

**Extraordinary Audit & Assurance Committee Chair’s Highlight Report to Trust Board**

<b>Subject:</b>	Audit & Assurance Committee (AAC) Report	<b>Date:</b> 24 <sup>th</sup> November 2022
<b>Prepared By:</b>	Graham Ward – AAC Chair	
<b>Approved By:</b>		
<b>Presented By:</b>	Graham Ward – AAC Chair	
<b>Purpose</b>		
	<b>Assurance</b>	

<b>Matters of Concern or Key Risks to Escalate</b>	<b>Major Actions Commissioned / Work Underway</b>
<ul style="list-style-type: none"> <li>▪ <u>Internal Audit</u> – Implementation of internal audit recommendations continues to be an issue – currently at 55% (down from 57% at last report) implemented by due date (needs to be &gt;75% for Head of Internal Audit Opinion to be significant assurance). Implementation of agreed recommendations is a clear demonstration of Quality Improvement. At the moment the implementation on time rate does not give assurance of a Quality Improvement driven organisation.</li> <li>▪ <u>Internal Audit</u> – Concern was raised on a number of potential changes being proposed to the Internal Audit Programme, without adequate explanation (see Major Actions as well).</li> <li>▪ <u>HfMA Financial Sustainability Audit</u> – this wasn’t completed in time for this meeting. However, is on track for completion before the 30<sup>th</sup> November deadline and all data was provided by the Trust on a timely basis.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Counter Fraud Service</u> – a number of potential frauds have been raised recently and it was agreed that any recommended process and control changes required as a consequence will be handled in the same way as Internal Audit recommendations.</li> <li>▪ <u>Internal Audit</u> – all proposed internal audit programme changes to include clear request with evidence for the change by the responsible officer prior to consideration of the proposed change.</li> <li>▪ <u>Non-Clinical Policies</u> – good progress on updating/amending overdue policies, however there are a small number where no progress is apparent. The responsible officer for these will be asked to attend the next Audit Committee Meeting.</li> </ul>

Positive Assurances to Provide	Decisions Made
<ul style="list-style-type: none"> <li>▪ <u>Counter Fraud</u> – All of the functional standards continue to be assessed as Green. Only 49% of trusts have achieved this. In addition there is an increase in the number of potential frauds being raised (very few anonymously) which helps show the culture of openness within SFH.</li> <li>▪ <u>External Audit</u> – KPMG gave a positive update on progress and next steps. Which included a visit to site for the first time in a couple of years.</li> <li>▪ <u>Register of Interests</u> – outstanding registers of interests continues to decline, especially with the clinicians.</li> <li>▪ <u>Non-Clinical Policies</u> – Significant reductions have been made in the number of out of date non-clinical policies.</li> <li>▪ <u>Procurement</u> – the Strategic Head of Procurement presented the single tender waivers with detailed explanations on each – the process continues to show maturity giving strong assurance that single tender waivers are used appropriately and value for money has been properly assessed.</li> <li>▪ <u>Speaking Up</u> – the annual review of the speaking up process was presented and showed the huge strides made in this area.</li> <li>▪ <u>Management of Suppliers</u> – an update on the development of this work was presented showing excellent progress, though recognising that there was more to do.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>Internal Audit Programme</u> – Approval of proposed changes deferred until detailed explanations for changes presented by the responsible officers.</li> <li>▪ <u>Standing Orders</u> – these were approved.</li> </ul>
<b>Comments on Effectiveness of the Meeting</b>	
<ul style="list-style-type: none"> <li>▪ All papers were of a high quality and clear which helped the meeting run smoothly.</li> </ul>	