



Agenda item 13

Report of the audit and risk committee

Board of directors 26 January 2023

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| **Report title** | Report of the audit and risk committee |
| **Report from** | Nick Hardie, chairman, audit and risk committee |
| **Prepared by** | Jamie O’Callaghan, head of corporate governance |
| **Link to strategic objectives** | We are able to deliver a sustainable financial model |

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| **Brief** **summary of report**  Attached is a brief summary of the audit and risk committee meeting that took place on 17 January 2023. | | | | | | | |
| **Action Required/Recommendation.**  The board is asked to note the report of the audit and risk committee and gain assurance from it. | | | | | | | |
| **For Assurance** | **✓** | **For decision** |  | **For discussion** |  | **To note** | **✓** |

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| **AUDIT AND RISK COMMITTEE SUMMARY REPORT – 17 JANUARY 2023** | |
| **Governance** | * Quorate – Yes * Attendance (membership) - 100% |
| **Current activity**  **(as at date of meeting)** | ***Internal audit***  Progress report   * The committee received a progress report which outlined that as part of the 2022/23 audit plan, one report had been finalised since the last meeting in relation to Financial Sustainability (HFMA review) which was an advisory. * A draft report on complaints had been issued, with a reasonable assurance rating. * RSM advised that reports were still in process on, Risk Management and Board Assurance Framework, Estates/Capital projects, Medical job planning, Equality and Diversity, Cyber Security and IT Project Management.   2023/24 Internal Audit Plan   * RSM took the committee through a draft internal audit plan, including the key priorities.   ***External audit***  Progress report and sector update   * The committee received a progress report which outlined the 2022/23 deliverables.   ***Local Counter Fraud Progress Report***   * The committee received a progress report, a Mandate Exercise benchmarking report, a draft LCFS 23/24 workplan and a Fraud and Bribery Risk Assessment. * RSM delivered a bespoke fraud and bribery risk assessment since the last meeting, to help the Trust identify and understand their fraud and bribery risks. * RSM highlighted that the Trust were due to have a visit from the NHSCFA in January, which focused on fraud risks.   ***Board assurance framework and corporate risk register***   * The committee were provided with an update on the Q3 2022/23 period for the BAF and corporate risk register. * The research funding risk was reduced from 10 to 5, taking into account the success in BRC and CRF funding. * The cyber attack risk was reduced from 20 to 16 as mitigations were effective for any known attacks. The risk remains high due to the consequence of an unknown attack. * Four new risks were added to the corporate risk register, in relation to fraud and bribery, staff availability, the management of patient referrals and for the funding and implementation of a new Electronic Patient Record system.   ***Waivers to Standing Financial Instructions***   * The committee received a report outlining the waivers for the period April 2022 to November 2022. * As at 30November, the volume of waivers for the financial year was 80, totalling £2.067m. * During October and November, there was 23 waivers totalling £0.530m * The top areas were Oriel £0.375m, EBME £0.368m and Estates and Facilities £0.362m.   ***Losses and Special Payments***   * The committee were updated with the volume of losses since the last meeting. * Total Moorfields Private Losses and Special Payments net £538 on 10 cases; * Total NHS Losses and Special Payments £1,756 on 21 cases; * Total Dubai Losses and Special Payments £nil on nil cases. |
| **Key concerns** | * The internal audit report highlighted that Financial Sustainability (HFMA) was an advisory area. |
| **DONM** | * 11 April 2023 |