



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%
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| **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.
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| **Key concerns**  | * The internal audit report highlighted that Financial Sustainability (HFMA) was an advisory area.
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| **DONM** | * 11 April 2023
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