

## Board of Directors (in Public)

**Item:** 6.1.1.1  
**Subject:** BAF Key Issues Report  
**Date of Meeting:** 6<sup>th</sup> November 2018  
**Prepared by:** Claire Wilson/Chief Finance Officer  
**Presented by:** Julian Farmer/Chair – Audit Committee  
**Meeting Held:** 9<sup>th</sup> October 2018

Agenda Item	Lead Exec	BAF RAG	Assurance Received	New/Emerging Risks	Actions/Comments
3.1	CW	4x3=12 Major / Possible	Losses and Special Payments	None	A significant improvement was noted in relation to debt, figures showed that debt had gone from £2m NHS debt and £1.5m non-NHS in June 2017, to now £0.4m NHS debt and £1.3m non-NHS.
3.2	CW		Single Supplier Tender Waivers		Noted.

3.3	LL	4x3=12  Major/ Possible	Compliance with Provider Licence- Quarterly Checklist	None	<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 Committee noted escalated risks in relation to:</p> <ul style="list-style-type: none"> <li>i) Unresolved funding issue relating to recognition of HRG4+ for Welsh activity – this issue continued to be discussed regularly with NHSI and delivery of the 2018/19 Control Total was dependent upon receipt of this funding.</li> <li>ii) Continuation of breach of the 6 week diagnostics waiting time due to on-going capacity constraints. The imaging business case was being implemented and should result in improved performance during Quarter 4, and a return to compliance for 2019/20. NHS Improvement was aware.</li> <li>iii) The findings of the informatics review which highlighted gaps in controls and assurance relating to data quality-action plan was in progress.</li> </ul>
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3.4	CW & LL	4x4=16 Major / Likely	Regulatory Action Plans	None	Committee members were informed that the Trust was yet to receive the letter following the Q2 QRM meeting. The meeting had focused on the mortality outlier alert, operational performance including diagnostic waiting times, financial risk, strategic working and the Trust's response to the new FTSU guidance.
3.5	CW		Cyber Security	None	The assurance report updated the Audit Committee on the Trust's position in relation to cyber security, giving details on the robust framework in place. In addition, details were given on the policies, guidelines, training, actions, assurance activities and technologies that were in place to help the organisation prevent, detect and react to any incidents.
3.6	CW		MIAA Mobile Working Review-Progress Update	None	<p>All agreed actions were in progress and close to completion, an update on the progress for each recommended action was detailed within the report with all recommendations due to be closed off before the end of October 2018.</p> <p>Audit Committee noted that recommendations had been implemented following an audit into mobile devices and the Trust now had the ability to isolate and manage mobile devices more dynamically</p>
3.7	CW		Informatics Review-Data Quality Strategy	Updated Data Quality strategy supports all aspects of board assurance through a focused approach to data quality for internal and external reporting and establishment of objectives to be monitored through the year.	<p>The draft Data Quality Strategy had been reviewed by the Operational Board and was presented to the Audit Committee for review, it would be seen at the Board of Directors meeting on the 6<sup>th</sup> November 2018.</p> <p>Once the strategy had been approved, an oversight group would be established to coordinate the delivery against the objectives set out in the strategy.</p> <p>Audit Committee noted that a data quality audit was scheduled for quarter 4 of 2018/19, KPIs had been requested by the Audit Committee.</p>

3.8	MJ	3x3=9  Moderate / Possible	Update on Management of Open Incidents >28 days	None	<p>Committee members were informed that weekly notifications were sent to the Divisional Head of Operations for the divisions, with a report also being seen at the divisional governance monthly meetings. The report also went to Risk Management and Corporate Governance Committee on a bi-monthly basis.</p> <p>The rolling average was 70% across the clinical divisions and close to 60% in the corporate functions. All divisions had seen some improvement over time, although performance in the corporate division was much more variable.</p> <p>The Audit Committee approved the new approach to managing the closure of incidents involving external organisations.</p>
4.1	CW	4x3=12  Major / Possible	Internal Audit- Progress Report	None	Two reports had been finalised since the last Audit Committee, both received substantial assurance. Work in progress and work planned was noted.
4.2	CW	4x3=12  Major / Possible	Internal Audit-MIAA Insight Report	None	Update on events, Briefing Note Series and Benchmarking
5.1	CW	4x3=12  Major / Possible	External Audit-Update Report	None	<p>An update on the timeline of the audit was given with a report on any findings from the interim audit to be included in the progress report at the March 2019 Audit Committee.</p> <p>The External Auditor acknowledged the recent press reports on auditor failings with the Audit Committee noting the letter issued by Grant Thornton (attached) in response to the Trust's concern, which would be circulated to the Board of Directors and Council of Governors for assurance. The Audit Committee were assured that appropriate controls are in place in relation to the external audit work undertaken.</p>
5.2	CW	4x3=12  Major / Possible	Summary of De-brief of External Auditors 2017/18	None	The Audit Committee heard details on how the finance department were actively assessing ways in which the audit process could become more streamline this year with learning from last year.