and the deferral of hypothetical building valuations to 2022/23. The second recommendation was to support the accounting treatment process being undertaken for capital IT/digitisation investments. The third recommendation was to support the approach in this year's accounts for the asset verification exercise. The Committee was assured and supported all the	62,70 & 71*

Report	Assurance level*	Committee escalation	ORR Risk Ref
		recommendations except for the accounting treatment in relation to the TIF Funding, which had yet to be finalized.	
Treasury Management Policy & Bank Mandates	High	The Committee received and approved the policy and mandates.	62,70 & 71*
Chairs of QAC / FPC updates on key issues	High	The Committee was fully assured by updates provided by FPC and QAC chairs.	62,70 & 71*
Auditor Panel Update	High	The Committee received an update on the progress of the auditor panel. After a competitive process, KPMG have been awarded the contract as our external auditors.	62
In-depth review of topic - CQC Inspection Report Follow up Process	High	This paper outlines the key findings of the CQC Well Led and Core inspection completed over May / June and July 2021 and the follow up activities to be undertaken. The report has been to QAC and was fully supported as a robust process. The Committee was assured and noted the follow up process for items highlighted by the CQC.	62,70 & 71*

***principal risk(s) shown but will also cover other risk on ORR**

Chair	Darren Hickman
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