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| Report to: | Public Board of Directors | Agenda item: | 19 |
| Date of Meeting: | 6 July 2022 | | |

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| Title of Report: | Audit & Risk Committee Chair's Update Report |
| Status: | For Discussion |
| Sponsor: | Antony Durbacz, Chair of the Audit & Risk Committee |
| Author: | Katie McClean, Executive Assistant |
| Appendices | None |

Purpose

This report summarises the discussions, recommendations and approvals made by the Audit & Risk Committee on 16 June 2022, 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 key elements of the meeting focused on 3 areas

Year end

- The Director, Deloitte provided the Committee with an overview of the ISA260 report, Audit Opinion and Value for money and highlighted that the audit of the financial statements was complete. Deloitte confirmed they were comfortable to sign off the accounts
- The Head of Corporate Governance provided the Committee with an overview of the annual report and accounts and stated that this version incorporated recommendations by the Board and auditors. The Committee approved the annual report and accounts on behalf of the Board and recommended that the accounting officer signed them off
- The Deputy Director of Finance reconciled the key financials to the updates presented to the board on a monthly basis. The Non-Executive Directors confirmed that they were comfortable with the financials presented in the final accounts
- KPMG provided the Committee with an overview of the Internal Audit annual report and stated that the report provided a summary of assurances provided throughout the year and the recommendations arising from them. Based on the work completed the Head of Internal Audit Opinion was significant assurance with minor improvement opportunities
- Counter fraud confirmed that the end of year Counter Fraud Functional Standard Return (CFFSR) has now been completed and submitted. The overall rating is 'Green'. An improvement on the prior year submission

Internal audit

- KPMG issued 5 audits at the meeting to complete the 2021/22 programme. The audits include 31 new recommendations with the audits on data quality and cultural change achieving only "partial assurance with improvement required". Action plans are in place to address the recommendations. The audit committee rejected the management plan on data quality requesting a further review of our commitments.

- Of the previously completed audits disappointingly there were four overdue recommendations, 3 of which related to business continuity and one of which is red. This is to be addressed.

Risk management

- The Head of Corporate Governance stated that the Strategic Framework for Risk Management had been updated following comments received outside of the meeting. The Committee approved the document to go to Board.

Key Risks and their Impact on the Organisation

The Committee identified the following key risks

- No new strategic risks

Key Decisions

The Committee approved:

- The Trusts final report and accounts for signing
- ISA260 for submission
- The letter of representation
- The Committee approved the going concern assessment and the disclose in the accounts for 21/22

It was agreed that:

- KPMG would undertake the HFMA getting the basics right audit instead of the infection control audit
- the Strategic Framework for Risk Management could go to Board
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Exceptions and Challenges

- Given a robust internal audit programme there will be a rising number of audit recommendations that the trust will need to manage. The monitoring of actions with the support of KPMG is now significantly improved but the committee is seeking to improve the efficiency of the process by reviewing the part the extended executive can play in owning the quality of the recommendations and commitment to delivery
- The committee reviewed in detail the Summary of audit differences presented by Deloitte. All of the differences were judgemental, and the committee satisfied itself that it understood the position the trust had taken and agreed with the basis of the decision. The net £ difference if applied to the accounts would have increased the surplus by £1.2m. a number of learning opportunities were noted for action.

Assurance

- Year end assurance from external, internal audit and counter fraud through their compliance statements

Recommendations

The Board is asked to note this report.