

## Cover Sheet

Trust Board Meeting in Public: Wednesday 12 March 2025

TB2025.29

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**Title:**           **Audit Committee Chair's Report**

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**Status:**       **For Information**

**History:**      **This is a regular report to the Board**

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**Board Lead:**   **Committee Chair**

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**Confidential:**   **No**

**Key Purpose:**   **Assurance**

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## Audit Committee Chair's Report

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### 1. Purpose

- 1.1. As a Committee of the Trust Board, the Audit Committee provides a regular report to the Board on the key issues raised and discussed at its meetings.
- 1.2. Since the last report to the Board held in public, the Audit Committee has met on 26 February 2025.
- 1.3. Under its terms of reference, the Committee is responsible for providing assurance to the Trust Board on the Trust's system of internal control by means of independent and objective review of financial and corporate governance and risk management arrangements, including compliance with law, guidance, and regulations governing the NHS.

### 2. Annual Accounts

- 2.1. The Committee began its preparations for review of the Trust's Annual Accounts by considering:
  - 2.1.1. The Trust's internal timetable for assembling the information required for the Annual Report and Annual Accounts;
  - 2.1.2. The accounting policies and practice, judgements and material estimates for the 2024/25 annual accounts; and
  - 2.1.3. The process for producing the Annual Governance Statement.
- 2.2. As part of the review 2.1.2, EY would review the impact of a Deed of Variation, which could have impacts for IFRS16, and the valuation of intangible assets.
- 2.3. In light of the Trust's cash position and NHSE's operation of the cash support scheme, consideration would be given to the relevant disclosures.

### 3. Audit and Counter Fraud

#### Internal Audit

- 3.1. The Trust's internal auditors, BDO, presented five reports:
  - 3.1.1. Compliant Direct Awards ([from the 2023/24 programme] Design: Moderate; Effectiveness: Moderate);
  - 3.1.2. PSIRF (Design: Substantial; Effectiveness: Moderate);
  - 3.1.3. Month-end Closedown Process (Design: Moderate; Effectiveness: Moderate);
  - 3.1.4. Equality, Equity, Diversity, and Inclusion (EEDI) (unrated Maturity Assessment); and

- 3.1.5. Cyber Security SDE (Design: Moderate; Effectiveness: Moderate).
- 3.2. The Committee noted the recommendations associated with each report and received assurance from the relevant Executive Director that deadlines for completion of recommendations were achievable
- 3.3. Following the report on Overpayments at the 30 October 2024 meeting, the Committee received an update on initiatives to reduce overpayments and strengthen controls. Improvements in reporting, training, and awareness, referral to debt collection, and governance were noted.
- 3.4. The effectiveness of ServiceNow in managing and controlling these payments, along with other improvements, would be reviewed by the Committee in a year's time.

### **External Audit**

- 3.5. The Trust's external auditors, EY, presented their plan for the 2024-25 audit. The Committee noted the areas of audit focus and agreed the proposed materiality thresholds.
- 3.6. To provide external assurance, the Committee requested that EY review the technical forecast assumptions supporting the Trust's 2024/25 forecast position.
- 3.7. The Committee received an update from management on progress made against external audit recommendations. It was noted that the implementation of two actions might not be fully implemented due to internal limitations; a possible solution was being considered for one of these.

### **Counter Fraud**

- 3.8. The Trust's Local Counter Fraud Specialist (LCFS) Advisors, TIAA, summarised activities undertaken across the Trust and reported findings from the national NHS CFS Procurement Benchmarking Exercise.
- 3.9. The Counter Fraud workplan for 2025/26, which included analysis of the incoming Failure to Prevent Fraud legislation, was approved by the Committee.
- 3.10. The Committee received an update from management on progress made against LCFS recommendations, with good progress made in closing 2023/24 recommendations.

## 4. Risk, Assurance, Governance and Regulation

### Corporate Risk Register (CRR) and Board Assurance Framework (BAF)

- 4.1. The Committee reviewed the Board Assurance Framework and Corporate Risk Register, including changes to risks and mitigations, and noted proposed enhancements to the report.
- 4.2. A review of assurance at levels 1, 2, and 3 would be undertaken and the results presented to the Committee.

### Clinical Audit Process

- 4.3. The Committee reviewed the processes supporting the Clinical Audit Plan and sought to link it with the Committee's responsibility for ensuring a robust and correct process.
- 4.4. Following this discussion, the structure and frequency of reporting would be agreed between the Chair and the Director of Regulatory Compliance and Assurance.

### Review of Accreditation and Regulation

- 4.5. A summary of key areas was reviewed. It was agreed that the Committee would obtain more robust assurance from a review of the full register.

## 5. Financial Governance

- 5.1. The Committee received a verbal update on the Review of Standing Financial Instructions and Scheme of Delegation. A communications and training plan was being developed alongside the revised documents.
- 5.2. The Committee received reports that provided analysis of approved single tender waiver applications (inclusive of retrospective waivers) and a summary of losses and special payments.

## 6. Other Updates on Existing Areas of Focus for the Committee

### Cash Improvement and Cash Forecasting

- 6.1. Assurance on cash improvement and cash forecasting had transitioned to the Integrated Assurance Committee (IAC). Members sought assurance that the IAC workplan reflected the change in responsibility.

## 7. Recommendations

- 7.1. The Trust Board is asked to **note** the contents of this report.