



Agenda item 13

Report of the audit and risk committee

Board of directors 28 July 2022

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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 5 July 2022. | | | | | | | |
| **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 – 5 JULY 2022** | |
| **Governance** | * Quorate – Yes * Attendance (membership) - 66% |
| **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, three reports had been finalised: the first was the IT strategy, which had received partial assurance. The second was in relation to the management of projects on diagnostic hubs, which received reasonable assurance and the third was in relation to the management of projects on digital platforms, which received minimal assurance. * Committee members raised concerns that the trust had failed to learn lessons from previous failed projects and requested assurance that this would be improved. The committee received an update from the associate director of excellence delivery on how the excellence programme would improve project performance. * RSM advised that draft reports had also been issued focusing on Rostering, UAE Review and Data Security & Protection Toolkit and scopes were being discussed and agreed with the respective executive lead for the remaining reviews on the plan.   ***External audit***  VFM report   * The committee received the Auditor’s Annual Report for the period 2021/22. * Grant Thornton advised that the trust had no indications of potential significant weaknesses in relation to financial sustainability, governance or improving economy, efficiency and effectiveness. Improvement recommendations were raised but no key recommendations were suggested.   ***Consultant job planning***   * The committee received an update that job planning was around the 93% level. * The team had sat down with each of the service directors to go through individual job plans for each person in their service, once the final three teams had completed the process, there would be a baseline position in place for the entire trust, which could then be further refined.   ***Salary overpayments***   * The committee were updated that the trend in overpayments had reduced by £150k from May 2021 and the target was to understand what the tolerable level was for the trust. * The committee requested a further update in six months.   ***Local Counter Fraud Progress Report***   * The committee received a progress report setting out activity since the last meeting. * The proactive exercise in relation to the declaration of gifts or sponsorship from the Pharmaceutical industry was now concluded. * RSM delivered a bespoke fraud and bribery awareness session to Band 7 nurses. * RSM reviewed the trust’s compliance with NHSCFA requirements and submitted an overall green rating. * The governance team were due to be reaching out to consultants listed on the ABPI register to ask them to make retrospective declarations. RSM advised that the trust was not an outlier for this report.   ***Physical security annual report***   * The committee received an update on the security review for the period of April 2021 – March 2022 and a comparison of reported verbal abuse incidents and other threatening behaviour pre and post the Covid-19 pandemic.   ***Board assurance framework***   * The committee were provided with an update on the Q1 2022/23 period for the BAF and corporate risk register. * The Covid score was reduced from 16 to 9 and the target score from 8 to 6. This was due to the silver command structure being stood down as the trust reverts to a BAU position. Proportionate IPC measures continue to remain in place and the score may reduce or be removed entirely in the next quarter. * The research funding score was reduced from 15 to 10 as the BRC and CRF risks were not deemed as high and will be updated further in the next quarter. * The recovery of clinical services risk was reduced from 12 to 8 as the trust has made good progress in respect of the recovery post Covid-19, particularly in relation to patient follow ups but more work was required in relation to new patients. * No risks were added or removed from the BAF for Q1 2022/23.   ***Waivers to Standing Financial Instructions***   * The committee received a report outlining the waivers for the period April 2021 to March 2022 and April to May 2022. * As at 31 May, the volume of waivers for 2021/22 and this financial year was 151, totalling £4.673m. * The top areas were EMBE £0.891m, IT £0.861m and Estates and Facilities £0.647m.   ***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 £381 credit (write back on 5 cases); * Total NHS Losses and Special Payments £91,698 on 62 cases; * Total Dubai Losses and Special Payments £23,951 on 1,515 cases. |
| **Key concerns** | * The internal audit report highlighted that project management was a key concern for the trust to improve on. |
| **DONM** | * 11 October 2022 |