

|                 |              |
|-----------------|--------------|
| Date of meeting | 17 July 2018 |
| Paper number    | H1           |

### Audit and Assurance Committee Assurance Report

|               |  |                |   |          |  |
|---------------|--|----------------|---|----------|--|
| For approval: |  | For assurance: | x | To note: |  |
|---------------|--|----------------|---|----------|--|

|                             |  |               |   |
|-----------------------------|--|---------------|---|
| <b>Accountable Director</b> | Steve Williams<br>Audit and Assurance Committee Chairman |               |   |
| <b>Presented by</b>         | Steve Williams<br>Audit and Assurance Committee Chairman | <b>Author</b> | Martin Wood<br>Deputy Company Secretary<br>Kimara Sharpe<br>Company Secretary |

| Alignment to the Trust's strategic priorities   |   |   |  |   |  |
|---|---|---|--|---|--|
| Deliver safe, high quality, compassionate patient care                                      | x | Design healthcare around the needs of our patients, with our partners |  | Invest and realise the full potential of our staff to provide compassionate and personalised care |  |
| Ensure the Trust is financially viable and makes the best use of resources for our patients | x | Develop and sustain our business                                      |  |   |  |

| Alignment to the Single Oversight Framework |   |                         |  |                 |  |
|---|---|-------------------------|--|-----------------|--|
| Leadership and Improvement Capability       |   | Operational Performance |  | Quality of Care |  |
| Finance and use of resources                | x | Strategic Change        |  | Stakeholders    |  |

| Report previously reviewed by |      |         |
|-------------------------------|------|---------|
| Committee/Group               | Date | Outcome |
| Not applicable                |      |         |

|   |   |               |     |
|---|---|---------------|-----|
| <b>Assurance:</b> Does this report provide assurance in respect of the Board Assurance Framework strategic risks? | Y | BAF number(s) | All |
|---|---|---------------|-----|

|   |                          |  |                          |  |                          |   |                          |
|---|--------------------------|--|--------------------------|--|--------------------------|---|--------------------------|
| <b>Significant assurance</b><br><i>High level of confidence in delivery of existing mechanisms/objectives</i> | <input type="checkbox"/> | <b>Moderate assurance</b><br><i>General confidence in delivery of existing mechanisms/objectives</i> | <input type="checkbox"/> | <b>Limited assurance</b><br><i>Some confidence in delivery of existing mechanisms/objectives</i> | <input type="checkbox"/> | <b>No assurance</b><br><i>No confidence in delivery</i> | <input type="checkbox"/> |
|---|--------------------------|--|--------------------------|--|--------------------------|---|--------------------------|

|                 |  |
|-----------------|--|
| Recommendations | The Trust Board is requested to note the report for assurance. |
|-----------------|--|

|                 |              |
|-----------------|--------------|
| Date of meeting | 17 July 2018 |
| Paper number    | H1           |

## Executive Summary

The Committee at its meeting on 4 May 2018, discussed the following items:-

- **Review of Effectiveness of Committees – Trust Leadership Group:** As part of its monitoring role, the Committee is asking chairs of Board Committees to undertake a short evaluation of the effectiveness of their Committee. Whilst not a Board Committee, the Chief Executive reported on the evaluation of the Trust Leadership Group (which is also the Risk Management Group) and her proposals to improve the effectiveness of the Group.
- **Update on IT Systems Working Group:** The Committee received an update on the positive work being undertaken by this Group and a closure report is to be presented to the Committee in July 2018.
- **External audit progress report:**
  - Section 30 Referral to the Secretary of State: The External Auditors explained their duty under Section 30 of the Local Audit and Accountability Act 2014.
  - Trust Annual Accounts 2017/18. The accounts have been prepared in good time and will be presented to the Committee later in the month for approval.
  - Benchmarking of the Trust's 2016/17 Annual Report: This report set out the Trust's 2016/17 Annual Report benchmarking position compared to the overall population. The purpose is to give an overview of where the Trust is in relation to our peers and how this changes year on year, but does not reflect how good the raw score is. Recommendations made throughout the year have been addressed and the report provides areas for the Trust to consider for future Annual Reports.
- **Internal Audit Progress Report:**
  - Internal Audit Draft Annual Report and Head of Internal Audit Opinion: Only limited assurance can be given as weakness in the design, and application of control, put the achievement of the Trust's objectives at risk. The opinion will be included in the Annual Governance Statement.
  - Final Reports – Risk Management: This report provided moderate assurance. Whilst the Risk Management Strategy has been reviewed and is robust and available on the intranet some staff are not aware of the Policy and some actions were implemented after the agreed date or remained outstanding. A report from the Risk Management Group will in future be presented to the Committee.
- **Anti-fraud Annual Report:** This reports shows that the Trust continues to invest in a sound programme of anti-fraud work which helps to raise the profile of the Trust's commitment to deter potential fraudsters. Executive support demonstrates the Trust's commitment to delivering the NHS Counter Fraud Authority's (NHSCFA) anti-fraud standards.
- **Audit and Assurance Committee Annual Report:** In line with best practice the Committee has produced an Annual Report which will be presented to the Trust Board.
- **Gifts and Hospitality Annual Report 2017/18:** The Committee received the Gifts and Hospitality Register 2017/18 noting limited assurance. Governance for the declaration for gifts and hospitality lies within the Policy for Standards of Business Conduct, revised by the Board in July 2017. Arrangements are being made to promote the Policy throughout the organisation and the requirement to declare gifts and hospitality.
- **Compliance Statements:** The Trusts is required to make the following self-certified declarations: 1. Condition G6(3): Providers must certify that their Board has taken all precautions necessary to comply with the licence, NHS Acts and NHS Constitution and 2. Condition FT4(8): Providers must certify compliance with required governance standards and objectives. The Committee has confirmed that the Trust is not compliant with condition G6 of the NHS Provider licence and noted the report to the QGC in respect of condition FT4.

|                 |              |
|-----------------|--------------|
| Date of meeting | 17 July 2018 |
| Paper number    | H1           |

- **Clinical Negligence Annual Report 2017/178:** There has been a 20% decrease in the number of new claims received compared to 2016/17. It is not possible to apply too much significance to this due to the lag period between an incident occurring and a claim being brought, however it may be an indication that patient safety measures implemented in recent years is resulting in reduced levels in harm resulting in fewer claims. Any lessons learnt are through the serious incident investigation or the complaints investigation process and not through the claims management process
- **Audit and Assurance Committee Evaluation:** The Committee undertook a self-assessment at the end of the financial year 2017/18 facilitated by Internal Audit including a self-assessment on the administration of the Committee undertaken by the Company Secretary. Overall, the survey results are positive. There are a few areas that could be addressed including the setting of objectives, attendance of senior managers where appropriate, the completion of actions within set timescales, inviting External Audit to make reports more personalised where possible and adding reflections to the agenda.
- **Board Assurance Framework (BAF):** A summary of the changes agreed by the Committees was noted. The details of the risks will be presented to future meetings rather than the risk number. Further details of the risks will be presented to future meetings (rather than just the risk number) as well as the rationale for proposed changes in risk ratings.
- **Draft Annual Governance Statement (AGS) 2017/18:** The draft AGS was presented to the external auditors on 25 April 2018 with the final version forming part of the annual accounts which are to be considered by the Committee later in the month. There are two areas to be finalised.

The Audit and Assurance Committee also met on 24 May to consider the External Audit Findings, Annual Accounts and Annual Report (including the Annual Governance Statement). All relevant certificates were signed and the accounts submitted on time to the Department of Health. The Committee expressed their thanks to the staff involved in the compilation of the documentation.

#### Background

The Audit and Assurance Committee has been established to critically review the governance and assurance processes upon which the Trust Board places reliance, ensuring that the organisation operates effectively and meets its strategic objectives. Membership is three non-executive directors.

#### Issues and options

None

#### Recommendations

The Trust Board is requested to note the report for assurance