

Meeting Title	Board of Directors		
Date	18 January 2024	Agenda item	Bo.1.24.17

AUDIT COMMITTEE REPORT TO BOARD

Presented by	Barrie Senior, Non-Executive Director and Audit Committee Chairman		
Author	Barrie Senior, Non-Executive Director and Audit Committee Chairman		
Lead Director	Matthew Horner, Director of Finance		
Purpose of the paper	To provide an update to Board regarding matters covered in and relating to the Audit Committee meeting held on 21 November 2023		
Key control			
Action required	For assurance		
Previously discussed at/ informed by			
Previously approved at:		Date	
Key Options, Issues and Risks			
See attached report			
Analysis			
See attached report			
Recommendation			
The Board is asked to note and derive assurance from this report.			

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Risk assessment						
Strategic Objective	Appetite (G)					
	Avoid	Minimal	Cautious	Open	Seek	Mature
To provide outstanding care for our patients, delivered with kindness				g		
To deliver our financial plan and key performance targets				g		
To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion					g	
To be a continually learning organisation and recognised as leaders in research, education and innovation				g		
To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals					g	
The level of risk against each objective should be indicated. Where more than one option is available the level of risk of each option against each element should be indicated by numbering each option and showing numbers in the boxes.	Low		Moderate	High	Significant	
	Risk (*)					
Explanation of variance from Board of Directors						
Agreed General risk appetite (G)						

Benchmarking implications (see section 4 for details)	Yes	No	N/A
Is there Model Hospital data relevant to the content of this paper?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is there any other national benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the Trust an outlier (positive or negative) for any benchmarking data relevant to the content of this paper?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Risk Implications (see section 5 for details)	Yes	No
High Level Risk Register and / or Board Assurance Framework Amendments	<input type="checkbox"/>	<input type="checkbox"/>
Quality implications	<input type="checkbox"/>	<input type="checkbox"/>
Resource implications	<input type="checkbox"/>	<input type="checkbox"/>
Legal/regulatory implications	<input type="checkbox"/>	<input type="checkbox"/>
Equality Diversity and Inclusion implications	<input type="checkbox"/>	<input type="checkbox"/>
Performance Implications	<input type="checkbox"/>	<input type="checkbox"/>

Regulation, Legislation and Compliance relevance
NHS England: (please tick those that are relevant)
<input type="checkbox"/> Risk Assessment Framework <input type="checkbox"/> Quality Governance Framework
<input type="checkbox"/> Code of Governance <input type="checkbox"/> Annual Reporting Manual
Care Quality Commission Domain: Choose an item.
Care Quality Commission Fundamental Standard: Choose an item.
NHS England Effective Use of Resources: Choose an item.
Other (please state):

Relevance to other Board of Director's academies: (please select all that apply)			
People	Quality & Patient Safety	Finance & Performance	Other (please state)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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AUDIT COMMITTEE REPORT TO BOARD

1 | PURPOSE/ AIM

To provide an update to Board regarding key matters covered in and relating to the Audit Committee meeting held on 21 November 2023.

2 | BACKGROUND/CONTEXT

The agenda of the Audit Committee meeting held on 21 November 2023 was driven by and derived from the 2023/24 Audit Committee Annual Workplan.

The key matters discussed, considered and from which, where appropriate, assurance was gained were:

- Annual policy review – use of external audit for non-audit purposes
- Accounts delivery and external audit improvement plan
- Internal Audit progress report
- Follow up on Internal Audit Recommendations
- Annual Internal Audit performance review
- Counter Fraud progress report
- Charitable Funds Annual Report & Accounts
- Proposed changes to Scheme of Delegation/Standing Financial Instructions
- Monitoring compliance with the Policy for the Development and Management of Trust Policies, and compliance with Trust Policies
- Assurance: Key IT systems progress report
- Assurance: Data Quality

3 | RECOMMENDATIONS

The Board is invited to note and derive assurance from this report.

4 | Appendices

See the attached report.

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Audit Committee Report to the Board, 21 November 2023

1. Introduction

The purpose of this paper is to provide the Board of Directors with a summary of the key matters discussed and considered, in accordance with the Audit Committee's 2023/24 workplan, during and in relation to the Committee meeting held on 21 November 2023.

2. Key Matters discussed

- **Annual policy review – use of external audit for non-audit purposes**

The Committee noted and approved the proposed changes in accordance with guidance issued by the National Audit Office and the Financial Reporting Council.

- **Accounts delivery and external audit improvement plan**

Against a backdrop of the Trust's 2022/23 Annual Report and Accounts being filed 10 days late due to audit delays, the Director of Finance reported on the constructive meetings held with Deloitte so as to avoid a repeat this year.

A key focus will be on better communication between Finance and External Audit. In particular, in view of the substantial capital programme in progress, frequent meetings will take place during Q4.

- **Internal Audit progress report**

Internal Audit reported that good progress was being made in executing the 2023/24 Audit Plan.

The Committee noted, considered and approved changes to the 2023/24 Audit Plan, and was satisfied that the changes represented a dynamic internal audit process, responding to changes and evolving priorities within the Trust.

Internal Audit reported that 14 audit reviews had been completed since the Audit Committee meeting in September:

- Three Limited Assurance
- Seven Significant Assurance
- Two High Assurance
- Two audits not resulting in an assurance rating

Patient Safety; Sepsis Management – Limited Assurance

The objective of this audit was to provide assurance that there are effective systems and processes in place to treat and manage cases of sepsis.

The Chief Medical Officer(CMO) joined the meeting to discuss the audit findings and recommendations.

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The audit had found that there are appropriate governance arrangements in place for monitoring and reporting sepsis activity, evidenced by Patient Safety Group and Quality and Patient Safety Academy minutes.

A new dashboard has been introduced that will ensure that sepsis activity is consistently and effectively monitored by wards and departments, prompting and enabling tracking of improvements where appropriate.

The audit generated ten recommendations, six Moderate and four Minor. The CMO confirmed that most had already been actioned. He confirmed that full completion by April 2024 was on track.

ReSPECT – Limited Assurance

The objective of the audit was to gain assurance regarding the effectiveness of arrangements and controls within the ReSPECT process. This process is designed to create and make available a personalised recommendation for a patient's care in emergency situations where the patient is unable to make decisions or express their wishes.

The Chief Nurse and the Chief Digital & Information Officer joined the meeting to discuss the audit results. The Committee noted that an internal audit review of ReSPECT in January 2022 had also resulted in a Limited Assurance opinion.

The Chief Nurse explained that, after the January 2022 audit review, paper documentation was abandoned, replaced by electronic records. Work is in progress to implement an e-ReSPECT function within the Cerner Electronic Patient Record system, with a roll-out of associated staff training, due to go live by 31 March 2024. An increased level of local audits to ensure effective Trust-wide compliance is also planned.

Control of Substances Hazardous to Health (COSHH) – Limited Assurance

The objective of the audit was to provide assurance that the Trust has systems and processes in place to ensure compliance with the COSHH regulations and that they are being complied with.

The Head of Non-Clinical Risk attended the meeting to discuss the results of the audit. She explained that the combination of a key staff shortage and the pressures associated with Covid had resulted in a growing backlog of COSHH assessments.

At peak, c.5,000 COSHH assessments were outstanding. In the last 9 months this has reduced to c.2,500 and work is continuing to reduce this further to what is, in practice, an irreducible minimum of c.500. Work is progressing to address the three Moderate and five Minor audit recommendations arising from the review.

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Staff Suspension - Significant Assurance

The purpose of this audit was to gain assurance that the Trust's policy regarding staff suspensions is appropriate and is being effectively and proportionately administered. The audit resulted in no significant adverse findings, and only three minor recommendations.

Management of To Take Out (TTO) medication – Significant Assurance

The objective of the audit was to provide assurance that TTO medications are managed in line with Trust policy.

The audit confirmed that effective controls are in place to manage the risks related to TTO pre-labelled medicines, including security arrangements for the storage of medicines both in Pharmacy Stores and on the wards.

Three Moderate recommendations were made, relating to weaknesses in the accurate recording of receipts onto wards and insufficient evidence relating to regular stock check reconciliations being undertaken against ward records.

Patient-Led Assessments of the Care Environment (PLACE) – Significant Assurance

The objective of this audit was to provide assurance that PLACE assessments are being reviewed and any required actions are being fully implemented. PLACE assessments provide motivation for improvement in patient care, directly from patients, about how the hospital environment or services might be enhanced.

The audit identified that there are appropriate governance arrangements in place for the monitoring, response to and reporting of PLACE assessments.

Management of Waste Segregation – Significant Assurance

The purpose of this audit was to provide assurance that waste segregation is being effectively managed throughout the Trust.

The audit confirmed that there are effective waste management controls in place, with only one Moderate recommendation.

Safety Alerts – Significant Assurance

The objective of this audit was to provide assurance that the Trust effectively responds to NHS Safety Alerts.

The audit confirmed that there is a good level of control over the monitoring of and response to Safety Alerts, with only two Minor recommendations.

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Charitable Funds – Significant Assurance

The objective of the audit was to provide assurance regarding the systems for recording and receipting of income, making payments and monitoring of fund investments.

The audit confirmed that the Trust has appropriate policies, procedures and controls in place, with only one Minor recommendation.

Cleaning Standards – Significant Assurance

The objective of this audit was to ensure that the Trust's cleaning arrangements comply with the NHS England National Cleaning Standards. The audit resulted in one Moderate and three Minor recommendations so as to resolve minor areas of non-compliance.

NICE Guidance – High Assurance

The purpose of this audit was to provide assurance that the Trust is effectively monitoring new NICE (National Institute for Health and Care Excellence) guidance and responding to it in a timely manner.

The review confirmed that adequate system controls are in place for the dissemination, implementation and monitoring of NICE guidance and recommendations.

Premises Assurance Model – High Assurance

The objective of this audit was to provide assurance that the NHS Premises Assurance Model is utilised correctly by the Trust. The audit confirmed that there are effective control mechanisms and governance arrangements in place, with no audit recommendations being generated.

Pennine Breast Screening Unit Equipment – Advisory Report with no assurance rating

The objective of this review was to provide independent advice regarding the suitability and procurement of some screening equipment. The Director of Finance confirmed that most of the actions and recommendations set out in the report have been completed with all deadlines due to be met.

This matter, due its commercial sensitivity, was discussed at a recent Closed Board meeting. A further report will be presented to the Audit Committee at its 6 February meeting.

Bradford Hospitals Charity – Control Improvement Audit with no assurance rating

The objective of the audit was to review the Trust's current compliance with the Code of Fundraising Practice and the Charities Act and to consider the steps necessary if the Charity was to extend and increase its activities as a standalone entity. This supplements the Significant Assurance Charitable Funds audit mentioned above.

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- **Follow up on Internal Audit Recommendations**

Internal Audit presented a benchmarking report that demonstrated that the Trust was making better than average progress in actioning outstanding Internal Audit recommendations compared to peer organisations audited by Audit Yorkshire. Whilst acknowledging operational pressures, both Internal Audit and the Audit Committee encouraged management to continue to press forward with the completion of outstanding audit recommendations.

- **Annual Internal Audit performance review**

The Director of Finance confirmed that questionnaires had been circulated to all Executive Directors, positive responses had been received and a report would be presented to the February Audit Committee meeting.

- **Counter Fraud progress report**

Counter Fraud provided a report on progress since the last Audit Committee meeting which the Committee, in general, received with satisfaction.

Two current investigations were discussed at some length and the Committee awaits further information at its next meeting. (Further details withheld for reasons of confidentiality.)

- **Charitable Funds Annual Report and Accounts**

The Committee noted that the Annual Report and Accounts were due to be audited in November and early December. The Annual Report, Accounts and Auditor's Report will be shared virtually with the Committee in order that the approved Report and Accounts can be filed with the Charities Commission prior to the 31 January filing deadline.

- **Monitoring compliance with the Policy for the Development and Management of Trust Policies, and compliance with Trust Policies**

The Associate Director of Corporate Governance/Board Secretary reported that the review of the second annual random sample of 20 Trust-wide policy and procedure documents had been completed. The review resulted in an overall compliance rate of 81%, the same as reported in last year's review.

The specific review results will be shared with authors of each of the policies reviewed, and general trends/shortfalls will be shared with all policy owners.

- **Assurance: Key IT systems progress report**

The Chief Digital & Information Officer (CD&IO) provided an update on progress to achieve and maintain adequate assurance regarding the reliability, availability and security of the Trust's key IT applications, including in-house testing and the results of Internal audit activity.

The CD&IO noted that Airedale are due to go live on Cerner EPR in September 2024, utilising the same instance of the software as Bradford. This will provide an opportunity for a fresh review of the EPR application.

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- **Assurance: Data Quality**

The CD&IO provided the Committee with further information, reassurance and assurance regarding activities designed to ensure the quality of key Trust data. He referred to new working groups that have now been set up to focus on data quality regarding maternity, waiting lists, finance, urgent & emergency care and discharge returns. A steering group sits above these working groups to coordinate activity and prioritise actions.

The Committee sought and received reassurance that the poor performance in depth of coding on SHMI data discussed at a recent Board meeting is receiving urgent and effective attention.

- **Audit Committee Annual Self Assessment**

The Committee agreed to continue to wait for the publication by the HFMA of the fifth edition of the NHS Audit Committee Handbook that will include revised self assessment questionnaires designed to reflect the requirements and implications of the Health and Care Act 2022.

3. Other matters

3.1 Matters to share with other Academies/Committees

None.

3.2 Matters raised in the meeting to escalate to Corporate Risk Register

None.

3.3 Other matters to escalate to the Board of Directors

None.

4. Recommendation

The Board of Directors is asked to note this report and the assurance and reassurance that it provides.

Barrie Senior
Audit Committee Chairman

12 January 2024