

E- Meeting of the Audit Committee

minutes

Minutes of the Audit Committee Meeting held on Tuesday 12th March 2024

Committee Members:	Margaret Carney Bob Burgoyne Nick Brooks John Doyle	Non-Executive Director (Interim Chair) Non-Executive Director Non-Executive Director Non-Executive Director
Committee Attendees:	James Thomson Karan Wheatcroft James Bradley Nigel Woodcock Georgia Jones Jing Ma Ying Li Karen McArdle Kate Warriner Jennifer Ohlsson	Chief Finance Officer Director of Risk and Improvement Deputy Chief Finance Officer Senior Audit Manager, MIAA Director, Audit, Grant Thornton Head of Financial Services PSA Senior Manager, Grant Thornton Anti-Fraud Specialist, MIAA Chief Digital and Information Officer Senior Executive Assistant (Minutes)
Apologies:		

1. Apologies for Absence

Apologies noted as above.

2. Declarations of Interest

Declarations of interest declared for James Thomson, Chief Finance Officer, in relation to the joint Clatterbridge Cancer Trust post.

John Doyle, NED and meeting Chair declared a NED post at another organisation.

3. Minutes of the previous meeting held on 9th January 2024

The minutes of the e-meeting held on 9th January were accepted and recorded as a true record.

4. Action Log

The action log was reviewed and updated as follows:

Action 1: Feedback around the strategic piece around benchmarking and investment in the clinical audit team not due until July 2024.

Action 2: Risk management KPI report not due until July 2024.

5. Governance and Risk

5.1 Annual Risk for Audit Committee

Audit committee colleagues were asked to note the audit committee effectiveness review and annual report. The review has confirmed the ongoing effectiveness of the Audit Committee.

In addition to the continued focus on audit and assurance, in 2024/25, the Committee will consider how system assurances and governance will be brought into the Audit Committee remit.

A query was raised on whether it was appropriate for the Audit Committee to approve its own effectiveness. DR&I noted that each committee undertakes a self-assessment before going to Board of Directors and the wording can be looked at for next year.

5.1.1 Audit Committee Terms of Reference

Audit committee colleagues were asked to note the Audit Committee Terms of Reference and these were approved.

5.2 Draft Annual Governance Statement

DoR&I provided an overview of the draft annual governance statement. The overall conclusion is that there were no significant control issues identified in 2023/24. During the year the Trust has actively managed risks and addressed the actions and organisational learning arising from the reported serious incidents, maintaining an active oversight of the effectiveness of controls in place to mitigate the risk of harm and ensure delivery of operational targets.

5.3 Review of Assurance Committee

5.3.1 IPC

Colleagues were asked to note the IPC annual assurance report and it was agreed that the committee has operated effectively during 2023/2024

5.3.2 People Committee

Colleagues were asked to note the People Committee annual assurance report and it was agreed that the committee has operated effectively during 2023/2024

5.3.3 Quality Committee

Colleagues were asked to note the Quality Committee annual assurance report and it was agreed that the committee has operated effectively during 2023/2024

5.4 Review of losses and special payments

CFO presented an overview of the review of losses and special payments paper, which covers losses and special payments recorded for the period 1st September 2023 to 29th February 2024. Six special payments were incurred between September and February.

DFO raised a write off of £31k associated with BUPA added that these are long standing aged debts.

Audit Committee were asked to note the contents of the report and the BUPA write off was approved.

5.5 Review of single supplier tender waivers

CFO presented an overview of the single supplier tender waiver paper and it was noted that the papers include waivers from Q3 and Q4.

There was a total of Four tender waivers signed off in Q3 23/24 where the contract value exceeded £50k (inc. VAT). The total value of tender waivers raised in Q3 was £2,049,653.16.

There was a total of one quotation waiver signed off in Q3 23/24 for LHCH where the value of the contract(s) exceeded £20k (inc. VAT) but was less than £50k (Inc. VAT). The total collective value of the one quotation waiver signed off in in Q3 was. £49,500 (including VAT).

It was noted that there appears to be significant improvement in retrospective waivers, which is good to see.

5.6 Review register of interests

DoR&I noted that at the time of writing the report, 93% of decision makers had made a declaration. This demonstrates a good level of compliance and reminders will continue to be sent to ensure we capture declarations.

The Committee confirmed satisfaction with internal governance arrangements for managing conflicts of interest.

5.7 Annual review of Code of Governance

DoR&I provided an overview of the annual review of the code of governance.

The baseline assessment against the new code of governance was reported to the Audit Committee in March 2023 demonstrating a good level of compliance. The provides an update and full assessment for 2023/24 in advance of providing assurance to the Board of Directors.

The Audit Committee were asked to note the reported compliance with the Code of Governance and progress against actions which will continue to be tracked in 2024/25.

5.8 Annual review of Provider Licence

DoR&I provided an overview of the annual review of the provider licence. The purpose of this paper is to provide assurance on compliance with the Provider Licence for 2023/24. A baseline assessment was reported to the Audit Committee in July 2023 and a summarised quarterly checklist has been reviewed by the Audit Committee. The continuous review throughout the year provides assurance that key licensing requirements have been met and flags up emerging risks that could threaten future compliance.

The Audit Committee noted the reported compliance with the new Provider Licence for 2023/24.

5.9 Regulatory action plans

It was noted that there are no regulatory action plans to report.

5.10 Review of processes for raising concerns

Colleagues were asked to note the review of processes for raising concern paper and noted that the Trust continues to have robust processes in place for raising concerns, with the staff survey providing positive assurance that staff feel safe to speak up and know that action would be taken should they raise concerns. FTSU is a key aspect of this and is well embedded in Trust governance reporting directly to the Board of Directors.

It was noted that Trust walkabouts have started and it was added that staff have the opportunity to raise concerns to the NEDs.

5.11 iDigital Update

An overview was provided of the iDigital update and noted that since the last update to audit committee iDigital has made significant progress in several areas including: Continued growth and development of the iDigital service, Opening of the iDigital Tech Bar, upgrade of Allscripts EPR, HIMSS EMRAM Stage 7 Accreditation and iDigital service performance.

A comment was made that the iDigital service is going from strength to strength.

5.12 Risk KPI

DoR&I provided an overview of the risk KPI and noted that the Trust has 491 active risks. 100% completeness of information with the following exceptions. 75% assurances against a target of 95%. 82% review against a target of 95%. 75% of incidents have been closed within 28 days.

Comments and questions were welcomed, and the improved in compliance was noted, however further detail was sought on 75% compliance. It was noted that there is a change in the system and corporate spans a lot of areas. It was added that automated emails are in place to aid improvement.

5.13 Informing Audit Risk Assessment

DCFO provided an overview of the informing audit risk assessment paper. This paper outlines the Trust's assessment to guide the identification of audit risk. The report covers some important areas of the auditor risk assessment where external auditors are required to make inquiries of the Audit Committee under auditing standards.

The Audit Committee confirmed that the responses are consistent with its understanding and approved the assessment.

6. Internal Audit

6.1 Internal Audit Plan 24/25

An overview of the internal audit plan 24/25 was provided. The following risk based reviews will take place.

- Assurance Framework Opinion
- Key Financial Transaction Processing Controls
- Patient Safety Incident Response Framework (PSIRF)
- DSPT
- Corporate Governance Manual Update
- Audit Committee Self-Assessment
- Risk Management Core Controls
- Water & Ventilation Safety
- ESR/HR Payroll
- Risk Management Processes
- Clinical Audit
- Impact of Digital Strategy
- Quality Spot Checks

Audit Committee approved the internal audit plan for 24/25

6.2 Progress report on delivery of plan

An overview was provided of the progress report and noted that the following reviews have been finalised: key financial transaction processing controls, asset management, assurance framework and risk management core controls.

The following reviews are currently in progress; standard operating framework reports, waiting list management, quality spot checks, duty of candour and WHO checklist.

Assurance was sought on whether there was confidence in the delivery of plan, in particular the waiting list management review. It was confirmed that there was confidence that the plan will deliver.

6.3 Draft Head of Internal Audit Opinion

A verbal update was provided on the draft head of internal audit opinion, and it was noted that this will be circulated nationally by 24th April 2024.

Further clarity was sought on the time frame, and it was confirmed that this will be out by the end of March and will be circulated once drafted.

6.4 Anti-fraud plan 24/25

An overview was provided on the anti-fraud plan. It was noted that the priority tasks and activities for the coming year are:

- Regular reporting to Audit Committee /CFO
- Submission of GovS 013: Counter Fraud
- Functional Standard Return by deadline
- Fraud awareness activities – inc. IFAW
- Engagement with CFC and Key Stakeholders
- Continuous review of Dynamic Risk Assessment
- Fraud-proofing activities (policies & procedures)
- Participation in NHSCFA National Proactive
- Exercise (Procurement) and other initiatives
- Residual NFI 2022/23 activities / preparations
- Referrals / Investigations management

A query was raised on the reporting and frequency of the reporting and whether the committee need reporting as frequent as it is, due to the small volume of fraud cases. It was agreed that this will stay as it is on the work plan, until the new Chair is in post and reviews.

The anti-fraud plan was approved by the Audit Committee.

6.5 Draft Anti-fraud annual report

A verbal update was provided and it was noted that the draft annual-fraud report will come to the June 2024 committee. It was also added that the functional standards deadline is 31st May 2024.

6.6 BAF opinion

An overview was provided on the BAF opinion. The overall objective was to assess the approach to which the organisation has maintained and uses the AF to support the overall assessment of governance, risk management and internal control.

The review consisted of an assessment of the following sub objectives:

- The structure of the AF meets the NHS requirements;
- The organisation considers risk appetite and risk appetite is used to inform the management of the AF.
- There has been Board engagement in the review and use of the AF throughout the financial year.
- The quality of the content of the AF demonstrates clear connectivity with the Board agenda and external environment.

There were no further comments or questions.

6.7 Internal Audit Charter

Audit committee colleagues were asked to note the internal audit charter circulated prior to the meeting. Colleagues were informed that there has been no change to the previous internal audit charter that was presented.

7. External Audit

7.1 External audit update reports

Colleagues were asked to note the external audit plan for the year ending 31st March 2024, circulated prior to the meeting.

Significant risks identified include management override of control, valuation of land and buildings, revenue recognition and expenditure recognition.

It was noted that last year there were some issues in terms of the revenue and reassurance was sought that those issues have been resolved. DFO confirmed that the team have changed the way that reports are structured and added that Head of income is back on the team, who has a lot of experience.

8. Review of accounting policies

It was noted that the Trust Accounts will be prepared in accordance with International Financial Reporting Standards (IFRS) as directed through the Department of Health and Social Care Group Accounting Manual (GAM) and the NHS Foundation Trust Annual Reporting Manual (ARM).

DFO noted that there are very few changes, and the Audit Committee approved the revisions to the accounting policies.

9. Review of Audit Committee Work plan – 2024/25

Colleagues were asked to note the 2024/2025 workplan and a query was raised on whether all items are essential. It was confirmed that the workplan does follow HFMA guidelines.

Audit Committee colleagues approved the 2024/25 workplan.

10. Evaluation of Meeting

The Audit Committee was content with the mechanism in place for the e-meeting.

All committee members confirmed that the meeting had been conducted effectively and useful documentation had been received and discussions had taken place.

12. Date and Time of Next Meeting:

Tuesday 9th July 2024, 08.30am – 10.30am, MS teams