

## Board of Directors (in Public)

**Item:** 6.1.1  
**Subject:** Audit Committee BAF Key Issues Report  
**Date of Meeting:** Tuesday 26<sup>th</sup> November 2019  
**Prepared by:** Jennifer O'Brien/Executive Assistant  
**Presented by:** Julian Farmer/Chair – Audit Committee  
**Meeting Held:** 16<sup>th</sup> July 2019

Agenda Item	Lead Exec	Assurance Received	New/Emerging Risks	Actions/Comments
3.1.1	CW	Mid-Year Review of Integrated Performance Committee		<p>The Chair of the IPC provided a mid-year update on the performance of the committee informing colleagues that there would be some changes in the reporting structure.</p> <p>The IPC would continue to monitor the on-going cath lab refurbishment works and they were sighted on the issue with the Welsh 26 weeks.</p>
3.1.2	SP	Mid-Year Review of People Committee		<p>Colleagues were informed that due to the recent changes in senior HR management, the September meeting had not taken place and the next meeting was scheduled for December 2019.</p> <p>Key on-going issues were noted as; recruitment &amp; retention, staff sickness and bullying.</p> <p>The Committee would monitor the progress of the developing NHS People Plan.</p>

3.1.3	SP	Mid-Year Review of Quality Committee		<p>The Chair of the Quality Committee confirmed that the committee was on schedule with the work plan.</p> <p>An improvement had been seen in sepsis management, although the committee would continue to monitor. There were no major issues to note regarding mortality. Excellent work had been seen in the Trust in relation to GIRFT.</p> <p>Quality Committee acknowledged the huge efforts made by the Trust in reducing medicine safety and errors. It was noted that an audit of the consent process would be scheduled.</p> <p>A red risk had been highlighted at the last Quality Committee in relation to the software upgrade of the MR scanner, due the importance of this requirement, the cost had been approved by the Executive Team, funds allocated and the procurement process was underway.</p>
3.2	CW	Losses & Special Payments		<p>The CFO informed the Committee about a recent phishing email fraud that targeted medical staff, which resulted in the Trust paying one Consultant's salary into a fraudulent bank account in August 2019. A Root Cause Analysis (RCA) was carried out and reported to both the Cyber Security and Information Governance Steering Group (CSIGSG) and the Digital Healthcare Committee (DHC) in September 2019.</p>
3.3	CW	Single Supplier Tender Waivers		Noted.
3.4	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>

				<p>i) 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 would be operational from November 2019.</p> <p>ii) Underperformance of surgical activity; a recovery plan was in place with a weekly tracking process led by the COO.</p>
3.5	LL/CW	Regulatory Action Plans		<p>There were currently no regulatory action plans to note.</p> <p>The Committee was informed that no Quarterly Review Meeting (QRM) had taken place recently, it was thought that this was due to the recent changes and merger of NHSI and NHSE. The Trust believed that the regulators would continue to meet with Specialist Trust's either individually or as a group, with LHCH currently awaiting further clarification.</p>
3.6	CW	Cyber Security		<p>The CFO made the Committee aware of the Cheshire &amp; Merseyside wide initiative to raise awareness of Cyber Security during October.</p> <p>The Committee was informed that NHS Digital would be visiting the Trust in November 2019 to carry out a full diagnostic review into the Trust's cyber security, with the results of that review expected at the Board of Directors in December 2019.</p> <p>An internal audit was scheduled for Q1 2020/21 into the Trust's Cyber Security.</p>
3.7	CW	Third Party Assurances		<p>The CFO informed colleagues of two new pending contracts; One to host Liverpool Health Partners (LHP) and the other to host the Innovation Agency. It was currently going through the due diligence process and the outcomes would be presented at the January 2020</p>

				Audit Committee meeting.
3.8	CW	Tendering Procedure Amendment		<p>Proposed changes were made to the Tendering Procedure that made reference to the use of the electronic tendering system. The proposed changes had been made on the basis that there may be occasion when the current 'manual' tendering procedure may still need to be used.</p> <p>The Audit Committee approved the proposed changes.</p>
4.1	CW	Internal Audit Progress Report on Delivery of Plan		Two reports had been issued in draft to Trust management. Work in progress and work planned was noted. The Committee approved two changes to the audit plan.
4.2	CW	MIAA Insight Report		Update on events, Briefing Note Series and Benchmarking.
4.3	CW	Management Response Update		<p>Of the 22 actions outstanding in July 2019, 7 of those were not yet due following revised deadlines, nine actions had now been completed and one was partially completed. The remaining five related to HR audits, a decision had now been taken to put the actions on hold pending an external review into the function which was being undertaken in October 2019.</p> <p>The CFO expressed that the development of an automated portal should resolve the issues with management responses. It was anticipated that this portal would be available for the new financial year 2020.</p>
5.1	CW	External Audit Update Report		The report confirmed the overall conclusion of an unqualified opinion on the 2018/19 audit. The brief timetable of upcoming works was noted.