

Meeting title:	Public Trust Board	Public Trust Board paper K			
Date of the meeting:	9 March 2023				
Title:	Escalation Report: Audit Committee 10 February 2023				
Report presented by:	Mike Williams, Audit Committee, Non-Executive Director, Chair				
Report written by:	Alison Moss, Corporate and Committee Services Officer				
Action – this paper is for:	Decision/Approval		Assurance	x	Update
Where this report has been discussed previously	Not applicable				

To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which
Yes, all.

Impact assessment
Acronyms used:

1. Purpose of the Report

1.1 To provide assurance to the Trust Board on the work of the Audit Committee and escalate any issues as required.

2. Recommendation

There are two items from Audit Committee requiring Trust Board approval. The following are presented as stand-alone reports on the Trust Board agenda for 9 March 2023.

- Standing Orders
- Standing Financial Instructions And Scheme of Delegation

3. Summary

The Audit Committee met on 10 February 2023. The meeting was quorate and considered the following reports.

3.1 Recommended Items

3.1.1 Standing Orders

The Committee received a report detailing proposed changes to the Trust's Standing Orders. Changes had been proposed by Corporate Governance, Procurement and Estates and Facilities. Further changes were proposed by the Committee. The Committee was assured as legal advice had been received on the draft revision.

The Standing Orders are recommended for Trust Board approval. A standalone report is included on the 9.3.23 Trust Board agenda accordingly.

3.1.2 Standing Financial Instructions and Scheme of Delegation

The Committee received proposed changes to the Trust's Standing Financial Instructions and Scheme of Delegation. The Committee made further changes.

It was noted that there was work to do in order to comply with paragraphs relating to the security of assets and development of an asset register.

The Standing Financial Instructions and Scheme of Delegation are recommended for Trust Board approval. A standalone report is included on the 9.3.23 Trust Board agenda accordingly.

3.2 Discussion Items

3.2.1. Financial Improvement Plan

The Committee noted progress with respect to the Financial Improvement Plan. Whilst there had been significant progress there was considerable work to be done by the end of the financial year. The Committee stressed the need for the improvement to be sustainable and took partial assurance from the report.

3.2.2 Procure to Pay – Update

The Committee received an update on the financial improvement associated with the Trust's Procure to Pay processes. The Committee noted the reduction in overdue payments and the significant challenge in implementing the no Purchase Order No Pay policy (as 70% of invoices did not have purchase orders). The Committee took partial assurance from the report.

3.2.3 Progress of Management Response to Statutory Recommendations

The Committee noted the outstanding actions from the Statutory Recommendations 'Audit of Accounts 2019/20 – Financial Reporting, Governance and Financial Sustainability'.

The Committee discussed the action (no. 9) for 'the Trust Board to agree with its Commissioners, NHS England and Improvement to return the Trust to a long term sustainable financial position'. It was noted that whilst the Trust was making progress against the action, it was acknowledged that this was very challenging and required full transformation and System support. It was agreed that the action and steps towards it be considered at the Board Development Day in March 2023.

The Committee took partial assurance from the report.

3.2.4 Review of Accounting Policies and Accounting Judgments and Estimates

The Committee received the accounting policies and accounting principles to be adopted when preparing the 2022/23 Accounts. There were no fundamental changes, except for the implementation of IFRS16. The change would mean that from 1 April 2022 £9.8M of leased assets would come onto the Trust balance sheet for the first time, having previously been accounted for as operating leases. The Audit Committee approved the accounting policies.

3.2.5 Discretionary Procurement Actions

The Committee noted the procurement waivers approved between October 2022 and February 2023.

3.2.6 Contracts Management

The Committee received a report on actions improve contract management across the Trust. It was reported that all actions due for completion 31 December 2022 including high risk actions had been closed. There was a challenge to ensure the take-up of training. The Committee took limited assurance and requested a further report.

3.2.7 Internal Audit Overdue Actions

The Committee received a report on progress for the actions from Internal Audit reports. It was reported that the implementation rate was 41% which equated to 'limited' assurance. This was an improvement from the last meeting when the Trust the assurance was considered 'weak'. The Committee took limited assurance.

3.2.8 Report from the External Auditor (Progress Report)

The Committee noted progress in relation to the audit of the 2021/22 accounts. It was agreed that an extraordinary meeting of the Audit Committee would be convened in March 2023 (date to be determined) and that they should be submitted to the Trust Board meeting on 13 April 2023.

3.2.9 360 Assurance: Counter Fraud Progress Report 2022/23

The Committee received a report on progress on the Counter Fraud Plan for 2022/2023.

4 Items for Noting

- 4.1** The Audit Committee received the following Minutes for noting:
- Operations and Performance Committee 23 November 2022
 - Finance and Investment Committee 22 December 2022
 - People and Culture Committee 22 December 2022.
 - Quality Committee 24 November 2022