

## Executive Summary

### Report to the Board of Directors

Being Held on 23 July 2024

<b>Subject</b>	Audit Committee Meeting Assurance Reports
<b>Author</b>	Ann Harris, Non-Executive Director and Committee Chair
<b>Status<sup>1</sup></b>	Note

#### PURPOSE OF THE REPORT

To provide in summary an update on the key discussions and outcomes of the Committee meetings on 17 June and 16 July 2024.

#### KEY POINTS

The report(s) provides a summary of the Audit Committee agenda items, matters escalated and next steps to address any new significant issues or areas of concerns which the Board of Directors needs to be aware of.

#### IMPLICATIONS<sup>2</sup>

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

#### RECOMMENDATIONS

The Board of Directors is asked to **NOTE** the update provided and respond to any specific points raised within the two reports.

#### APPROVAL PROCESS

Meeting	Date	Approved Y/N
Board of Directors	23/07/2024	

**Meeting Assurance Report  
to the Board of Directors  
held on 23 July 2024**

<b>Name of Committee / Group</b>	Audit Committee
<b>Date of Meeting</b>	17 June 2024
<b>Chair</b>	Ann Harris, Non-Executive Director
<b>Lead Officer</b>	Sandi Carman, Assistant Chief Executive
<b>Meeting Administrator</b>	Beth Jones, Business Manager

**Purpose**

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

**Agenda items covered at the meeting**

The agenda included the following items:

**Annual Report and Accounts**

- Draft Accounts
- Internal Audit and Counter Fraud annual reports and annual Opinion

**External Audit**

- Year-end report including management representation letter
- Draft auditors annual report

**Board annual reports**

- Terms of reference
- Annual report and workplan

**To Note**

- Losses and compensations report

**Matters to highlight**

Specific areas to highlight are as follows:

**Annual report and accounts including governance statement**

- All committee members were content with content and form of the Annual Report and Accounts.
- Governance statement was discussed and some additional minor comments taken on board.
- The internal audit opinion was positive overall.

## External Audit

There was commentary from our auditors on the treatment of land and buildings which were not subject to a full evaluation this year. The Executive team and KPMG were content that this would be kept under review for next/future years.

Some minor points were made about mis-statements and segregation of duties following conversion to a new system.

Value for Money (VFM) findings did not flag any significant risks or weaknesses.

Some low level recommendations were made.

KMPG External Auditors commented on how their team and the Trust finance team had worked well together.

The Annual report and Accounts were agreed for approval by Board.

The terms of reference, annual report and workplans were agreed.

## **New significant issues / concerns escalated including proposals on the next steps to address this**

New areas which the Committee / Group wishes to escalate as potential areas of non-compliance, that need addressing urgently or escalating:

- None

## Implications

<b>Aim of the STHFT Corporate Strategy</b>		<b>✓ Tick as appropriate</b>
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

## Recommendations

The Board of Directors is asked to **NOTE** the update provided and respond to any specific points raised within the report.

**Meeting Assurance Report  
to the Board of Directors  
held on 23 July 2024**

<b>Name of Committee / Group</b>	Audit Committee
<b>Date of Meeting</b>	16 July 2024
<b>Chair</b>	Ann Harris, Non-Executive Director
<b>Lead Officer</b>	Sandi Carman, Assistant Chief Executive
<b>Meeting Administrator</b>	Beth Jones, Business Manager

**Purpose**

The purpose of this report is to provide in summary an update on the key discussions and outcomes of the above meeting.

**Agenda items covered at the meeting**

The agenda included the following items:

**Internal Audit and Counter Fraud**

- 2024/25 Counter Fraud Progress Report
- 2024/25 Internal Audit Progress Report

**Integrated Governance, Risk and Assurance**

- Register of Interests Annual Report
- Insurance Arrangements Annual Report
- Policy Review Compliance Update
- Risk Management Executive Committee Meeting Assurance Reports and Terms of Reference
- Data Quality Steering Group Meeting Assurance Reports

**To Note**

- Single Tender Waivers

**Matters to highlight**

Specific areas to highlight are as follows:

- There was a presentation of six audit reports and one NHSE review outcome. In summary the assurance levels were three significant, two moderate and one limited. The NHSE review of Data security and protection received substantial assurance. All actions due to 30<sup>th</sup> June had been completed. There were three historic actions which we discussed briefly and agreed that these should be cleared by the October meeting. Most of these were final reports and actions from the 23/24 audit plan.
- The limited assurance outcome related to Medicines Management. The Chief Medical Office (Operations) and Chief Nurse attended for this item. This area of the Trust has been in focus for

some time now and is in a much better position than was when first highlighted by CQC. However, the audit had made two medium and two low recommendations with nine linked actions. These were accepted by management. This area has been consistently reporting to Quality Committee and had showed clear signs of improvement. The discussion on the specifics in the Audit report added helpful detail on the issues. The audit focused on the use of the QUEST self-assessment questions and specifically for storage and disposal of medicines. In discussion, the risk of medicines being stored at the wrong temperature was noted as a low risk. More importantly was the clinical risk associated with management of stock and ensuring this was not out of date. Equally there is greater risk in prescribing and administering the wrong drugs which was not in focus here. The lead executives are keen to clear the outstanding CQC actions then keep a focus on medicines optimisation to further improve this area. The Quality Committee will maintain oversight of this matter.

- There has been a system wide audit 'Discharge review' conducted across a number of Trusts. Once this report has been signed off, a copy will be shared with Audit Committee.
- The lead auditor confirmed that from 2024/25 the approach to the annual audit opinion will change. In the past we have had three separate opinions which is out of kilter with other auditor reports. From this year, there will be a single opinion.
- The committee took the first report on Policy Review Compliance – this report and dashboard showed that over 30 policies were significantly out of date ie 2-10 years. In conversation, it was clear that the numbers of policies in date and out of date, did not make clear that there is a continual flow of policies being reviewed/updates and an equal number going out of date. TEG have actually signed off 71 policy updates in the last 12 months. There was a discussion about whether the target to achieve 90% completion of policy refreshes by October was achievable. The committee asked Exec colleagues to take back to TEG potential options for targeting older policies or those in priority areas. Audit Committee does not meet again until October therefore it was agreed that an update report would be sent to members in September to enable assurance to be provided to the Board on progress.

Documents approved were:

- The Risk Management Executive Committee Terms of Reference were ratified.

**New significant issues / concerns escalated including proposals on the next steps to address this**

New areas which the Committee / Group wishes to escalate as potential areas of non-compliance, that need addressing urgently or escalating:

- None

**Implications**

Aim of the STHFT Corporate Strategy		✓ Tick as appropriate
1	Deliver the Best Clinical Outcomes	✓
2	Provide Patient Centred Services	✓
3	Employ Caring and Cared for Staff	✓
4	Spend Public Money Wisely	✓
5	Create a Sustainable Organisation	✓
6	Deliver Excellent Research, Education and Innovation	✓

**Recommendations**

The Board of Directors is asked to **NOTE** the update provided and respond to any specific points raised within the report.