

Meeting Assurance Report to the Council of Governors

Name of Committee / Group	Audit Committee
Date of Meeting	21 October 2024
Chair	Ann Harris, Non-Executive Director Committee Chair
Lead Officer	Sandi Carman, Assistant Chief Executive
Meeting Administrator	Rachael Winterbottom, Corporate Governance Manager, CEO office

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
 - Annual Board Assurance Framework Effectiveness Review Report
 - Audit Committee handbook Review
 - Policy Review Compliance Update
 - Risk Management Executive Committee meeting assurance reports
- External Audit
 - External Audit Progress Report
 - Technical Update
- Other Activities
 - Standing Financial Instructions and Reservation of Powers to the Board and Scheme of Delegation
 - Update on Delivery of 2024/25 Objective 1 (BAF User Guide)
 - Update on Delivery of 2024/25 Objective 2 (Improved compliance with Internal Audit Actions)
- Action Log
- To Note:
 - Single Tender Waivers
 - Clinical Audit Annual Report 2023/24 and Trust Clinical Audit Programme 2024/25
 - 2025 Audit Committee Meeting Dates

Matters to highlight

Specific areas to highlight are as follows:

- The counter-fraud report highlighted current investigations, one of which involved a resignation following the provision of false information. This initiated a debate about references that are provided during recruitment of consultants, some of which could be from colleague Doctors and not the employing Organisation. Action was agreed for this to be followed up at People Committee.
- Internal Audit reported that progress against plan was going well. Six audit reports had been published since July, of these – 3 had significant assurance, 1 moderate assurance and 2 had limited assurance. The latter were IT business continuity and the Efficiency Programme. The Lead Executives for these audits attended and provided an update on the actions proposed. On IT business continuity, the committee noted that some of the assurance gaps were relatively straight forward to fix eg documenting processes and being clear about roles and responsibilities. There was a reference to the fact that with the focus on EPR implementation, the creation of a Digital, Data and Technology (DDAT) Executive Committee had been deferred which also created a gap in assurance. This Committee was now going to meet in January 2025 which would enhance governance. There was agreement that system wide business continuity was going to need reciprocal arrangements with other Trusts across South Yorkshire; this was dependent on the timing of laboratory services going live. The deadlines for all actions was set at March 25 but this would be revisited in the case of the system wide functionality once the timeline for laboratory services was better understood. On the Efficiency Programme, Louisa set out plans in place for Booster schemes which Trust Executive Group (TEG) had already agreed. Each scheme has a TEG sponsor so these will be closely monitored. There remains a risk that there will be insufficient savings to meet the efficiency target. The committee agreed that establishing accountability was key, particularly where schemes were cross cutting.
- The annual review of the Board Assurance Framework effectiveness was discussed. The committee was taken through a set of prompts and agreed that the BAF operated in line with an agreed cycle of operation however when the scope of risks being adequately reflected was discussed; the committee felt that some strategic risks were impacted by external policy changes. For example, in relation to workforce, previously the risk was that we had too few staff, now the risk is that there are increased staffing numbers but productivity is lower. Deep dive discussions should focus on this. People Committee agreed to consider this at their next planned Strategic Risk deep dive in December. There was also a suggestion to strengthen the prompt for deep dives to focus on strategic context. While the BAF has developed over time, there was a view in the committee that we are not yet quite aligned with operational risk reporting to provide an effective mechanism of assurance to Board. Generally, the BAF is evolving and continually responding to our experience of using it. The committee was reminded that Internal Audit will be doing a review of the BAF in this year's plan.
- Policy review compliance was discussed. Committee members remain concerned about the target for this work. While it is helpful to focus on clearing the backlog, questions were raised about how we prevent more out of date policies adding to the list. Ideally, there ought to be some parallel focus on the flow of policies going out of date, not only addressing the stock. We were reminded that lead Executives get prompts on the system when a policy is coming up for review and that TEG are monitoring compliance closely. There remained some discontent that the target was not specific enough on no new policies going out of date or reporting by exception on any that were. Sandi agreed to review this with TEG.
- Standing Financial Instructions and the Scheme of Delegation policy were updated. The CFO highlighted the key changes. These will be reported to public Board for approval, so there was a few days for committee members to send in comments.

- One of the Committee's objectives this year was to oversee the production of a BAF user guide. The draft version of this was shared and is open for comment until the 8th November.
- Compliance with audit actions continues to be much higher than early last year.
- The minutes of the private meeting in July were approved. These will be reported to Governors later this year.

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 Council of Governors is asked to NOTE the update provided.