

Audit and Risk Assurance Committee, Key Issues Report		
Report Date: 22 May 2024		Report of: Audit and Risk Assurance Committee
Date of meeting: 13 May 2024		All NED members present. Director of Finance, with representatives from the Trust's Internal Auditors MIAA and External Auditors KPMG also in attendance for the meeting, together with several Trust officers.
1	Agenda	<p>The Committee considered the following:</p> <ul style="list-style-type: none"> • Updates from Executive Directors on outstanding internal audit recommendations (Overseas agency employment checks, Waiting List Initiative (WLI), and Medical Devices) • Internal Audit – Progress Report • Internal Audit – Pressure Ulcers • Internal Audit – Quality Spot Checks • Internal Audit – Follow Up Report • Internal Audit – Final Annual Report and Head of Internal Audit Opinion • Internal Audit Recommendations Tracker Report • External Audit – progress update on 2023/24 Audit • <i>Draft</i> Annual Accounts 2023/24 • Losses and Special Payments Report • Procurement Waiver Report • 2023/24 Recovery Support Programme Funding • Cyber Security Progress Report • FTSU Annual Report 2023/24 • Risk Appetite Statement
2a	Alert <i>Matters of concerns, gaps in assurance or key risks to escalate to the Board</i>	<p>The Committee was concerned to receive an internal audit report on Quality Spot Checks with an opinion of Limited Assurance (the report detailed three high level risks relating to VTE assessment, medicine storage and documentation of controlled drugs; two medium level risks relating to observations and medicine storage, and one low level risk relating to monitoring and escalation of mandatory training requirements).</p> <p>Where any reviews result in a Limited or No Assurance audit opinion going forward, the relevant Executive Director will be expected to attend ARAC to respond to questions from the Committee.</p>
2b	Assurance <i>Positive assurances and highlights of note for the Board</i>	<ul style="list-style-type: none"> • The Committee was pleased to receive confirmation that the Trust had achieved a Head of Internal Audit Opinion of Substantial Assurance for the second consecutive year, for the period 1 April 2023 to 31 March 2024. • The Committee was assured to receive an internal audit report on Pressure Ulcers which had achieved Substantial Assurance. • The Committee noted the improved position in the Internal Audit 'follow-up' report, with 37 recommendations now fully implemented. The Governance team and MIAA continue to liaise closely on the timely communication of newly closed actions and any remaining evidence gathering. • The Committee received a Cyber Security Progress Report, which covered the development of the Trust's cyber strategy, alignment with the ICB system-wide work, and the recent establishment of an ICS Cyber Operational Group.

2c	<p>Advise <i>Areas that continue to be reported on and/or where some assurance has been noted/further assurance sought.</i></p>	<ul style="list-style-type: none"> The Committee reviewed the outputs from the Board risk appetite seminar in April 2024 and agreed the content of the 2024/25 Risk Appetite Statement, which would be received at the Board of Directors meeting in July for approval. The Losses and Special Payments Report indicated an expired stock figure of £25k, which was double that of the same point the previous year. This would be investigated with the Pharmacy team although, for context, the annual pharmacy cost was confirmed as £56m. Given the increased level of procurement waivers, the Committee was advised that Finance were strengthening their governance process, and were moving to a monthly approval meeting involving the Director of Finance and the senior procurement team, with no waivers approved outside of this arrangement. Additionally, the Committee recommended that the Trust SFIs were reviewed, with a view to ensuring approval by the CEO of full breach waivers above a pre-determined value, as all full breach waivers were currently being approved only by the Director of Finance, with no maximum limit. The Committee received the FTSU 2023/24 annual report from Ms Turner, and acknowledged the extensive work which had taken place to review historic cases, with eight such cases now remaining open, with mitigation in place. <p>Colleagues noted that the report was not currently split by site, and it was agreed that this would be helpful, to aid the triangulation between what FTSU were hearing and the service configuration work needed under HTP etc. It was also agreed that a thematic review at the Board seminar scheduled for 30 May would be helpful.</p>		
2d	<p>Actions <i>Significant follow up actions</i></p>	<ul style="list-style-type: none"> N/A 		
3	<p>Report compiled by</p>	<p>Beverley Barnes, Board Coordinator Approved by Prof Trevor Purt, ARAC Chair</p>	<p>Minutes available from</p>	<p>Mrs Beverley Barnes Board Coordinator</p>