



Sandwell and West Birmingham NHS Trust

Board Committee Chair's Report

Meeting:	AUDIT & RISK MANAGEMENT COMMITTEE
Chair:	Andrew Argyle
Date:	6 th December 2023
Present:	<p><u>Members:</u></p> <p>Mr A Argyle, Non-Executive Director & Chair Mrs R Hardy, Non-Executive Director Mrs L Writtle, Non-Executive Director Mr M Laverty, Non-Executive Director Prof L Harper, Non-Executive Director (apologies) Mrs V Taylor, Assoc Non-Executive Director Mr J Sharma, Assoc Non-Executive Director Mrs J Wass, Assoc Non-Executive Director (apologies)</p> <p><u>In attendance:</u></p> <p>Miss K Dhami, Chief Governance Officer Ms D McLannahan, Chief Finance Officer</p>

* See below for assurance classification

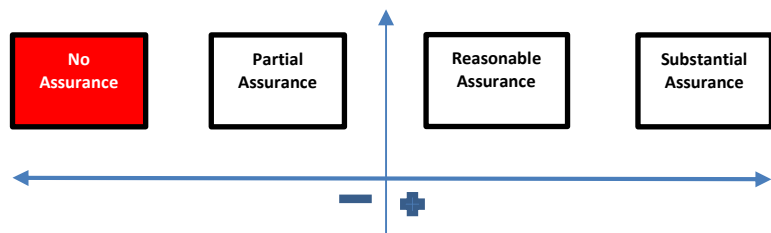
	<p>Mr D Baker, Chief Strategy Officer</p> <p>Mr M Stocks, Grant Thornton</p> <p>Mr Z Francis, Grant Thornton</p> <p>Mr M Gennard, RSM</p> <p>Mr A Hussain, RSM</p> <p>Mr B Vaughan, RSM</p> <p>Mr D Conway, Assoc Director of Corporate Governance</p> <p>Ms S Coster, RSM</p>
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Key points of discussion

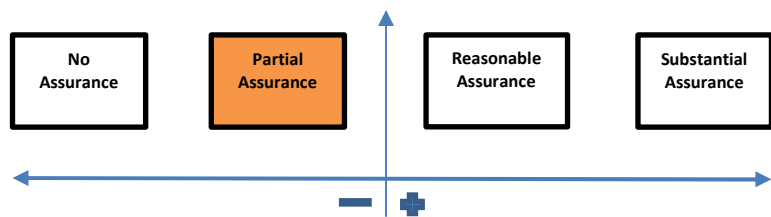
1.	Midlands Metropolitan University Hospital (MMUH) Risk and Assurance Update Report	
	<p>Chair’s opinion:</p> <ul style="list-style-type: none"> Comprehensive update report received on MMUH progress, risks and the outcome of recent external assurance reviews. Programme Assurance Review (PAR) did not raise any new areas of risk. Revenue funding and UTC remain main issues to urgently resolve alongside workforce. MMUH Managing Director outlined the critical path issues and a key milestone in January 2024 when adequacy of funding to commit to 2024 opening needs to be assessed. A further MMUH update will be included in March Audit Committee agenda. 	Substantial Assurance
2.	External Auditors Annual Report	
	<p>Chair’s opinion:</p> <ul style="list-style-type: none"> Final External Audit report with management responses tabled. The content was discussed in detail at the extraordinary Audit Committee in November. The “three red” risk conclusion was debated. The External Auditors confirmed an improving trajectory, particularly over recent months. With continued management focus there is the possibility of moving the risk ratings toward amber / green for the 2024 report, other than financial sustainability. The importance of an appropriate project lead at SWB and improved auditor / Trust working relationship was emphasised. The Trust Managing Director has agreed that the Chief Governance Officer will lead on this work and that progress will be a standing item at the PMG meetings. 	Partial Assurance

3.	<p>Auditors Management Responses</p> <p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Management responses received by the committee and agreed. • The Chief Governance Officer will amalgamate the 21/22 actions with the 22/23 recommendations to create a checklist / agenda as a standing item at PMG meetings. It was also agreed that the external auditors should attend a PMG meeting in Spring 24 to confirm that they are comfortable with progress. 	Reasonable Assurance
4.	<p>Internal Audit Progress Report</p> <p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Progress report received by the Committee. • Good progress on the Freedom to Speak Up actions noted. • Committee debated in detail the two “minimal assurance” opinions on 78+ week waits and “Allocate” rostering system. It was agreed to send the reports to the relevant sub- Committee chairs for attention. The reports and individuals responsible for the actions recommended by the internal auditors will be requested to present back to the March audit committee. 	Partial Assurance
5.	<p>Counter Fraud report</p> <p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Report received and investigation items considered by the committee. • The importance of continued refinement of payroll controls and the use of technology to identify errors was discussed. Useful recommendations and ongoing work in the area. 	Reasonable Assurance
6.	<p>Board Committee’s reporting to the Audit Committee</p> <p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Discussion about how the Audit Committee co-ordinates with other sub-committees and has oversight of new / emerging risks from these. • A number of suggestions were made which will be turned into a paper for approval at the March committee. 	Substantial Assurance
7.	<p>Progress report on Overpayments</p>	

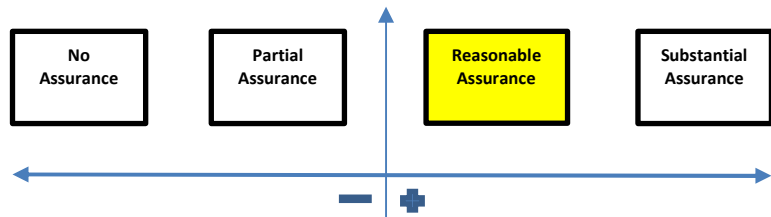
	<p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Report received. • The committee noted the positive trend in this area and the work of the finance team to achieve this. 	<p>Substantial Assurance</p>
8.	<p>Governance pack</p> <p><u>Chair’s opinion:</u></p> <ul style="list-style-type: none"> • Pack received for information. • The controls over the tender waiver process to be reviewed by the committee. 	<p>Substantial Assurance</p>
Positive highlights of note		
<ul style="list-style-type: none"> • Robust MMUH project management and reporting • Tighter controls over payroll • FTSU work now progressing well 		
Matters of concern or key risks to escalate to the Board		
<ul style="list-style-type: none"> • MMUH key risks from PAR • Importance of a new external audit / Trust working relationship to address the VFM risks and actions • Focus on “minimal assurance” internal audit reports 		
Matters presented for information or noting:		
<ul style="list-style-type: none"> • None 		
Decisions made:		
<ul style="list-style-type: none"> • See notes above. 		
Actions agreed:		



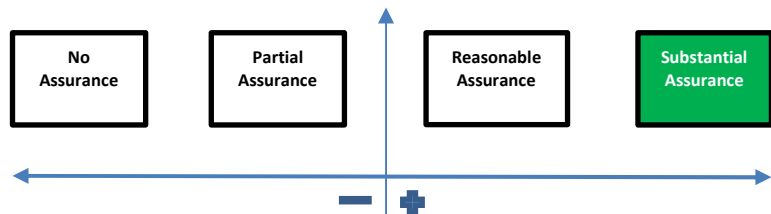
Management cannot clearly articulate the matter or issue; something has arisen at Committee for which there is little or no awareness and no action being taken to address the matter; there are a significant number of risks associated where it is not clear what is being done to control, manage or mitigate them; and the level of risk is increasing.



There is partial clarity on the matter to be addressed; some progress has been made but there remain a number of outstanding actions or progress against any plans so will not be delivered within agreed timescales; independent or external assurance shows areas of concern; there are increasing risks that are only partially controlled, mitigated or managed.



There is evidence of a good understanding of the matter or issue to be addressed; there are plans in place and these are being delivered against agreed timescales; those that are not yet delivered are well understood and it is clear what actions are being taken to control, manage or mitigate any risks; where required there is evidence of independent or external assurance.



There is evidence of a clear understanding of the matter or issue to be addressed; there is evidence of independent or external assurance; there are plans in place and these are being actively delivered and there is triangulation from other sources (e.g. patient or staff feedback)