**Audit Committee**

**Minutes of the meeting held on**

**15 September 2021 at 09:32
virtual meeting via Microsoft Teams**

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| **Present[[1]](#footnote-1):** |  |
| Lucy Weston | Non-Executive Director (the **Chair/LW**) |
| Chris Hurst | Non-Executive Director (**CMH**)**BOD RR/App 05/2022**(Agenda item: 19(a)) |
| Mohinder Sawhney | Non-Executive Director (**MS**) |
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| **In attendance:** |
| *Counter Fraud – TIAA Ltd:* |
| Dean Docherty  | Counter Fraud - Senior Fraud Manager, TIAA (**DD**) – *part meeting* |
| *External Audit – Grant Thornton LLP:*  |
| Iain Murray | External Audit – Engagement Lead, Grant Thornton (**IM**) – *part meeting* |
| Laurelin Griffiths | External Audit – Manager, Grant Thornton (**LG**) – *part meeting* |
| *Internal Audit – PwC LLP:* |
| Sasha Lewis | Internal Audit – Director and Engagement Lead, PwC (**SL**) – *part meeting* |
| Reena Bajaj | Internal Audit – Manager, PwC (**RB**) – *part meeting* |
| *Oxford Health NHS FT:* |
| Mike McEnaney | Director of Finance (the **DoF/MME**) |
| Peter Milliken | Deputy Director of Finance (the **Deputy DoF/PM**) |
| Kerry Rogers | Director of Corporate Affairs and Company Secretary (the **DoCA/CoSec/KR**) – *part meeting* |
| Mark Underwood | Head of Information Governance (**MU**) – *part meeting* |
| Martyn Ward | Director of Strategy & Chief Information Officer (the **DoS/CIO/MW**) – *part meeting* |
| Michael Williams | Financial Controller (**MWs**) |
| Hannah Wright | Risk Manager (**HW**) – *part meeting* |
| Hannah Smith | Assistant Trust Secretary (Minutes) |

The meeting followed private pre-meetings between: (i) the Committee members; and (ii) the Committee members, External and Internal Auditors and Counter Fraud.

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| **1.**a | **Welcome and Apologies for Absence**There were no apologies for absence from Committee members. Apologies for absence from non-Committee members were received from Nick Broughton, Chief Executive.  |  |
| **2.**a | **Confirmation of items for Any Other Business**The Chair noted that she had asked for the delay to the construction of the Psychiatric Intensive Care Unit (**PICU**), and in particular the outcome of the external review being conducted into this, to be brought to the Audit Committee.  |  |
| **3.**abcd | **Minutes of the Meetings held on 17 May 2021 and 02 June 2021 and Matters Arising**The Minutes of the meetings at papers AC 42-43/2021 were approved as a true and accurate record, subject to item 4(e) in the Minutes of 02 June 2021 at paper AC 43/2021 being amended to refer to “unadjusted *mis*statements” (inclusion in italics). ***Matters Arising*****Item 8(f) – ideas for inclusion in the Internal Audit Plan**The Chair referred to item 8(f) and ideas which may have been considered for inclusion in the Internal Audit Plan. She asked whether there was a written audit trail of the ideas which had been considered, but not ultimately taken forward, for inclusion in the Internal Audit Plan. The DoF replied that this could be provided. The following actions were noted as complete or on the agenda for this meeting: * 4(h) outstanding actions from the External Audit report on the financial statements audit for FY21;
* 8(h) increased scope of Data Security & Protection toolkit;
* 4(f) review of increase in staff costs reported in the draft accounts;
* 14(f) comparative reporting by other trusts on Clinical Audit;
* 4(d) number of staff who had received Counter Fraud awareness training – Dean Docherty confirmed that these figures had been included in the Counter Fraud progress report at paper AC 48/2021 and would feature in reports going forwards; and
* 6(b) Internal Audit COVID-19 review – on the agenda at paper AC 46(ii)/2021.

The remaining actions in the Summary of Actions document were to be progressed:* 6(b)-(c) Counter Fraud thematic review of fraud risks during COVID-19 – clarity on what would be required to gain full assurance;
* 11(a) risk appetite;
* 11(h) compliance levels for statutory and mandatory training identified in Internal Audit review;
* 15(d) Cyber Security and checking accreditations of partners. Chris Hurst noted that this may require further review and continuation of this action;
* 6(b) Counter Fraud COVID-19 fraud risk thematic review – Dean Docherty reported that management responses had been received and this review would be published; and
* 8(b)-(c) Clinical Audit assurance on effectiveness of processes.
 | **MMcE** |
| **4.**abcdef | **External Audit progress report and other reports to support the 2020/21 External Audit process**Iain Murray presented the Audit Findings report and the Value For Money (**VFM**) (Auditor’s Annual Report) at paper AC 44(i)-(ii)/2021. He reported that the Trust had dealt appropriately with the funding it had received and that the External Audit process had tested the way in which the Trust had exercised its judgement, especially in relation to deferred income. The process had taken some time and this was a subjective area to review but he thanked the Finance team for their cooperation. The DoF added that although income was largely provided on a block contract basis at present, a significant proportion had come through late in the year and earmarked for particular purposes; if the Trust had not been able to defer some income then it would not have been able to use it for the designated healthcare purposes. Although this had long been a challenge in NHS accounting practices and the application of accounting standards, the challenge had been more emphasised in the past financial year as the rules and hurdle for validating and evidencing deferred income had been raised. He confirmed that the Financial Controller and the team had procedures in place to provide a complete audit trail of any deferred income. The Trust Chair asked whether the DoF would support an FY21 External Audit process review. The DoF confirmed that he would and that it would be important to identify and apply learning from the FY21 External Audit process to the next financial year. Iain Murray reported positively in relation to VFM on the Trust’s arrangements to secure financial sustainability, governance and improve economy, efficiency and effectiveness; he noted that this had been one of the cleanest VFM reports which he had written this year. There were no significant weaknesses or improvement recommendations. During FY21, the way in which the NHS had been funded nationally had mitigated many financial risks for NHS organisations. However, it had been encouraging for External Audit to see that despite this, the Trust had maintained financial discipline, had continued to assess its financial baselines and had carefully delineated COVID-19 spending as opposed to business as usual. It was unusual to have a longer term financial plan and yet the Trust had managed to maintain its practice of looking further forward than just the next 6 months, despite the challenges to Cost Improvement Plans (**CIPs**) and productivity initiatives posed by COVID-19. Chris Hurst added that the Finance & Investment Committee (**FIC**) had been concerned by the longer term impact of COVID-19 funding upon financial management, reliance upon this and increased use of agency staff to respond to the pandemic. The Chair noted that there would need to be some thought given to triangulation of CIP-related points identified by External and Internal Audit and how this was monitored through a combination of the FIC and the Audit Committee. Mohinder Sawhney noted that there was much to commend the Trust’s financial performance. However, she had questions in relation to: engagement with the Integrated Care System (**ICS**); CIP processes; and sensitivity analysis. The DoF replied that weekly finance meetings for the whole of the ICS were now taking place and this finance group was one of the most advanced in the ICS in terms of integration and collaboration. However, there remained a substantial underlying deficit in the Buckinghamshire, Oxfordshire and Berkshire West (**BOB**) ICS which would impact the Trust and other ICS partners and would require the equivalent of CIPs; all partners in the ICS were therefore being challenged to spend less in order to rectify the BOB ICS deficit position. He agreed with Chris Hurst’s points about the impact of reliance upon COVID-19 funding, noting that this was difficult for all NHS organisations who would need to wean themselves from reliance upon the current financial regime back towards more self-sufficient efficiency and productivity. The Chair added that if there had been challenges before then the weaning process would make the situation even harder. She requested that the FIC monitor this situation. The DoF confirmed that a review of the first half of FY22 and a forecast for the remainder of the financial year would be presented to the FIC in September 2021 and that these issues would be reviewed by the FIC, as well as consideration of the risks and opportunities for the second half of the financial year. The overall goal was to break even as at March 2022 but this would require achievement of CIPs which were becoming more challenging, especially in relation to agency spend in the wake of COVID-19. Chris Hurst added that the way in which the Trust prioritised its finite resources at service level and in the wake of COVID-19 was an issue for consideration by the FIC, noting that it would be key to understand the current operating framework post-pandemic as it would have needed to change. **The Committee noted the report and thanked External Audit and the Finance team as it was an achievement to have received a VFM report without recommendations.** | **MMcE/GrantT** |
| **5.**abcdefghijklmnopq | **Internal Audit progress report and review reports**Sasha Lewis presented the progress report at paper AC 45/2021 and the completed review reports at paper AC 46(i)-(vi)/2021. ***COVID-19 governance and review report (advisory – no risk rating)***Sasha Lewis explained that this was a risk management review of the Trust’s response to COVID-19. There were no specific omissions or areas for improvement identified and the Trust’s approach to corporate governance and oversight during the initial response had been effective and pragmatic. If in a similar situation in the future however, it was suggested that the Trust consider inviting Non-Executive Directors to Executive meetings, or similar, to keep Non-Executive Directors up to date in a fast-moving situation. The Chair asked why the review had only an ‘advisory’ status. Sasha Lewis replied that this was normal given the nature of the review of arrangements and the absence of a framework to report against, hence why an advisory format had been used rather than an audit ratings and findings report. The Chair noted that she did not entirely agree with that approach but the content and recommendations had still been helpful. ***Health & Safety report (‘high’ risk rating)***Sasha Lewis explained that although no individual recommendations had been assessed as ‘high’ risk, the number of ‘medium’ risk findings had led to the review been rated as overall ‘high’ risk. Recommendations had related to: policies and procedures not all based on the latest Trust templates; risk assessments and spot checks; a local risk register for Health & Safety; assurance processes; and wider training. The DoF confirmed that he agreed with the findings and reported that the Health & Safety function and processes had been under review since the start of the year and there was a programme of change in place. The Internal Audit review supported that direction of travel and had enabled focus for the programme of change. He commented that the Health, Safety & Security Committee and assurance processes, including risk assessments, were being overhauled and clearer central guidance was being provided to wards and teams. He added that changes and improvements to the Health & Safety function would also be more centrally reported, starting with a more detailed report to the Board. *The DoS/CIO and the Head of Information Governance joined the meeting.****Information Governance review report/Data Security & Protection Toolkit (DSPT) report (2 findings but no risk rating)***Sasha Lewis reported that there had been a change to the DSPT assessment as NHS Digital had changed the requirements for organisations to obtain external assurance on the DSPT. The Internal Audit review undertaken had been consistent with that done in previous years (and for other NHS organisations) and in line with the Internal Audit Plan but did not provide full assurance in line with NHS Digital’s new requirements. The findings related to: confirming the accuracy of some of the assertions in the DSPT; and ensuring clear accountability and deadlines for completion. She noted that NHS Digital were still reviewing this area as a whole and their expectations were continuing to evolve and change, which could lead to expectation gaps between NHS Digital and NHS providers which were challenging to anticipate and prepare for; NHS Digital’s expectations for the current year were awaiting publication. The Chair noted that the report highlighted some areas which had not met standards but also listed good practice and other areas which had delivered above requirements. She asked about the requirements for assurance to NHS Digital. The Head of Information Governance replied that an audit had always been a requirement in various previous incarnations of the DSPT but the new approach was more extensive and had focused on more in-depth individual requirements, a risk-based assessment by the auditors of 14 areas (thereby requiring greater expertise of the auditors) and the timing of its publication had left only a few days for review before it had needed to be implemented. The more extensive requirements of the DSPT audit going forwards would inevitably involve more cost. The Chair asked whether the current review had been insufficient and whether an extension to it would need to be commissioned. The Head of Information Governance replied that this was not the case and that the current review would serve towards the Trust’s baseline DSPT submission; where the audit fieldwork had identified gaps, the Trust had been able to plug these and demonstrate a satisfactory level of performance for publication of the final DSPT at the end of June. He confirmed that the Trust had met last year’s DSPT requirements but he explained that the bar had been raised on this year’s requirements. The Chair asked about the impact of the new DSPT standards and higher anticipated cost of the audit upon the Internal Audit Plan. The DoF replied that revised proposals for the Internal Audit Plan would be brought back to the Committee following discussion with the Head of Information Governance, Director of Strategy & CIO and Internal Audit. Sasha Lewis added that Internal Audit would consider NHS Digital’s latest published requirements and report back to the Trust on what action would be needed to meet those requirements. The Chair asked what level of confidence there was in the Trust’s ability to meet the new NHS Digital requirements going forwards and whether any support was sought from the Committee in terms of resourcing and prioritising this. The Head of Information Governance replied that there was confidence that the Trust could meet the revised DSPT requirements and although the focus of the audit may have evolved, this was still business as usual and within the Trust there was a network of staff who supported the Information Governance agenda (although more resource would always be welcome). He added that there was also a requirement to support a clinical coding audit (recently reintroduced) but this was typically covered from within the Information Governance budget. The DoF added that the rigour of the DSPT audit and the evidence to be produced, more than the standards to be met, had changed. Sasha Lewis added that the audit had not gone entirely to plan and Internal Audit therefore wanted to provide assurance that it would not be conducted like this again. Internal Audit would also be conducting their own assessment of a sample of DSPT submissions with a view to being able to share themes and messages to inform the DSPT process this year. The Head of Information Governance added that the Information Commissioner’s Office (**ICO**)would also be visiting the Trust in October 2021 to complete a Data Protection audit, as the ICO were aiming to do with all NHS organisations. The DoF added that all such Information Governance matters were reviewed and monitored through the Information Governance Group. *The Head of Information Governance left the meeting*. ***Directorate (Forensic services) report (‘medium’ risk rating)*** Reena Bajaj presented the review report and the findings in relation to: input of census data into the Safe Care system; and training compliance. The Chair noted that these two areas had also been common themes in the previous directorate reports and asked for the findings from these common themes to be collated from the previous directorate reports and for management to prepare a response to the next meeting, from the Chief Nurse and the Director of Education & Development. ***Follow-up report (‘medium’ risk rating)*** Sasha Lewis noted that there had been three ‘medium’ risk findings and emphasised that management needed to provide assurance that they had appropriately assessed whether actions had been properly completed or in fact superseded (in which case they would still need to go through a process to explain this and sign off on them). The Chair noted that with the arrival of the newly appointed Deputy Director of Finance, the intention was to put more focus onto the processing of Internal Audit actions. She noted that although Internal Audit generated helpful insights into areas which could be improved upon, there was more that could be done to ensure that the Trust was getting the most added value from this. The Director of Strategy & CIO provided an update on progress against his actions from the Internal Audit follow-up work (as set out in the progress report). In relation to the IT review of the Data Centre, he reported that the project was in its final stages, the new Data Centre had been set up and the equipment installed but there were still some final parts to be obtained in order for a third party to complete the network set-up; it was anticipated to be live by the end of 2021. In relation to the recovery time objective (how long to restore the system if it failed) and the recovery point objective (how much loss was deemed acceptable if the system could not be restored), he noted that these had been clearly mapped out and the latest information would be provided to Internal Audit. The Chair noted that the Committee had been concerned about how IT risks would be managed in the interim period whilst the new Data Centre was being set up and before the Trust could migrate its systems over. The Director of Strategy & CIO replied that mitigating steps had been taken over the last couple of years, including preliminary migration of the Trust’s 4 main clinical systems to its supplier so that alternative arrangements were in place even before migration to the new Data Centre; the backups had been tested. The Director of Strategy & CIO noted that the more challenging action related to HR systems and the creation of a single employee data record. The work done to date had indicated that this was a complex area and substantial investment would be required. A 9-stage plan had now been developed to reach a stage whereby systems would automatically update each other so that manual interventions could be removed. An investment business case had also been submitted to the Executive but this may require release of capital funding to support the various 9 stages. He added that before automation was put in place, new risks and any actions to mitigate them would be identified. The Chair asked where this work was escalated to and monitored and whether emerging or changing risks would be captured through the Board Assurance Framework or Trust Risk Register. The Director of Strategy & CIO replied that there was a joint working group which was reporting up to the Digital Strategy Board, which reported into the Executive and also the FIC. Relevant risks, as being largely operational, would be reported to the Trust Risk Register. The Risk Manager confirmed that an HR systems risk had recently been added to the Trust Risk Register and would be reported into the FIC for discussion. The Chair commented that this had evolved into a bigger issue than had been suggested by the original Internal Audit review into employee data records. The Director of Strategy & CIO replied that only upon engaging with the detail of the matter had the extent of it become clear, especially as local employee systems had developed over many years as was common within the NHS. Each of the individual systems then had to be worked through and a response for each designed. Chris Hurst commented that it would be useful for the Board to review how oversight of digital arrangements was working, given the growing importance of this area and its complexity. The DoF added that the Digital Strategy Board had been working effectively on digital matters, in the background, but it should now perhaps raise its profile (rather than have the Trust add another monitoring layer within the organisation). The Director of Strategy & CIO agreed and noted that the Digital Strategy Board also received good representation from across the Trust. The Chair asked about CIPs and the action for each CIP project to have a detailed plan documenting each element of the project. The Director of Strategy & CIO confirmed that the Productivity Improvement Plans/CIPs were being documented and focused effort was going into how these would be picked up as at 01 April and what the targets would be. The intention was to change their focus away from trying to work out what schemes to implement in order to save money and towards how to manage the position having taken the savings up front at the start of the next financial year. Reductions in budgets would be discussed with senior management teams, followed by focus on supporting teams to understand the impact. **The Committee noted the reports.** *The Director of Strategy & CIO left the meeting.*  | **MMcE****MMcE/****PwC****HS/MC/HG** |
| **6.** abcd | **Draft Internal Audit Plan 2021/22**The Chair noted that, further to discussion above, the draft Internal Audit and risk assessment plan 2021/22 was still subject to agreement on the DSPT as well as any trade-off between a workforce review (which could encompass a range of areas) and potentially a safeguarding review as the budget would only provide for one priority review. She noted that the request for a workforce review had originally been focused upon workforce planning but management had requested waiting until the new Chief People Officer was in post and could put some workforce plans in place which could then be reviewed. Although an e-rostering review had been suggested as an alternative, this had not been high on the list of the Committee’s concerns and safeguarding may provide for an alternative which could also pick up findings from the last Care Quality Commission inspection in relation to seclusion on learning disability wards. Chris Hurst added that e-rostering could still be a relevant focus, especially given that staffing was a significant risk for the Trust and improvements in managing the workforce would be helpful in mitigating that risk. However, he agreed that the Trust’s exposure to safeguarding concerns would be a higher priority. Mohinder Sawhney asked why the Executive had suggested e-rostering as a potential area of focus and what the Executive’s position was on safeguarding. The DoF replied that the Executive had discussed safeguarding and recognised it as an important area which should be subject to specific review, not just review in the context of incidents which may raise this; e-rostering had been indicated further to suggestions from Counter Fraud to test the integrity of the system and as this also linked to improving rigour and control of agency spend (and thereby to CIPs). However, review of e-rostering could also be conducted separately to Internal Audit. The Chair recommended that safeguarding be included in the Internal Audit Plan, with a rolling review on workforce, agency spend and the CIP challenge and the evolution of issues in these areas. **The Committee noted the report and that safeguarding should be included in the Internal Audit Plan.**   |  |
| **7.**abcd | **Counter Fraud (Anti-Crime Service) progress report** Dean Docherty presented the report at paper AC 48/2021 and highlighted the action plan to address areas for improvement against the Counter Fraud Functional Standards Return (at Appendix A) as some amber-rated areas required further action in order to achieve a green-rating. He reported that the NHS Counter Fraud Authority had also launched a COVID-19 Post Event Assurance exercise which would apply to NHS providers and require input from the Finance and Procurement teams, as well as potentially Internal Audit, on: (i) contract cancellation and award; and (ii) spend data. The collection of this information was intended to inform understanding of the nature and potential value of fraud risks associated with COVID-19 and procurement practices and behaviours at a local level during an emergency management scenario. In relation to ‘hold to account’ activity, one historic case remained ongoing in relation to false representation (as set out in the report). Dean Docherty provided an update and reported that the subject had been interviewed under caution. The Chair commended the significant amount of work which had taken place and the action plan to achieve green-ratings in the remaining areas. **The Committee noted the report**.  |  |
| **8.**abcdefgh | **Board Assurance Framework (BAF) and Trust Risk Register (TRR) update**The DoCA/CoSec presented the report at paper AC 49/2021 which provided an update on the position of the BAF and TRR, progress of risks and developments in risk management processes (as well as the full BAF and TRR in supporting appendices, for detail if required). She highlighted that in recent meetings of various Board committees, the focus of risk reporting had developed towards assessing the quality and effectiveness of controls (by considering whether sources were providing positive or negative assurance), so as to provide more analysis in reporting; reviews and discussion undertaken in a variety of meetings were summarised in Part 1 of the report. The Assistant Trust Secretary added that the covering report now set out which were the extreme (red-rated) risks at both BAF and TRR level for the Audit Committee to be able to see at a glance which these were and how they were being monitored and managed through their respective Board committees and Executive risk owners. The Reading Room to this set of meeting papers also included reporting evidencing the Quality Committee’s recent deep dives into: (i) the demand and capacity risk; and (ii) the waiting times risk, for assurance for the Audit Committee and as examples of how risks were being monitored through other committees. The Chair reminded the meeting that the Audit Committee’s responsibilities were not to delve into the content and detail of the risks but to ensure that the appropriate risk processes and environment existed for risk management to be conducted effectively. The Committee members’ interest was therefore in the risk procedures in place, how well these were operating, whether exceptions were being routinely reported and the way in which risks were followed through by other committees, as per the examples in the Reading Room (albeit there was not time to go through those examples in detail at this meeting). She noted that it was not necessarily for the Audit Committee to be the monitoring committee for specific risks, especially as these could sit more appropriately with the more specialised focus of the other Board committees. The Audit Committee was interested however in seeing new risks and being able to discuss changes to the registers (BAF and TRR) as a whole and receiving exception reporting to highlight risks where mitigating actions were not being delivered or were proving difficult to deliver. The Audit Committee was interested in hearing about blockages and what could derail the Trust from reaching its risk mitigation goals. The DoCA/CoSec noted that these considerations led back towards assessment of the Trust’s Risk Appetite, which the Audit Committee had previously considered, and the impact of demand and capacity risks and issues which could be systemic and outside of the Trust’s direct control. The Risk Manager highlighted that Parts 2 and 3 in the report set out the new risks at the strategic BAF level and at the operational TRR level. The Quality Committee at its meeting on 09 September 2021 had also discussed routinely ending its meeting by summing up whether any discussions had given rise to items to consider for inclusion on any risk register. The Chair noted that it would be good practice to routinely start doing this at the end of meetings, noting that in this meeting the delay to the construction of the PICU, which may be touched on under Any Other Business, could be an example of a risk escalation matter. The DoCA/CoSec added that there also needed to be caution not to assume that matters which were summarised at the end of a meeting as potentially risk-worthy would automatically be entered onto risk registers; before inclusion on a risk register these matters should be appropriately tested to identify the risk and what, if anything, may have gone wrong in the relevant control environments. The Chair agreed and noted that evidence of breach in control environments may be a determining factor. Mohinder Sawhney commented that whilst it appeared that more sophisticated risk discussions were taking place and activity was happening, it was difficult to penetrate to the consequences of that activity and what actions were being agreed in order to reduce risks without going into the detail of the minutes of particular meetings. Chris Hurst added that the FIC was reasonably well disciplined in reflecting on risks or potentially risk-worthy matters towards the end of meetings but that the challenge was not in identifying individual risk matters as they arose but in thinking about, and engaging with, aggregate risk and its impact upon the organisation, which was a challenge for all organisations. By way of example he noted that HR risks might have common themes across staff supply shortages, increases in demand, challenges with staffing data (i.e. akin to having a poor asset register given that staffing could be an organisation’s greatest asset), an immature workforce plan, high agency use having a negative impact upon financial management and inconsistent supervision or appraisal processes which could impact upon quality of service provision. Just addressing these kind of themes or individual risks in isolation without taking an overview, joining the dots and attempting a more overarching solution may not be effective to resolve them. The Chair agreed and noted that this was the kind of role which the Board could play in terms of standing back from the detail and taking an overview of a range of risks, aggregate risk being easy to lose sight of when zoning in on the detail of mitigating particular risks. Mohinder Sawhney added that assessment of aggregate risk could be enabled by grouping risks into thematic areas such as ‘people’ and ‘finance’ (rather than grouping against the Trust’s strategic objectives which currently provided the framework for the BAF and TRR). She noted that across operational departments and having gone back and reviewed Internal Audit reports over the past few years, she had identified common themes around: understanding data, data presentation and accuracy of data. The volume of information available however meant that it was too easy to end up with a fragmented view, rather than an enterprise or aggregate view of themes which impacted all parts or participants in an organisation. The Chair summarised that arising from discussion at this meeting, for potential escalation to the risk registers (BAF or TRR) or checking to see whether existing risks already captured the concepts were: (i) capital projects arising from the delay to the PICU; and (ii) potentially Health & Safety following the Internal Audit review and given the number of ‘medium’ risk findings which had led to the review being rated as overall ‘high’ risk. She added that it would also be useful to conduct a mapping exercise of governance issues or a mapping exercise of the route of all sources of risk information which fed risk registers, such as Internal Audit reviews, Serious Incident reports and other reporting which flagged risk and control issues as it was important to understand how these were captured and fed into risk processes. The DoCA/CoSec replied that the full BAF at Appendix 1 now included in the Assurance section, against each risk, the types of reporting or other evidence which were being used to provide assurance and an assessment of the quality of that assurance (from Level 1 which may only provide basic reassurance to Level 3 and an independent level of assurance). The reports from the Quality Committee in the Reading Room also demonstrated and went into more detail on the types of positive, neutral and negative assurance against specific risks. The Assistant Trust Secretary added that the Risk Management Strategy & Policy also set out in more detail the risk management tools used, including sources of risk evidence and data (such as Serious Incident reports and other forms of evidence). The Risk Management Strategy & Policy was available on the intranet and could be provided separately to the Committee members for information. **The Committee noted the report.***The Risk Manager left the meeting*.  | **HS****HS** |
| **9.** abc | **Better Payment Practice Code (BPPC)**The Deputy DoF presented the report at paper AC 50/2021 on performance against the BPPC(requirements for NHS organisations to pay invoices within agreed terms and targets). Although there had been a breach against payment targets, the main reason for the reported slippage had been the exclusion of certain invoices from the target range figures. A review of BPPC processes was taking place and processes had already been refined and updated so as to capture all of the relevant data/invoices; the plan to get back to target was set out in the report. The Deputy DoF stated that overall the Trust was on target for BPPC compliance and improvements made would be maintained. The Chair noted that BPPC compliance had been flagged in a letter from NHS England/NHS Improvement to the Chief Executive, Regional Director of Finance and the Audit Committee Chair therefore this matter was relevant for this Committee. It was reassuring to see the action plan set out which would improve efficiency. The DoF added that monthly Finance reporting also set out BPPC compliance therefore this had been reported but may not have previously received as much attention. **The Committee noted the report and that an action plan was in place to resolve aged creditors and BPPC compliance.**  |  |
| **10.**ab | **Losses & Special Payments report**The DoF presented the report at paper AC 51/2021 which set out cases of losses and special payments from April to August 2021. He noted that these were individually of relatively low value and there were no significant payments to highlight. **The Committee noted the report.**  |  |
| **11.**abc | **Single Action Tender Waivers (SATWs) report** The DoF presented the report at paper AC 52/2021 which set out all SATWs over £25,000 and Single Action Quotation Waivers (**SAQWs**) under £25,000 which had been approved over April to August 2021. He reported that Procurement processes were being reviewed with the aim of increasing automation and providing for fewer exceptions; once this had been done then SATW/SAQW processes would also be reviewed and the combination of reviews should lead to a reduction in SATWs/SAQWs. He highlighted that the report set out key themes already being addressed with stakeholders and provided appendices with summaries of: extensions and waivers approved; approvals in relation to areas where specific procurement had been specified e.g. by commissioners; and any retrospective waivers after the required commencement date. The Chair noted that this report marked a step change in the amount of detailed information available to drill down into the situations. **The Committee noted the report and the actions being taken to strengthen processes in relation to SATWs, SAQWs and use of Purchase Orders.** *Counter Fraud (Dean Docherty), Internal Audit (Sasha Lewis and Reena Bajaj), External Audit (Iain Murray and Laurelin Griffiths) and the DoCA/CoSec left the meeting. The meeting continued in private session.*  |  |
| **12.**ab | **FY21 Annual Accounts review**The DoF presented the report at Paper AC 53/2021 which provided an initial overview and response to lessons learned during the FY21 Annual Accounts process. The Chair noted that External Audit were keen to input into this review. The DoF confirmed that once the Committee had reviewed this report and the recommendations from the FY21 process then it would be shared with External Audit. The Committee commented that the report set out a practical way forwards and was measured and thoughtful. The Chair noted that this was a good first step and that the next step should be a collaborative review with External Audit. **The Committee noted the report and that it would be shared with External Audit and form part of collaborative review with External Audit.**  |  |
| **13.**ab | **Review of contracts for External Audit, Internal Audit and Counter Fraud** The DoF provided an oral update and set out timelines for new contracts in 2022 and outlined procurement and governance processes. He noted that he would provide the Committee with a formal timeline separately out-of-session and before the next meeting, especially as members of the Committee would need to participate in the procurement processes. **The Committee noted the oral update.**  | **MMcE** |
| **14.**a | **Any Other Business**In relation to the review of the PICU project, the DoF added that a draft proposal for the review was already being developed.  |  |
| **15.** ab | **Review of Meeting**The Chair noted that there were no further matters to escalate to the board, other than the review of the PICU project which was already in hand. The Chair noted that she had been impressed by the papers and felt that the meeting was making progress. The Committee members discussed the tone of the meeting and the balance between going into detail and identifying improvement actions. |  |
|  | **Meeting Close: 12:19** |  |
|  | Date of next meeting: 09 December 2021, 09:30-12:00.  |  |

1. The quorum is 3 members (all Non-Executive Directors) and may include deputies. [↑](#footnote-ref-1)