

## Board of Directors Meeting in Public

<b>Subject:</b>	Report of the Audit and Assurance Committee	<b>Date:</b> 24 <sup>th</sup> July 2019		
<b>Prepared By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee, Shirley A Higginbotham Director of Corporate Affairs			
<b>Approved By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee			
<b>Presented By:</b>	Graham Ward, NED, Chair of Audit and Assurance Committee			
<b>Purpose</b>				
The Audit and Assurance Committee met on 18 <sup>th</sup> July 2019. This paper informs members of the significant matters agreed by the Committee for reporting to the Board of Directors:			<b>Approval</b>	
			<b>Assurance</b>	<b>x</b>
			<b>Update</b>	
			<b>Consider</b>	
<b>Strategic Objectives</b>				
<b>To provide outstanding care</b>	<b>To promote and support health and wellbeing</b>	<b>To maximise the potential of our workforce</b>	<b>To continuously learn and improve</b>	<b>To achieve better value</b>
<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>Overall Level of Assurance</b>				
	<b>Significant</b>	<b>Sufficient</b>	<b>Limited</b>	<b>None</b>
		<b>x</b>		
<b>Risks/Issues</b>				
<b>Financial</b>	The Audit and Assurance Committee is responsible for ensuring the system of internal control is robust and effective in order to provide high quality, value for money services to patients and provide a safe environment for staff. Safeguarding the reputation of the Trust			
<b>Patient Impact</b>				
<b>Staff Impact</b>				
<b>Services</b>				
<b>Reputational</b>				
<b>Committees/groups where this item has been presented before</b>				
N/A				
<b>Executive Summary</b>				
<p>The Board of Directors is asked to accept the content of the Report and note the items highlighted below:</p> <ul style="list-style-type: none"> <li>• Counter Fraud Progress Report - noted</li> <li>• Internal Audit Progress Report</li> <li>• External Audit Annual Audit Letter – noted that no changes from draft</li> <li>• Review of the Single Tender Waiver Process</li> <li>• Procurement Annual Report</li> <li>• Information Governance Toolkit – report noted</li> <li>• Bribery Act Compliance – approved</li> <li>• Risk Committee Annual Report</li> <li>• Outstanding Audit Recommendations</li> <li>• Register of Interests Update</li> <li>• Losses &amp; Special payments - approved</li> </ul> <p>The Audit and Assurance Committee met on 18<sup>th</sup> July 2019. The meeting was quorate, the Minutes approved and there were no outstanding actions. There were no declarations of interest.</p> <p>The following items were presented and discussed:</p> <p><u>Internal Audit Progress Report</u></p>				

Progress reported including two reports issued on Governance (focus on action plans for quality improvement) and a Review of the Management of the PFI Contract. Both reports gave an opinion of Significant Assurance.

It was noted that follow up performance on recommendations has improved (93.3% against last year's 79.2%)

#### Review of the Single Tender Waiver Process

Received a report with an update on the strengthening of the Single Tender Waiver process. This report was noted and committee agreed that it showed continued improvement and tightening of the processes.

#### Procurement Annual Report

Report presented which summarised the enhanced responsibilities now being managed through procurement and progress being made implementing the Future Operating Model (FOM) and the Procurement Target Operating Model (PTOM).

Careful monitoring of the FOM will be required to ensure it does deliver VFM to the Trust as the 'cost' to the Trust is £900K. The removal of margin charges will recover £400K, but the remaining £500K will have to come from savings attributed to product switches / aggregation. Current confidence of the delivery of these savings is low.

#### Risk Committee Annual Report

The report was noted including the now implemented change going forward for attendance by the Medical Director or his Deputy and the alignment work of the Risk Management Strategy to the Trust Strategy.

#### Outstanding Audit Recommendations

It was noted that significant improvements in the implementation of recommendations was evident and for the first time the report also showed progress on those recommendations due to be implemented by the next Audit Committee meeting.

#### Register of Interests Update

As at 10<sup>th</sup> July 225 of 865 (26%) employees at band 7+ are still non-compliant. While this is an improvement on last year there is still work to be done and in particular to ensure that the doctor's appraisal process includes compliance with the Conflicts of Interest Policy