

**REPORT TO THE TRUST BOARD: PUBLIC**  
**25 July 2019**

<b>Title</b>	Audit Committee 9 July 2019 – Chair’s Report
<b>Committee Chair</b>	Anit Chandarana, Non-Executive Director and Chair of Audit Committee
<b>Author</b>	Cathy Lilley, Associate Director of Corporate Governance

**Purpose of the report**

To bring to the Board’s attention key issues and assurances discussed at the Audit Committee meeting held on 9 July 2019. A verbal update was provided to the Board at its meeting on 23 May 2019 on the discussions held at the Audit Committee that had taken place prior to the Board meeting and which had focused on the Annual Report and Accounts for 2018/19.

**Issues to be brought to Board’s attention**

At its meeting on 9 July 2019, the Committee considered a range of items including reports from Internal and External Audit, Counter Fraud progress report, Audit Committee Annual Report 2018/19, and update reports on reference costs, waivers and breach processes, and risk management. The Committee wished to draw the Board’s attention to:

• **ICO Audit Report:**

- The Committee was reminded of the challenges it had faced in regards to information governance management and performance, resulting in an improvement plan being implemented during 2018
- Although significant progress has been made in information governance standards from September 2018, the Trust asked the ICS to undertake a consensual in depth audit which took place during April/May 2019
- The scope of the audit covered governance and accountability, records management and requests for personal data, and focused on corporate arrangements and in depth site visits to Tower Hamlets mental health in patient services and Tower Hamlets community health services
- A detailed and constructive report was issued which provided limited and reasonable assurance on the Trust’s information governance arrangements, and included a number of recommendations
- Assurance was provided that an action plan and owners have been identified to take forward the recommendations; and progress will be monitored by the Information Governance Steering Group
- The ICO will undertake a follow up audit in six months to ensure recommendations have been addressed.

• **External Audit - Annual Audit Letter:**

- The final annual audit letter from Grant was reviewed which summarises the key findings arising from their review of the annual accounts in line with the NAO’s Code of Audit Practice
- The Trust was issued with an unqualified opinion in respect of the financial statements
- The auditors confirmed they were satisfied that the Trust has put in place proper

arrangements to ensure the economy, efficiency and effectiveness in its use of resources

- The Annual Audit Letter will be presented to the Council of Governors, and published on the Trust's website
- A briefing session for Governors on the Trust's annual accounts and external auditors' report has been organised as part of the Council's training and development plan.

- **Audit Committee Annual Report 2018/19 and Work Plan 2019/20:** The annual report (attached at appendix 16bii) provides a comprehensive overview of the role and work of the Audit Committee during 2018/19 and sets out the key areas of focus for 2019/20. The initial results of the survey of Committee members were shared and it was agreed that further consideration of responses would be undertaken. The Committee fully supported the assurance statements in the annual report, namely that:
  - It is satisfied it has acted within the scope of, and discharged its responsibilities, under its terms of reference
  - It is satisfied that the Trust's system of risk management during 2018/19 has been adequate in identifying risks and allowing the Board to understand the appropriate management of these risks
  - It is satisfied that the Assurance Framework has been fit for purpose and provided sufficient assurance to support the Board's decision-making.
- **Internal Audit – Management Actions:** The Committee noted there had been a reduction in the number of outstanding management actions; however, requested that a review of the process for requesting extensions to the agreed timeline be undertaken including considering the process for determining when actions are no longer applicable.
- **Risk Management:** The Committee reviewed the Board Assurance Framework which had been redrafted following the agreement by the Board of Directors at its development session on 27 June 2019 of the annual priorities for 2019/20 to support the delivery of the Trust's strategic objectives. Recommendations included reviewing the target and current risk scores. In addition, the Committee agreed to develop a plan of deep dives with a focus on those risks where there is the largest variance between target score and actual score.

The following key items and assurances were considered by the Committee at its meeting on 30 April 2019:

- **Population Health**
- **Cdd**
- **Ddd**
- **Ddd**
- : As agreed by the Board at its Development Session on 26 April 2019, all Board Committees were requested to consider their role in relation to the Trust's strategic priority
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- **Counter Fraud:** The Committee:
  - Received the annual report noting that £117k had been recovered as a result of fraud investigations and £40k of duplicate invoices identified during 2018/19
  - Received the comprehensive annual workplan, noting that this exceeds statutory national requirements
  - Discussed the annual fraud risk assessment, noting that a fraud risk register was being developed.
- **Workforce Update:** In response to a request by the Committee Tanya Carter, Executive Director of HR, presented an update on the actions being taken with regards to the redesign and standardisation of the appraisal process with the aim of improving compliance. The Committee noted that internal audit will review a sample of appraisal processes and will incorporate an assessment of whether attitudes and culture of appraisal have changed, linking to the strategic priority of improving staff experience.
- **Internal Audit:** An Internal Audit Opinion of 'Amber-Green' rating had been issued; this is a positive rating and the same as for 2017/18.
- **Quality Assurance Committee Minutes:** The Committee received the approved minutes of the Quality Assurance Committee meeting held on 10 December 2018.