

Report to:	Public Board of Directors	Agenda item:	15
Date of Meeting:	2 December 2021		

Title of Report:	Audit & Risk Committee Update Report
Status:	For Discussion
Sponsor:	Antony Durbacz, Chair of the Audit & Risk Committee
Author:	Antony Durbacz, Chair of the Audit & Risk Committee
Appendices	None

Purpose

This report summarises the discussions, recommendations and approvals made by the Audit & Risk Committee on 2 December 2021, to provide the Board with an update of the Committee's activities.

Background

The Audit Committee holds delegated responsibility from the Board of Directors; this report provides evidence to satisfy the Board that the tasks required to meet those responsibilities are being carried out.

Business Undertaken

- The committee reviewed the BAF and considered it was working effectively, consistently and correctly.
- The committee were provided with an update on cyber risks and mitigating actions in line with the Cyber Essentials framework. It was noted that a sophisticated phishing attack had occurred 3 weeks ago leading to an increased risk rating. Additionally he acknowledged that the team were resource constrained but opportunities had become available to bid for funding that would enable the Trust to establish a Cyber Team;
- The Anti-Crime Specialist, TIAA provided an update on counter fraud work that had been undertaken since the September meeting and reported that the majority of this had involved progressing the level of compliance to NHS requirements of the 13 Government Counter fraud Functional Standards
- Deloitte reported that year end audit planning was in progress and was not expected to change significantly with the exception of disclosure requirements relating to the acquisition of Sulis. Early engagement on key areas relating to the 2022 audit had been undertaken with the Finance Department
- The Director of Finance provided an update on learnings from Leicester and reported that early warning signs in cash flow forecasting and financial leadership had been identified and general points to strengthen financial culture had been shared

Key Risks and their impact on the Organisation

- As already captured in the BAF, Cyber security remains an important and increasing risk as evidenced by the recent phishing attack

Key Decisions

- The internal audit plan 2021/22 was modified with the proposed audit on Do Not Attempt Resuscitation (DNAR) changed to an audit on Referral to

<p>Treatment (RTT)</p> <ul style="list-style-type: none"> • The TOR for the audit committee was approved at the meeting
<p>Exceptions and Challenges</p> <ul style="list-style-type: none"> • KPMG has replaced Grant Thornton as Internal auditors. • The revision of the Trust's risk strategy is delayed. The risk appetite statement will be explored in February. • The committee acknowledged that it is vulnerable in terms of their knowledge of digital. It will be supported via briefings from external experts and increased detail in the description of key risks and vulnerabilities
<p>Assurance</p> <ul style="list-style-type: none"> • LCFM continued to provide assurance on the trusts alignment with the NHSCFA strategic priorities • The revised TOR for the committee provides better clarity on the role of the Audit committee with respect to the BAF • The internal auditors have commenced on the new plan and early indications of the assurance gained is positive.
<p>Recommendations</p> <p>The Board is asked to note this report.</p>