

**TRUST BOARD – 28 March 2023**

**AUDIT AND ASSURANCE COMMITTEE – 17 March 2023**

**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
<p><b>Internal Audit Progress</b></p> <p><b>Review of HFMA Improving NHS Financial Sustainability Checklist</b></p> <p><b>Head of Internal Audit Opinion 2022/23 Stage 2</b></p> <p><b>Draft 2023/24 Internal Audit Plan</b></p>	<b>High</b>	<p>One final report (<i>Remote/Virtual Consultations</i>) had been issued since the previous meeting with significant assurance opinion. Actions had been agreed for the two medium risks and action dates were in place. The implementation rate at first follow up was 95%, the overall follow up rate was 100%. Discussion focused on the feasibility of incorporating user feedback in future audits and on delivery of key performance indicators.</p> <p>Progress on the actions on LPT's self assessment against the 72 questions in the HFMA checklist was reported. Overall good progress was being made and there were no specific issues to highlight.</p> <p>The HoIAO stage two work had recently been completed, a positive position was reported and no change to this was expected at year end.</p> <p>The Committee approved the draft 2023/24 plan. Agreement had been given by LPT, UHL and the ICB for inclusion of a system wide review this year.</p>	62, 70 71*
<p><b>External Audit Progress</b></p> <p><b>Draft Audit Plan 2022/23</b></p>	<b>High</b>	<p>AAC received an update on the work undertaken since the last meeting and a summary of upcoming work.</p> <p>KPMG's risk assessment and planned audit approach was presented. Two significant risks associated with financial sustainability and improving economy, efficiency and effectiveness had been identified, a review of arrangements to mitigate these risks would be undertaken.</p>	62, 70 71*

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<p><b>Counter Fraud Progress</b></p> <p><b>Counter Fraud Plan 2023/24</b></p>	<b>High</b>	<p>The Committee received a summary of the work that was underway or had been completed since the last meeting.</p> <p>Very good progress was noted on compliance against the Counter Fraud Functional Standards, the recommendation would be that the Trust score itself green for submission to the Cabinet Office in May. Assurance was provided that a link between cyber security and fraudulent activity was being made through bespoke training.</p> <p>The plan was based on the achievement of a green score for the CFFS and the counter fraud resource had been reduced in view of the good position the Trust was currently in. The focus in 2023/24 would be on proactive detection.</p>	62, 70 71*
<b>Clinical Audit Annual Report</b>	<b>High</b> <b>Medium</b>	<p>The Committee received and approved the Trusts Clinical Audit Annual Report for 2022/23 and noted the proposals for the next steps during 2023/24.</p> <p>AAC asked that in future, links were made between the activity and the outcomes to provide assurance that the right actions were in place. The Committee agreed there was a high level of assurance on the clinical audit processes in place but only a medium level for the outcomes.</p>	
<b>Chairs of QSC / FPC - updates on key issues</b>	<b>High</b>	<p>The only issue to highlight from the Quality and Safety Committee was the request for ORR 61 (<i>lack of staff with appropriate skills would not be able to safely meet patient care needs</i>) to be kept open pending a full review. This was due to the recent move back to face to face training and challenged compliance levels in mandatory training for temporary staff.</p> <p>Discussion at FPC on 28 February had focused on the financial position, performance and Estates Strategy, there were no specific issues to highlight.</p> <p>The Committee agreed there was a high level of assurance that QSC and FPC were operating in line with their objectives within LPT's governance. <b>The Committee was not quorate from this point</b></p>	62, 70 71*
<b>Risk Management</b>	<b>High</b>	<p>An update was received on changes made to arrangements since the last meeting. Confirmation was received that approval had not been given to the closure of ORR 61. Further work would be undertaken on the risks aligned to the new People and Culture Committee and a report presented to the next AAC meeting.</p> <p>A high level of assurance was received on the systems and processes in place to secure an effective risk management and assurance framework.</p>	62*

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Legal/Regulatory Issues	N/A	There were no specific legal and regulatory issues to highlight.	62*
Internal/External Audit Follow up of Actions	High	There were no outstanding actions from external audits for 2022/23.	62*
AAC Work Plan 2023/24	High	The plan was presented for information and would be circulated to Committee members for approval. From 1 <sup>st</sup> April 2023, the Audit and Assurance Committee would change its name to the Audit and Risk Committee.	
Financial Waivers	High	<p>The report covering quarter 3 of 2022/23 was presented, a total of 85 waivers with a value of just under £2m (excl. VAT) had been raised. 68 of the waivers at a value of c£1.5m directly related to the insourcing of the estates and facilities function and the contracts associated with delivering this service.</p> <p>A new sole provider process had been introduced which had helped to reduce the number of waivers received but focus would be given to those waivers that were raised due to insufficient time to go out to market.</p>	62, 70 71*
Accounting Policies and Procedures	High	The accounting policy updates to support Trust Board in the approval of the 2022/23 annual accounts were presented. Work continued with external auditors on the approach to property, plant and equipment valuations. The report would be circulated to Committee members for approval.	
Freedom to Speak Up Update	High	<p>The annual assurance review of the freedom to speak up process was presented, the key issues to highlight were;</p> <ul style="list-style-type: none"> <li>• Work with HR colleagues had commenced on the revision of the local Freedom to Speak Up: Raising Concerns (Whistleblowing) Policy following the publication of the new national policy in June 2022. All NHS Trusts were expected to adopt the revised template by 2024.</li> <li>• Changes to the governance and reporting structure to provide assurance on the triangulation of information.</li> <li>• Numbers contacting the freedom to speak up team remained relatively low, reasons for this were not clear.</li> <li>• Work was taking place with the L&amp;D team to raise awareness of three training packages available to different staff groups.</li> </ul> <p>The Committee agreed there was a high level of assurance on the information presented but there needed to be clarity on the outcomes freedom to speak up activity was trying to achieve for future reports.</p>	

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<b>Highlight reports</b>	<b>High</b>	AAC received the highlight reports for the Quality and Safety, Finance and Performance, Charitable Funds and Remuneration Committees and agreed there was a high level of assurance as all issues highlighted by committee chairs were being addressed.	

<b>Chair</b>	<b>Alexander Carpenter</b>
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\*principal risk(s) shown but will also cover other risk on ORR