

Board of Directors (in Public)

Item: 5.1.1
Subject: Audit Committee BAF Key Issues Report
Date of Meeting: Tuesday 28th January 2020
Prepared by: Jennifer O'Brien/Senior Executive Assistant
Presented by: Julian Farmer/Chair – Audit Committee
Meeting Held: 14th January 2020

Agenda Item	Lead Exec	Assurance Received	New/Emerging Risks	Actions/Comments
3.1	MPC	Risk Management KPIs		<p>The majority of targets are being met with the exception of risk register management in the corporate division and the closure of incidents within 28 days. Action plans are in place to meet these targets.</p> <p>Audit Committee members agreed that it would be helpful to see those incidents that were still open over 28 days due to external partners. It was agreed that this could be shown in the next report seen at the Audit Committee in July 2020.</p>
3.2	MPC	Review Clinical Audit Plan & 6 Monthly Progress Report Including NICE Guidance		<p>CQUINS for Q2 was submitted timely at the end of October 2019 to both Liverpool CCG and the Specialist commissioners. Quality Schedule submissions by exception and monthly had also been submitted on time. The Q3 submission was due 31st January 2020.</p>

				<p>The Director of Research & Innovation confirmed that improved attendance had been seen at the CAEG.</p> <p>The contents of the report and the appendices were noted, the Audit Committee stated that significant assurance was given that clinical audit processes were in place and the areas for improvement were recognised.</p>
3.3	LL	Compliance with Licence: Review of Quarterly Checklist		<p>The Audit Committee reviewed the checklist and confirmed its satisfaction that there were effective systems and processes in place to identify and manage risks in relation to compliance with the licence. The primary risks related to;</p> <ul style="list-style-type: none"> • The Trust was continuing to face pressures in diagnostic performance; compliance and diagnostic targets would not be achieved until Q1 2020/21. A revised trajectory had been submitted to NHSI. The new scanners were operational but there had been significant downtime of the old MR scanner which had impacted upon waiting times. Patients continued to be prioritised in accordance with clinical need. • Underperformance of surgical activity; a recovery plan was in place with a weekly tracking process led by the Chief Operating Officer. • Failure to meet the RTT standard in both November and December 2019, due to the reasons above and also short term capacity constraints, including the impact of the pensions taxation issue which had resulted in lower uptake of additional work required to manage the backlog.
3.4	LL	Review of Register of External Visits		The Audit Committee reviewed the Register of External

				<p>Visits and confirmed their satisfaction that the governance arrangements to deal with the findings and recommendations following external visits and inspections were robust.</p>
3.5	LL/FM	Regulatory Action Plans		<p>There were currently no regulatory action plans to note.</p> <p>Following recent meetings with NHSE/I and the CQC, it was noted that the NHSE/I main concern related to the activity and waiting list pressures as discussed above under agenda item 3.3 and regular monitoring would continue in relation to those risks.</p> <p>The CQC expressed no concerns. The Trusts Well Led review was due to commence Q3 / Q4 of 2020/21, and preparatory work would commence shortly.</p>
3.6	RAP	Informatics Review: Data Quality Assurance		<p>There were no concerns nationally.</p> <p>A key change was noted in relation to Commissioner data quality issues which had decreased markedly with the additional focus by the data management team and no issues had been raised in the last two reviews.</p>
3.7	FM	Due Diligence Process Outcome: Hosting Contracts		<p>The Interim Chief Finance Officer informed colleagues that the Trust had been working with both Liverpool Health Partners (LHP) and The Innovation Agency to take over hosting arrangements.</p> <p>Audit Committee members noted that LHP and The Innovation Agency would maintain their autonomy as organisations and LHCH were only completing the transactional sides.</p> <p>The Audit Committee would be kept updated as the arrangements progressed.</p>
3.8	FM	IFRS 16 Update		<p>Details were provided on the new financial reporting standards relating to the International Financial</p>

				Reporting Standard 16 Leases (IFRS 16)
4.1	FM	Internal Audit Progress Report on Delivery of Plan		Seven reports had been issued as final to Trust management. Work in progress and work planned was noted. The Committee approved one change to the audit plan.
4.2	FM	Internal Audit Follow Up Report		<p>The report provided an update on the progress towards the implementation of recommendations made in audit reports where related actions were agreed.</p> <p>It was agreed that the Executive Team would rigorously review the management recommendations to ensure timely completion.</p>
4.3	FM	Audit Committee Effectiveness Review		<p>A review of Audit Committee Effectiveness was conducted during 2018/19.</p> <p>The review found all actions to be on track or partially implemented. The report detailed the current position, implementation status, and further recommendations made against each action point.</p> <p>The Audit Committee noted the report and acknowledged it as a fair assessment.</p>
4.4	SH	Staff Integrity Vetting-Limited Assurance		<p>This audit related to assurance that certain employment checks were in place and being adhered to. It was noted that it was originally given moderate assurance by the internal auditors, however, The Interim Director of People & Culture stated that she was not comfortable with one of the indicators in relation to agency staffing and following discussions with the Trusts internal auditors the outcome was changed to a limited assurance report.</p> <p>Audit Committee noted that many of the recommended actions had since been completed.</p>

				A disclosure relating to this report would be added to the Annual Governance Statement.
4.5	FM	MIAA Insight Report		This report was provided for information only, with the contents of the report noted by the Audit Committee.
4.6	FM	Anti-Fraud Update Report		<p>The report provided the second progress report for 2019/20, setting out the work undertaken during 1st July to 31st December 2019. The key messages of work undertaken were detailed within the report.</p> <p>Audit Committee members noted that the delivery of the plan was on target to be delivered by the end of the year.</p>
5.1	FM	External Audit Plan and Fees		<p>The report provided an overview of the planned scope and timing of the statutory audit at the Trust for 2019/20.</p> <p>The Audit fees showed a slight increase for 2019/20 due to the increased expectations on the auditors by the regulator.</p>