Agenda Item: 21a

The Queen Elizabeth Hospital King's Lynn NHS Foundation Trust

Committee Chair's Assurance Report

Report to:	Board of Directors (in Public)
Date of meeting:	5 April 2022
Title of Report:	Assurance Report from the Audit Committee
Recommendation:	For Assurance
Chair:	David Dickinson, Non-Executive Director
Purpose:	The report summarises the assurances received, approvals, recommendations and decisions made by the Audit Committee at its meeting on **8 March 2022**.
Background:	The Committee meets no less frequently than quarterly. Its purpose is to provide independent assurance of the adequacy of the Board Assurance Framework and associated control environment, independent scrutiny of the Trust's financial, non-financial and quality performance to the extent that it affects the Trust's exposure to risk and weakens the control environment and to oversee the financial reporting process. The work of the Committee will facilitate the completion of the Annual Governance Statement by the Accounting Officer.
Item for Assurance	**Clinical Audit Quarter 3 Performance Report** The Committee considered the quarter 3 performance report and noted the good progress to improve and strengthen the Trust's clinical audit programme, also recognising there is more improvement work to be undertaken. The Committee was assured there are actions in place to take forward the further improvements required. Work has been undertaken to ensure the Trust is signed up to the right national and HQIP audits for 2022/23. New processes have been introduced to ensure the Divisions are engaged in signing up to the audit programme for the coming year. There will be fewer local audits in the future as there has been too many in the past. Learning from local audits undertaken will be disseminated across the Trust where there is valuable learning. The team are working with the JPUH and NNUH clinical audit teams and are working closely on the programme with NNUH.
Item for Assurance	**Internal Audit – Counter Fraud (LCFS) Progress Update including Counter Fraud Functional Standard Return (CFFSR)** The Committee received the summary CFFSR tracker providing an overview of LCFS work in progress. There are 9 amber rated standards and the LCFS expect most of these to progress to a green RAG status by the end of March 2022, with the Trust's submission due by 30 April 2022. The Committee was also briefed on the current and active referrals

	under the review of LCFS.
Item for Assurance	**Internal Audit Progress Report** The Committee was informed that Grant Thornton has issued 5 internal audit reports with 7 due to be issued by early May and a further 5 by early June. The Committee expressed concerns that there is a risk to the delivery of the internal audit programme for 2021/22. The Committee was assured that there will be sufficient time and also a sufficient number of core audits completed to enable the Head of Internal Audit Opinion to be provided as part of the year-end annual report and accounts processes. The Committee received reassurance from both Grant Thornton and the Trust that the resources are in place to complete the internal audit programme for 2021/22. The Committee received the recommendation tracker and recognised the sustained improvement work on the timely implementation and closure of internal audit recommendations. The Committee recognised the process improvements and also the confirmation from internal auditors that a sample of evidence had confirmed the appropriate closure of recommendations. The Committee suggested further narrative on overdue actions with a forecast closure date would assist in the understanding of the overdue actions.
Item for Assurance	**External Audit Annual Plan** The Committee welcomed Emma Larcombe to the Committee for her first Audit Committee. The external auditors presented a draft external audit plan with the value for money section to be finalised before the plan would be final. The Committee was informed that the level of materiality had increased based on increased income and an increase due to a review of audit risk. The Committee was informed that some information was outstanding with regards value for money but the overall approach to testing value for money has not changed. The Committee was also informed that fee schedule was in line with the recent response to the tender process. The Committee accepted the draft external audit plan subject to the finalisation of the value for money section.
Item for Assurance	**Accounting Policies and Financial Reporting Requirements** The Committee received a paper describing the accounting guidance, accounting policies and financial reporting requirements for the year end 2021/22. The paper was based on the draft national guidance and the

	Committee acknowledged that since the writing of the paper the final guidance had been published. The Committee was informed that there was little change between the draft and final guidance. The Committee noted the timetable for the national reporting requirements and the disclosure requirements for a new accounting standard to be recognised in 2022/23. The new standard is IFRS16 and relates to accounting for leases. The Committee acknowledged the contents of the paper and the update to the accounting policies and financial reporting requirements.
Item for Assurance and Escalation	**Hospital Valuation – Methodology & Presentation** The Committee welcomed the Trust Valuers from Montagu Evans and received their paper and presentation with regards the year end valuation methodology for land and buildings. The Committee was informed of the methodology being adopted as part of the year end accounting process and discussed the impact and treatment that the RAAC construction of the roof has within the valuation of the estate. The Committee confirmed the approach being adopted and agreed to escalate to the Board of Directors that assurance has been gained on the valuation methodology and approach for the financial statements for the year end 2021/22.
Item for Assurance	**Declarations of Interest, Gifts and Hospitality** The Committee received the Declarations of Interest, Gifts and Hospitality Report. The Committee noted some progress has been made in relation to increasing the number of decision-making staff who have completed their declaration of interest, nil or otherwise, in this financial year. Around 80 staff have yet to make their declaration. Action will be taken with the support of the Chief Nurse, Medical Director and Chief Operating Officer to require remaining decision-making staff to compete their declaration by 31 March 2022. Given all staff are required to make a declaration, work will be undertaken to look at the feasibility of writing to all staff to inform that it is assumed they have a nil declaration, unless individuals make a declaration, with a set date.
Item for Assurance	**Digital – Information Governance (IG) Breaches and Learning** The Committee received and noted the quarterly update of Information Governance (IG) breach reporting. The report detailed the reasons for IG breaches with the Committee informed that staff accessing their own health records is a consistent reason for a number of IG breaches.

Risks to refer to risk register:	None
Other items of business:	• Reports for the standing items on Single Tender Waivers and Losses and Special Payments • Forward planner 2022/23

Attendance record

Attended:
D Dickinson – Committee Chair & Non-Executive Director
G Ward – Non-Executive Director
S Hayter – Non-Executive Director

Invitees:
C Shaw – CEO
C Benham – Director of Finance
J Humphries – Director of People
N David-West – Interim Deputy Director of Patient Safety
S Pooni – LCFS, Grant Thornton
C McLaughlin – Grant Thornton (Internal Audit)
H Lincoln – KPMG (External Audit)
E Larcombe – KPMG (External Audit)
A Stewart – Montague Evans (agenda Item 11)
E Cook – Montague Evans (agenda Item 11)
L Skaife-Knight – Deputy CEO (agenda item 13)
N Hall – Chief Information & Digital Officer (agenda item 13)
A Prime – Trust Secretary (Minutes & agenda item 12b)

Apologies:
L Lippmann – Deputy Director of Finance
L Notley – Director of Patient Safety