

Meeting title:	Public Trust Board	Public Trust Board paper Q			
Date of the meeting:	10 October 2024				
Title:	Escalation Report: Audit Committee 16 September 2024				
Report presented by:	David Moon, Audit Committee, Non-Executive Director, Chair				
Report written by:	Matthew Reeves, 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
Not applicable
Acronyms used: BAF – Board Assurance Framework UHL – University Hospitals of Leicester

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

- 2.1 To receive the escalation report, and note the highlighted items.

3. Summary

- 3.1 The Audit Committee met on 16 September 2024. The meeting was quorate and considered the following reports.

Discussion Items

4.1 Board Assurance Framework (BAF) and Significant Risk Report & Escalation Reports from Risk Committee

The Committee was assured the systems and processes in place to manage risks were being carried out effectively, with ongoing improvements. It was highlighted that some risks had been on the register for considerable periods of time and discussion focussed on whether a different view could be sought on how the risks were being managed.

The Committee’s discussion is highlighted to the Trust Board for information.

4.2 5.3 Discretionary Procurement Actions

42 waivers were reported as having been agreed between June 2024 to September 2024, along with proposals to reduce the number of waivers going forward. Waivers around car parking were discussed with further consideration about how to make external car parking more cost effective in

future. Concern was raised about the growth in the use of the reason for waiver, 'competitive tender would be impossible, impractical or unbeneficial to the Trust' with further analysis about the growth to be provided at the next meeting.

The Committee's discussion is highlighted to the Trust Board for information.

4.3 **Data Security and Protection Toolkit Update**

An update was provided regarding the annual data security & protection toolkit return, a self-assessment provided to NHSE of how the Trust judged itself against National Data Guardian standards. Also included were plans for further cyber security improvements over the next 12 months, as well as the feedback of a recent audit into the data security and protection toolkit.

It was acknowledged that despite a positive audit, there were areas where cyber security could be improved. Assurance was provided that the Trust were not complacent in regard to cyber security risks with further actions planned.

A test exercise where fake 'phishing' emails were sent within the Trust was suggested in order to test any potential vulnerabilities and need for additional awareness raising.

The Committee's discussion is highlighted to the Trust Board for information.

4.5 **Launch of Sustainability Working Group**

The Committee received details of a proposal to launch a Sustainability Working Group which would oversee progress towards the Trust's Green Plan and provide ongoing assurance to ensure delivery of the commitments within the Plan. The Committee welcomed the proposal and noted its importance.

A proposal for an annual report to the Audit Committee was welcomed but, if necessary, a report could be submitted to the Audit Committee at any point in order to address issues which may be hindering progress of the Plan. The importance of aligning the reporting on the Green Plan in line with annual reporting processes was also noted.

The Committee's discussion is highlighted to the Trust Board for information.

5.6 **Clinical Audit Plan - Update**

An update was provided which outlined the progress regard the roll out of the UHL Audit Quality and Improvement Plan (AQIP) and the work being undertaken to improve national clinical audit results.

Changes to the presentation of data from national audit results were welcomed, but this highlighted areas of concern about performance. Ms V Bailey, Non-Executive Director undertook to raise the matter with the Chair of the Quality Committee to ensure that there was ownership of the areas of concern and they were actively being addressed.

Discussion also focussed on the number of projects, 2600 which were registered on the AQIP system, with a concern raised about the amount of resource which may be directed on these projects, and the extent to which they were in alignment with Trust objectives and Quality Improvement.

The Committee was assured that progress on the AQIP was moving in the right direction but noted areas for improvement regarding better targeting of projects which delivered clear beneficial outcomes.

The Committee's discussion is highlighted to the Trust Board for information.

4.7 Changes to the Audit Committee Handbook

Details of the changes which had been made to the Health Financial Management Association's Audit Committee Handbook were reported, along with an assessment of UHL's position in relation to the changes. Further discussions were planned with the Audit Committee Chair to discuss adoption of further elements of the changes. For Audit Committee members, the importance being able to ask the right questions was felt to be a key competency, rather than deep knowledge of subject areas. Details of the changes to Global Internal Audit Standards would be reported to the Committee where further details were known.

4.8 Sealings Report

There were no Trust Sealings for Quarter 2, 2024/25. The Board will not receive a report to the October Board based on there being no applications of the trust seal.

4.9 Progress on overdue actions from Internal Audit reports (360 Assurance)

The first follow-up implementation rate for Internal Audit report actions due since 1 April 2024 was 83%.

The Committee recognised and welcomed ongoing improved progress on action completion.

Concern was raised about 3 of the 6 outstanding actions, which had been overdue for some time. The Committee agreed that should these actions not be completed by the time of the next meeting, the lead officer be invited to the next Audit Committee to explain the position.

The Committee's discussion is highlighted to the Trust Board for information.

5.10 Internal Audit Progress Report

3 reports had been issued in the quarter since the last Audit Committee, one of which received moderate assurance and 2 significant assurance, with 5 actions being agreed. Changes to the Terms of Reference for the Head of Internal Audit Opinion were also outlined.

It was requested that future Clinical Management Group (CMG) Governance audit reviews considered how key risks were addressed as well as a focus on governance and processes.

5.11 Counter Fraud Progress Report

2 proactive reviews were highlighted, bank working whilst sick and a national procurement exercise.

An action from the action log required follow up in relation to ensuring payments regarding losses were correct.

The low level of fraud incidents in UHL compared to other trusts was discussed including possible reasons and options for improving reporting of incidents.

A recommendation was made around a possible communications opportunity to highlight dismissal action taken where fraud was uncovered where un-worked bank shifts were added within the eRoster system.

4.12 External Audit Progress Report

It was reported that all matters related to the 2023/24 audit had now been finalised with confirmation received from NHSE. A plan was being developed for the next audit in 2025, but it was expected to be a straightforward process with no changes to standards expected.

6. Items for Noting

The Minutes of Board Committees were noted.