

Board of Directors (in Public)

Item: 6.1.1
Subject: Audit Committee BAF Key Issues Report
Date of Meeting: Tuesday 28th July 2020
Prepared by: Jennifer O'Brien/Senior Executive Assistant
Presented by: Julian Farmer/Chair – Audit Committee
Meeting Held: 14th July 2020

| Agenda Item | Lead Exec | Assurance Received | New/Emerging Risks | Actions/Comments |
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| 3.1 | LL | Annual Review of Corporate Governance Manual | | All proposed changes were supported and the updated Corporate Governance Manual was recommended to the Board of Directors for approval and adoption. |
| 3.2 | MPC | Risk Management KPIs | | <p>There were no red indicators, two ambers.</p> <p>Assurance was provided that work was on-going in relation to the amber indicators and support with timely review was provided to managers.</p> <p>It was noted that the Executive team scrutinised any incidents open over 28 days on a weekly basis.</p> |
| 3.3 | MPC | Review Clinical Audit Plan & 6 Monthly Progress Report Including NICE Guidance | | Full details were provided to Audit Committee colleagues on how the Clinical Quality Team had managed through the Coronavirus crisis and Appendix 1 of the report provided full details of Covid-19 related studies. |

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| | | | | <p>National and Specialist Commissioning CQUINs had been put on hold and no submissions were required for Q4 2019-20 or Q1 2020-21. Support with the collation and timely submission of information by the Clinical Quality Department would resume as usual and discussions on how CQUINs would be managed going forward would take place.</p> <p>The contents of the report and the appendices were noted, the Audit Committee stated that significant assurance was given that strong clinical audit processes were in place.</p> |
| 3.4 | KE | Review Losses and Special Payments | | Noted. |
| 3.5 | KE | Review of Single Supplier Tender Waivers | | Noted. |
| 3.6 | 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"> Diagnostic performance; prior to the national emergency arising from the coronavirus pandemic the Trust was on trajectory to return to a compliant position by the end of Quarter 1, having invested in additional diagnostic capacity. However, following the suspension of elective activity, a considerable backlog now exists and throughput was slower due to increased infection prevention measures. Cancer services had been prioritised and maintained throughout the peak of the COVID crisis and the waiting list had been subject to clinical triage. The trajectory to return to compliance was uncertain due to latent demand |

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| | | | | <p>arising from late presenters and the possibility of a second peak of the virus as the winter season approached.</p> <ul style="list-style-type: none"> • RTT; the underperformance of the surgical activity plan had been corrected prior to the suspension of all elective activity in March 2020. The Trust had reintroduced elective activity with capacity focused on the clinically urgent patients and then longest waiters. The Trust was currently modelling a backlog reduction trajectory but this was subject to a possible second Coronavirus surge. |
| 3.7 | LL | Review of Register of External Visits | | <p>The Audit Committee reviewed the Register of External Visits and confirmed their satisfaction that the governance arrangements to deal with the findings and recommendations following external visits and inspections were robust.</p> |
| 3.8 | LL | LHP Variation to LHCH Managing Conflicts of Interest Policy | | <p>Liverpool Health Partners (LHP) was an organisation now hosted by LHCH and as such would adhere to the policies and procedures of the Trust. However, it was recognised that there would be times when LHP would need to work differently to what was identified within those policies and one such variation was required in relation to hospitality. This variation would only apply to hospitality funded from LHP's own resources.</p> <p>The provision of hospitality would be monitored through LHP's Finance, Performance & Risk Committee for scrutiny. It was noted that the LHP FPR Committee had approved this request on 8th July 2020.</p> <p>The Director of Corporate Affairs confirmed that there would be no changes made to the wording of the LHCH Managing Conflicts of Interest Policy.</p> |

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| | | | | The Audit Committee noted the LHP request for a variation to policy should it be required. |
| 3.9 | RAP | Informatics Review: Data Quality Assurance | | <p>National indicators of data quality remained very positive for the Trust, with the maturity score of 98.2% within the top 15% of all data providers monitored.</p> <p>Two nationally monitored metrics; pathway identifier and ethnic origin were below the level expected and were being investigated by the data management and admin teams.</p> <p>Whilst the data quality group had paused activities during the current pandemic, the technical solution was progressing to provide a desktop application, DQ App, to assist all users in quickly remedying any issues linked to their username.</p> <p>Data Quality metrics added to the online dashboards reinforced the value of the quality of data as key to underpinning the value of the information provided in the dashboards.</p> |
| 3.10 | KE | Process for Receipt of Audit Reports | | Noted. |
| 4.1 | KE | Internal Audit Progress Report on Delivery of Plan | | Five reports had been issued as final to Trust management. Work in progress and work planned was noted. The Committee approved several changes to the audit plan as a result of the delays experienced to the Coronavirus pandemic. |
| 4.2 | KE | Internal Audit Follow Up Report | | Usual practice was for a follow up report to be presented to the Committee in July and January of each year, however due to the Coronavirus pandemic Q1 activity had not progressed as expected and therefore the progress reports would now be seen at the October 2020 and March 2021 Audit Committee. |
| 4.3 | KE | 2019/20 Audit Committee Effectiveness Report | | The report was acknowledged as a positive review into the Committee. |

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| | | | | <p>The management summary of the review was provided; there were five themed areas in the checklist, four of which had produced actions.</p> <p>The Chair agreed that the actions would be reviewed and details on how they would be implemented would be presented at the October 2020 Audit Committee.</p> |
| 4.4 | KE | Anti-Fraud Update Report | | <p>The report set out the work undertaken during the period of April to June 2020. The key messages of work undertaken were detailed within the report, noting the current working environment.</p> <p>There were no investigations during the reporting period although some enquiries had been made.</p> |
| 5.1 | KE | Annual Audit Letter | | <p>The letter summarised the key findings arising from the work that the external auditors carried out at LHCH for the year ended 31st March 2020.</p> <p>The detailed findings from the audit work was reported to the Audit Committee in the Audit Findings Report on 19th June 2020.</p> |
| 5.2 | KE | Annual Review of Performance of External Auditor | | <p>Key stakeholders who were involved in the external audit process would be asked to complete an anonymous survey relating to the performance of the external auditors. These findings would then be compiled and a meeting between the CFO and external audit colleagues would take place in order to provide feedback and discuss any learnings to take forward into the 2020/21 audit.</p> <p>It was confirmed that the outcome of the review would be presented to the Council of Governors at the September 2020 meeting.</p> |
| 5.3 | KE | Extension of External Audit Contract | | <p>The Trust contract for External Audit was due for</p> |

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| | | | | <p>renewal or extension for the next financial year 2020/21. An extension fee proposal had been received from the current provider, Grant Thornton, in line with the existing contract extension provision.</p> <p>The market for external audit was limited in terms of capacity and therefore the proposal by Grant Thornton had been accepted by the CFO to secure continuing external audit provision and the Council of Governors had been briefed on the matter and supported this action at their recent meeting in June 2020.</p> <p>New guidelines had since been produced by the National Audit Office and as a result Grant Thornton had issued an updated fee request to the Trust. The CFO would be looking at the proposal in detail as the fee increase was considerable and negotiations would be undertaken with external audit colleagues.</p> |
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