

TRUST BOARD – 26 July 2022

AUDIT AND ASSURANCE COMMITTEE – 10 June 2022

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
Going Concern Assessment	High	The Committee received the report and supported the assertion that the Trust be formally recognised as a Going Concern with the 2021/22 annual accounts completed on that basis.	62, 70 71*
Audited Financial Accounts 2021/22	High	The Committee approved the audited accounts for presentation to the Trust EGM. The key issues that impacted on the accounts related to LPT's building valuations which had increased the balance sheet by c£12m due to the application of national indices, and cash at the end of the year was £32m which was a good cash position.	62, 70 71*
KPMG Auditors Annual Report 2021/22	High	A summary of the findings and key issues arising from the audit of LPT on its accounts, annual report, value for money, regularity and other reporting was presented. The external auditors emphasised the very good result and acknowledged the significant amount of work that had gone in to getting the Trust to the position it was in.	62, 70 71*
ISA 260 Audit Memorandum	High	The audit of the 2021/22 financial statements was substantially complete and a clean audit opinion was expected to be given. No significant weaknesses were identified in terms of the value for money arrangements and no recommendations were made.	
Head of Internal Audit Opinion	High	There had been no change made to the HoIAO since the interim report was presented in April. Overall a significant assurance opinion was given with all three elements (ORR and strategic risk management; individual assignments; and follow up of actions) also receiving significant assurance opinion.	62, 70 71*

Report	Assurance level*	Committee escalation	ORR Risk Ref
		The follow up rate had not changed from the interim report at 93% for first follow up implementation and 99% for overall implementation. The Annual Report was also presented, which set out service delivery by 360 Assurance during 2021/22.	
Annual Report & Quality Account 2021/22	High	The Committee acknowledged the reports gave a good insight of the work of the Trust during the year, its financial position and the state of its risk and control frameworks. The general consensus of members was that the appearance and content of the reports were much improved from previous years.	62, 70 71*
Internal Audit Progress Report	High	An update on Internal Audit activity since the last meeting was received, two final reports had been issued, both with significant assurance opinion. Internal Audit had followed up two actions in 2022/23 which were both implemented at first follow up giving a rate of 100% and substantial assurance. Assurance was received that Internal Audit was on track to complete the 2022/23 plan by the end of the year.	62, 70 71*
Counter Fraud Progress Report	High	The Committee received a summary of the work that was underway or had been completed since the last AAC meeting. LPT had achieved green for the Counter Fraud Functional Standard Return across the board which was a very positive step.	62, 70 71*
Clinical Audit Forward Plan	High	An update on the agreed audit activity for the 2022/23 financial year was presented, this was a combination of new projects planned for the coming year, existing projects that were continuing beyond year end and national audits relevant to the work of the Trust. The Committee approved the plan and noted the next steps during 2022/23.	
Committee Annual Effectiveness Reviews		The Audit and Assurance Committee was assured of its annual report and that it was operating within Trust governance arrangements. The Committee received assurance that the Charitable Funds, Finance and Performance, Quality Assurance and Remuneration Committees were operating within Trust governance arrangements.	
Risk Management Update	High	There had been four new additions to the ORR which were around the cyber threat landscape, vaccination of staff against influenza, the Trust's financial position for 2022/23 and the loss of the Healthy Together contract. Two risks had also been closed, 63 (<i>demand of winter pressures may lead to poor quality of care</i>) and 76 (<i>the introduction of vaccination as a condition of deployment</i>), both related to COVID.	62*

Report	Assurance level*	Committee escalation	ORR Risk Ref
Legal and Regulatory Issues	High	There were no specific legal and regulatory issues to highlight but an update was received on some of the improvements being made to the Ulysses system.	62*
Internal and External Audit Follow up of Actions	High	The 2021/22 year-end overall follow up rate was 99%. The Pentana automated system was now being used and the Committee felt confident there was good oversight of delivery of both Internal and External Audit actions.	62*
Financial Waivers	Medium	55 waivers with a total value of c£4.5m had been raised during quarter 4 of 2021/22. The increase in value of waivers was attributable to the Adult Eating Disorder Services and two lots of financial waivers within one financial year due to the timing of when they were raised. The process for waivers was currently being reviewed and there were expected to be fewer waivers once the new process was in place.	62, 70 71*
Losses and Special Payments 2021/22	High	The Committee received the annual report as part of the closing down accounts process as stipulated in the Trust's SFIs. There was nothing specific to highlight.	62, 70 71*
Accounting Policies	High	The Committee approved the accounting policies to support Trust Board in the approval of the 2021/22 annual accounts.	62, 70 71*
Annual Update of SFIs and SORD	High	The Committee approved the proposed changes to the Trust's Standing Orders and Standing Financial Instructions.	

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