

Audit and Risk Assurance Committee, Key Issues Report		
Report Date: 1 November 2024		Report of: Audit and Risk Assurance Committee
Date of meeting: 2 September 2024		All NED members present. Director of Governance, Director of Finance, with representatives from the Trust's Internal Auditors MIAA, External Auditors KPMG, and NHS Counter Fraud, also in attendance for the meeting, together with several Trust officers.
1	Agendas	<p>The Committee considered the following:</p> <ul style="list-style-type: none"> • Internal Audit Report - Management of Conflicts of Interest • Internal Audit Report – Freedom to Speak Up • Internal Audit Report - DSPT Toolkit • Internal Audit Report – Divisional Risk Management • Internal Audit – Progress Report • Internal Audit – Overseas Agency Employment Checks (commentary) • Internal Audit – Complex Discharge Process (commentary) • Internal Audit Recommendations Tracker report • External Audit – Auditors' 2023/24 Audit Closure Documents • MIAA - Anti-Fraud Progress Report • Losses and Special Payments Report • Procurement Waiver Report • Quarterly Contract Award Report • Emergency Planning, Resilience and Response (EPRR) post challenge • Cyber Security Progress Report • Quarterly Risk Management Report • Quarterly Board Assurance Framework (Q1, 2024/25) Report • Security Annual Report 2023/24 • ARAC Terms of Reference annual review
2a	<p>Alert</p> <p><i>Matters of concern, gaps in assurance or key risks to escalate to the Board.</i></p>	<ul style="list-style-type: none"> • Internal Audit provided a 'follow up' report illustrating the numbers of closed internal audit recommendations, according to their records, dating from 2021. The Committee was disappointed to find that their report suggested that only 9 recommendations out of 42 recommendations had been completed. <i>However, subsequent to close of the meeting, it was found that the Auditors' report did not carry forward the figures from their previous report that highlighted the original 55 recommendations in total, 13 of which had been closed during the previous period (55 – 13 = 42), therefore reflecting in the current report, that an additional 9 (42 – 9 = 33) recommendations had been completed since.</i> • In comparison, the Trust's own internal audit tracker, which has been in existence for four years, had initially recorded 75 recommendations in total, with only 27 remaining open at the time of the report. This SaTH report includes some recommendations that do not appear on the auditors' report. The Committee members stated that presentation of the two different reports together was completely confusing. Clearly there is some work taking place to align the two trackers.

	<p>Assurance</p> <p><i>Positive assurances and highlights of note for the Board</i></p>	<ul style="list-style-type: none"> The Committee was assured to receive 4 completed internal audit reports, with 3 achieving Substantial Assurance and 2¹ achieving moderate assurance: <ul style="list-style-type: none"> Internal Audit - Management of Conflicts of Interest (<i>Substantial Assurance</i>) Internal Audit – Freedom to Speak Up (<i>Substantial Assurance</i>) Internal Audit - DSPT Toolkit (1. Veracity of self-assessment - (<i>Substantial Assurance</i>). 2. National Data Guardian Standards (<i>Moderate Assurance</i>) Internal Audit – Divisional Risk Management (<i>Moderate Assurance</i>) Assurance was provided as to previous audit recommendations relating to Criteria Led Discharge (formally Complex Discharge) whereby an unsuccessful pilot which had been carried out, had been subsumed into new ongoing project, relating to the flow work taking place across the Trust at present. It was noted that the Trust was working with both NHS England and GIRFT on the project and that they had suggested that the Trust complete the flow work first, and then reinstate Criteria Led Discharge at a later date. The External Auditors presented their Annual Report 2023/24, emphasizing that they had issued an unqualified opinion on the Trust’s financial statements, and that there had been no inconsistencies reported in the Annual Governance Statement. The Cyber Security Progress Report provided assurance to the Committee as to progress being made and new developments being implemented as part of ‘business as usual’ monitoring of potential threats to security of the Trust’s systems. It was also assuring to note that the Internal Auditor’s annual review for the Data Security and Protection Toolkit did not identify any high priority recommendations, with those highlighted the previous year having been addressed. The Risk Management Report highlighted that there had been some improvement regarding the decrease in the number of risk reviews that were overdue, the increase in the pace that risks were being approved.
2c	<p>Advise</p> <p><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"> Anti-Fraud colleagues advised the Committee that since the start of the financial year 2024/25, two referrals had been converted to investigations which were ongoing. Regarding a former internal audit report into Overseas Agency Employment Checks which had found an anomaly in the compliance processes undertaken, assurance was provided to the Committee that this had now been investigated fully and a new two-step procedure had been implemented; additional documentation was now being requested from agencies abroad, with the Trust’s recruitment team now completing additional third-party independent checks with the additional material provided. The Trust had almost finished checking 300 ‘current’ sets of documentation and had also reviewed data from 2020 onwards to date. A report was provided regarding the Trust’s compliance with the core standards for Emergency Preparedness, Resilience and Response following feedback from NHSE during a check and challenge process in October 2023. A robust action plan had been put in place from all the

¹ The DSPT audit received two separate ratings, one for veracity of self-assessment, and one for achieving National Guardian Data Standards

		<p>recommendations to improve the Trust's position and was presented to the Committee in which 19 actions were rated as green and 14 rated as amber. Several meetings had taken place with stakeholders, including ShropCom, the ICB and further peer review. With all the work that had been undertaken, it was proposed that the Trust would be at over 90% compliance. The full and final report will be taken to the Board in January 2025 for final sign off.</p> <ul style="list-style-type: none"> • Three changes in risk score were proposed for the Board Assurance Framework Q1 2024/25: BAF risk 5 – reduction proposed from 20 to 16; BAF risk 6 – proposed reduction from a score of 16 to 12; BAF risk 7A – proposed score increase from 15 to 20. 		
2d	<p>Actions <i>Significant follow-up actions</i></p>	<ul style="list-style-type: none"> • Long outstanding internal audit recommendation (Medical Devices Review) relating to the delivery of a proposed Location Tracker System was to be completed by August 2024. Due to the timing of the meeting, a follow-up report to the ARAC is to be provided at the Committee's next meeting on outcomes. (Lee Wyatt / Inese Robotham) 		
	<p>Report compiled by:</p>	<p>Anna Milanec, Director of Governance Approved by Rajinder Dhaliwal, Interim ARAC Chair</p>	<p>Minutes available from:</p>	<p>Mrs Beverley Barnes, Board Coordinator</p>